The undersigned intends to circulate and file an initiative petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Attached hereto is the full title and text, in no less than eight point type, of the measure or constitutional amendment intended to be initiated at the next general election.

The Arizona Fire District Safety Act would impose temporary additional transaction privilege tax (commonly referred to as the sales tax) and use tax increments of one-tenth of one percent (or one tenth of $0.01) for a period of 20 years, and distribute the additional revenue generated between fire districts in Arizona.

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Support Arizona Fire Districts (Sponsored by the PFFA)
Committee Name
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Bryan Jeffries Chairperson
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By submitting this Application for Serial Number and checking all boxes below, I acknowledge the following:

☐ That I have received and will review the accompanying Instructions for Statewide Initiatives, including the Secretary of State's recommended best practices for printing copies of the Statewide Initiative Petition to be circulated.

☐ That at the time of filing, I was provided instructions regarding accurate completion of the Statewide Initiative Petition form.

10/5/2021

Applicant Signature

Office of the Secretary of State
1700 W. Washington Street
Phoenix, Arizona 85007

Rev. 03/04/2019
OFFICIAL TITLE

AN INITIATIVE MEASURE

AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5010.02; AMENDING SECTION 42-5155, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-825; RELATING TO TAXATION BENEFITTING FIRE DISTRICTS.

Be it enacted by the People of the State of Arizona:

Section 1. Short title

This measure may be cited as the “Arizona Fire District Safety Act”

Section 2. Findings and declaration of purpose

The People of the State of Arizona find and declare as follows:

1. Our State is home to 144 fire districts, which provide fire, emergency medical, and associated emergency services to more than 1.5 million residents and tens of millions of travelers on Arizona roadways.
2. Many of these fire districts are located in rural parts of the State, with personnel serving as first responders in the event of emergencies or accidents on large stretches of widely traveled highways.
3. Our fire districts are critically underfunded, leading to personnel and equipment shortages and extremely long response times in many areas of the State.
4. To ensure that fire districts can provide prompt and effective emergency services throughout the State, we must solve this funding crisis. This Act would do so by imposing an additional sales and use tax increment of $0.01 for every $10.00 you spend – for a period of 20 years.

Section 3. Title 42, chapter 5, article 1, Arizona Revised Statutes, is amended by adding Section 42-5010.02, to read:

42-5010.02. Transaction privilege tax; additional rate increment; fire districts

A. FROM AND AFTER JANUARY 1, 2023 THROUGH JANUARY 1, 2043, IN ADDITION TO THE RATES PRESCRIBED BY SECTION 42-5010, SUBSECTION A AND SECTION 42-5010.01, SUBSECTION A, AN ADDITIONAL RATE INCREMENT IS IMPOSED AND SHALL BE COLLECTED. THE ADDITIONAL TAX RATE INCREMENT IS LEVIED AT THE RATE OF ONE-TENTH OF ONE PERCENT OF THE TAX BASE OF EVERY PERSON ENGAGING OR CONTINUING IN THIS STATE IN A BUSINESS CLASSIFICATION LISTED IN SECTION 42-5010, SUBSECTION A, PARAGRAPH 1.
B. THE TAXPAINTER SHALL PAY TAXES PURSUANT TO THIS SECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNDER SECTION 42-5010, SUBSECTION A. NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATES IMPOSED BY THIS SECTION AND SHALL DEPOSIT THOSE REVENUES IN THE FIRE DISTRICT SAFETY FUND ESTABLISHED BY SECTION 48-825.
Section 4. Section 42-5155, Arizona Revised Statutes, is amended to read:

42-5155. Levy of tax; tax rate; purchaser's liability

A. There is levied and imposed an excise tax on the storage, use or consumption in this state of tangible personal property purchased from a retailer or utility business, as a percentage of the sales price. A manufactured building purchased outside this state and set up in this state is subject to tax under this section and in this case the rate is a percentage of sixty-five percent of the sales price.

B. The tax imposed by this section applies to any purchaser that purchased tangible personal property for resale but subsequently uses or consumes the property.

C. The tax rate shall equal the rate of tax prescribed by section 42-5010, subsection A as applied to retailers and utility businesses according to the respective classification under articles 1 and 2 of this chapter for the same type of transaction or business activity.

D. In addition to the rate prescribed by subsection C of this section, if approved by the qualified electors voting at a statewide general election, an additional rate increment of six-tenths of one percent is imposed and shall be collected through June 30, 2021. The taxpayer shall pay taxes pursuant to this subsection at the same time and in the same manner as under subsection C of this section. The department shall separately account for the revenues collected with respect to the rate imposed pursuant to this subsection, and the state treasurer shall pay all of those revenues in the manner prescribed by section 42-5029, subsection E.

E. From and after June 30, 2021 through June 30, 2041, in addition to the rate prescribed by subsection C of this section, an additional rate increment of six-tenths of one percent is imposed and shall be collected. The taxpayer shall pay taxes pursuant to this subsection at the same time and in the same manner as under subsection C of this section. The department shall separately account for the revenues collected with respect to the rate imposed pursuant to this subsection, and the state treasurer shall pay all of those revenues in the manner prescribed by section 42-5029, subsection A.

F. FROM AND AFTER JANUARY 1, 2023 THROUGH JANUARY 1, 2043, IN ADDITION TO THE RATES PRESCRIBED BY SUBSECTIONS C AND E OF THIS SECTION, AN ADDITIONAL RATE INCREMENT OF ONE-TENTH OF ONE PERCENT IS IMPOSED AND SHALL BE COLLECTED. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SUBSECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNDER SUBSECTION C OF THIS SECTION. NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATE IMPOSED PURSUANT TO THIS SUBSECTION AND SHALL DEPOSIT THOSE REVENUES IN THE FIRE DISTRICT SAFETY FUND ESTABLISHED BY SECTION 42-825.

G. Every person storing, using or consuming in this state tangible personal property purchased from a retailer or utility business is liable for the tax. The person's liability is not extinguished until the tax has been paid to this state.

GH. A receipt from a retailer or utility business that maintains a place of business in this state or from a retailer or utility business that is authorized by the department to collect the tax, under such rules as it may prescribe, and that is for the purposes of this article regarded as a retailer or utility business maintaining a place of business in this state, given to the purchaser as provided in section 42-5161 is sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

Section 5. Title 48, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 48-825, to read:

48-825. Fire district safety fund; distribution; exemption; definitions

A. THE FIRE DISTRICT SAFETY FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 42-5010.02 AND SECTION 42-5155,
SUBSECTION F, PRIVATE DONATIONS AND INTEREST EARNED ON THOSE MONIES. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND AND ITS ACCOUNTS MAY NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS PROVIDED IN THIS SECTION, DO NOT REVERT TO THE STATE GENERAL FUND, AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE STATE TREASURER SHALL ADMINISTER THE FUND.

B. ALL MONIES IN THE FIRE DISTRICT SAFETY FUND MUST FIRST BE SPENT, AND THE STATE TREASURER SHALL TRANSFER MONIES FROM THE FUND, TO PAY:

1. THE ACTUAL REASONABLE COSTS INCURRED BY THE STATE TREASURER TO ADMINISTER THE FUND.
2. THE ACTUAL REASONABLE COSTS INCURRED BY THE DEPARTMENT OF REVENUE TO IMPOSE AND COLLECT THE ADDITIONAL TAX RATE INCREMENTS ESTABLISHED BY SECTION 42-5010.02 AND SECTION 42-5155, SUBSECTION F.
3. ANY OTHER MANDATORY EXPENDITURE OF STATE REVENUES REQUIRED TO IMPLEMENT THE ARIZONA FIRE DISTRICT SAFETY ACT.

C. THE STATE TREASURER MAY PRESCRIBE FORMS NECESSARY TO MAKE TRANSFERS FROM THE FIRE DISTRICT SAFETY FUND PURSUANT TO SUBSECTION B OF THIS SECTION.

D. AT THE END OF EACH MONTH, THE STATE TREASURER SHALL TRANSFER ALL MONIES IN THE FIRE DISTRICT SAFETY FUND IN EXCESS OF THE AMOUNTS PAID PURSUANT TO SUBSECTION B OF THIS SECTION TO FIRE DISTRICTS ORGANIZED UNDER TITLE 48 IN PROPORTION TO EACH FIRE DISTRICT’S MOST RECENT FINALLY EQUALIZED VALUATION OF ALL PROPERTY FILED WITH THE PROPERTY TAX OVERSIGHT COMMISSION UNDER SECTION 42-17052, SUBSECTION A, PARAGRAPH 1, EXCEPT THAT A FIRE DISTRICT MAY NOT RECEIVE MORE THAN THREE PERCENT OF THE TOTAL AMOUNT OF MONIES TRANSFERRED TO FIRE DISTRICTS EACH MONTH.

Section 6. Severability

If any provision of this act or its application to any person or circumstance is declared invalid by a court of competent jurisdiction, such invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provision or application. The invalidated provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of this act and, to the fullest extent possible, the provisions of this act, including each portion of any section of this act containing any invalidated provision that is not itself invalid, shall be construed so as to give effect to the intent thereof.

Section 7. Standing and fee shifting

A. The People of the State of Arizona desire that this act, if approved by the voters and thereafter challenged in court, be defended by the State of Arizona. If the Attorney General fails to defend or enforce this act or fails to appeal an adverse judgment against its validity or application, in whole or in part, any resident of this state shall have standing to initiate or intervene in any action or proceeding to enforce or defend this act.

B. The court shall award fees and expenses to any resident who initiates or intervenes in, and prevails on the merits of, any action or proceeding to enforce or defend this act pursuant to subsection A of this section. For the purposes of this section, “fees and expenses” includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, report, test or project found by the court to be necessary to prepare the party’s case, and reasonable attorneys’ fees.