



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, First Regular Session*

**REVISED**  
FACT SHEET FOR H.B. 2446

smart and safe fund; distribution

Purpose

Includes Joint Powers Authorities (JPA) established for the purpose of providing fire and emergency medical services among the list of entities that are eligible to receive monies from the Smart and Safe Arizona Fund (Fund). Contains requirements for enactment for initiatives and referendums (Proposition 105).

Background

Cities, towns, counties and fire districts may form separate legal entities for the purposes of jointly exercising powers held in common by the contracting parties. Common powers of the contracting parties may include fire protection, the preservation of life, providing emergency medical services, and carrying out other powers and duties, including providing ambulance transportation services when authorized to do so. Any separate legal entity formed must include a fire district. The intergovernmental agreement must state the intent to form a separate legal entity, and the governing body of the separate legal entity must be composed of officials elected to one or more of the governing bodies of the political subdivisions that are parties to the agreement ([A.R.S. § 48-805.01](#)).

The voters passed Proposition 207 in 2020 which legalized the adult use of marijuana and established the Fund. The Fund consists of monies derived from an excise tax on the sale of marijuana products, license and registration fees and certain civil penalties. All monies in the Fund must first be used for actual reasonable costs incurred by various state agencies for the implementation and enforcement of Proposition 207, with any excess monies being distributed as follows: 1) 33 percent to community college districts for investment in specified programs; 2) 31.4 percent to municipal police and fire departments, fire districts and county sheriffs; 3) 25.4 percent to the Arizona Highway User Revenue Fund; 4) 10 percent to the Justice Reinvestment Fund; and 5) 0.2 percent to the Attorney General ([A.R.S. § 36-2856](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Includes JPAs established for the purpose of providing fire and emergency medical services among the list of entities that are eligible to receive monies from the Fund.
2. Makes technical and conforming changes.

3. Requires for enactment the affirmative vote of at least three-fourths of the members of each house of the Legislature.
4. Becomes effective on the general effective date, retroactive to January 1, 2021.

Revisions

- Corrects information relating to the effective date.

House Action

COM	2/14/23	DPA	10-0-0-0
3 <sup>rd</sup> Read	2/22/23		60-0-0

Prepared by Senate Research

March 9, 2023

ZD/sr