House Engrossed

FILED

KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

CHAPTER 150

HOUSE BILL 2434

AN ACT

AMENDING SECTIONS 5-839 AND 48-4234, ARIZONA REVISED STATUTES; RELATING TO CAR RENTAL SURCHARGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 5-839, Arizona Revised Statutes, is amended to read:

5-839. Car rental surcharge

A. The qualified electors residing in the authority, by majority vote at an election held in the authority, may levy and, if levied, the department of revenue shall collect a car rental surcharge beginning on the first day of the first month beginning ninety days after the election to levy the surcharge. The surcharge shall be in effect for three hundred sixty months.

B. The rate of the surcharge is:

1. Three and one-fourth per cent of the gross proceeds or gross income from the business or two dollars fifty cents on each lease or rental, whichever is more.

2. In the case of a person who leases or rents the motor vehicle as a temporary replacement motor vehicle, two dollars fifty cents on each lease or rental. For THE purposes of this paragraph, "temporary replacement motor vehicle" means a vehicle loaned by a motor vehicle repair facility or dealer or rented by a person temporarily to use while the vehicle that it is replacing is not in use because of breakdown, repair, service, damage or loss.

C. The surcharge applies to the business of leasing or renting for less than one year motor vehicles for hire without a driver, that are designed to operate on the streets and highways of this state and that are primarily intended to carry not more than fourteen passengers, regardless of whether the vehicle is registered or licensed in this state.

D. The surcharge does not apply to the lease or rental of a motor vehicle:

1. To an automobile dealership, a repair facility, an insurance company or any other person that provides that vehicle at no charge to a person whose own motor vehicle is being repaired, adjusted or serviced.

2. USED IN AN EMPLOYEE VANPOOL ARRANGEMENT FOR A GROUP OF AT LEAST SEVEN BUT NOT MORE THAN FOURTEEN PASSENGERS INCLUDING A DRIVER WHO MEETS ALL OF THE FOLLOWING CONDITIONS:

(a) THE DRIVER OPERATES THE MOTOR VEHICLE FOR THE PURPOSE OF COMMUTING BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT.

(b) THE DRIVER OPERATES THE MOTOR VEHICLE UNDER A PREARRANGED SCHEDULE FOR TRANSPORTING THE PASSENGERS BETWEEN THEIR RESIDENCES AND PLACE OF EMPLOYMENT.

(c) THE DRIVER'S OPERATION OF THE MOTOR VEHICLE IS VOLUNTARY AND NOT REQUIRED AS A WORK RESPONSIBILITY OR CONDITION OF EMPLOYMENT.

(d) THE DRIVER RECEIVES NO COMPENSATION OTHER THAN FREE TRANSPORTATION BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT, PLUS LIMITED PERSONAL USE OF THE MOTOR VEHICLE CONSISTING OF NOT MORE THAN TWENTY PER CENT OF THE MILEAGE USE OF THE MOTOR VEHICLE FOR EITHER:

(i) PURPOSES OTHER THAN TRANSPORTING PASSENGERS BETWEEN THEIR RESIDENCES AND PLACE OF EMPLOYMENT.

(ii) TRAVEL BETWEEN THE PASSENGERS' RESIDENCES AND PLACE OF EMPLOYMENT IN WHICH PASSENGERS TRANSPORTED CONSTITUTE LESS THAN ONE-HALF OF THE ADULT SEATING CAPACITY OF THE MOTOR VEHICLE, NOT INCLUDING THE DRIVER.

E. The surcharge is not taxable under section 42-5071.

F. Unless the context otherwise requires, section 42-6102 governs the administration of a surcharge imposed under this section, which shall be reported on a form prescribed by the department of revenue. The department of revenue shall require a report of the number of lease or rental transactions and shall transmit that number to the state treasurer.

G. Each month the state treasurer shall distribute revenues collected pursuant to this section as follows:

1. Transmit an amount equal to two dollars fifty cents on each lease or rental transaction to the county stadium district established in the county in which the authority is located pursuant to title 48, chapter 26 for deposit in the county stadium district fund. The board of directors of the county stadium district may pledge all or part of these monies to secure district bonds or financial obligations under title 48, chapter 26.

2. Pay the remainder of the monies collected during the month to the authority for deposit in the tourism revenue clearing account established by section 5-835.

Sec. 2. Section 48-4234, Arizona Revised Statutes, is amended to read:

48-4234. <u>Car rental surcharge for major league spring training: rate; administration; credit; definition</u>

A. If the board of directors of a district established pursuant to section 48-4202, subsection A determines that it is necessary in order to retain, attract or relocate a major league baseball spring training operation, the board may levy and, if levied, the department of revenue shall collect a car rental surcharge pursuant to subsection B of this section in addition to or in lieu of other revenues collected pursuant to this article to be used and expended for the purposes set forth in section 48-4204, subsection A. The surcharge is effective and shall be collected beginning January 1 or July 1, whichever date first occurs at least three months after the board approves the surcharge.

B. The board shall set the car rental surcharge as follows:

1. Except as provided in paragraph 2 OF THIS SUBSECTION, at a rate not to exceed two dollars fifty cents on each lease or rental of a motor vehicle licensed for hire for less than one year and designed to carry fewer than fifteen passengers regardless of whether such vehicle is licensed in this state.

2. In a county with a population of more than five hundred thousand but less than two million persons, according to the most recent United States decennial census, the board shall set the surcharge at a rate not to exceed three dollars fifty cents on each lease or rental of a motor vehicle licensed for hire for less than one year and designed to carry fewer than fifteen passengers regardless of whether the vehicle is licensed in this state.

C. The surcharge is not taxable under section 42-5071.

D. The surcharge does not apply to the lease or rental of a motor vehicle:

1. To an automobile dealership, a repair facility, an insurance company or any other person that provides that vehicle at no charge to a person whose own motor vehicle is being repaired, adjusted or serviced.

2. USED IN AN EMPLOYEE VANPOOL ARRANGEMENT FOR A GROUP OF AT LEAST SEVEN BUT NOT MORE THAN FOURTEEN PASSENGERS INCLUDING A DRIVER WHO MEETS ALL OF THE FOLLOWING CONDITIONS:

(a) THE DRIVER OPERATES THE MOTOR VEHICLE FOR THE PURPOSE OF COMMUTING BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT.

(b) THE DRIVER OPERATES THE MOTOR VEHICLE UNDER A PREARRANGED SCHEDULE FOR TRANSPORTING THE PASSENGERS BETWEEN THEIR RESIDENCES AND PLACE OF EMPLOYMENT.

(c) THE DRIVER'S OPERATION OF THE MOTOR VEHICLE IS VOLUNTARY AND NOT REQUIRED AS A WORK RESPONSIBILITY OR CONDITION OF EMPLOYMENT.

(d) THE DRIVER RECEIVES NO COMPENSATION OTHER THAN FREE TRANSPORTATION BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT, PLUS LIMITED PERSONAL USE OF THE MOTOR VEHICLE CONSISTING OF NOT MORE THAN TWENTY PER CENT OF THE MILEAGE USE OF THE MOTOR VEHICLE FOR EITHER:

(i) PURPOSES OTHER THAN TRANSPORTING PASSENGERS BETWEEN THEIR RESIDENCES AND PLACE OF EMPLOYMENT.

(ii) TRAVEL BETWEEN THE PASSENGERS' RESIDENCES AND PLACE OF EMPLOYMENT IN WHICH PASSENGERS TRANSPORTED CONSTITUTE LESS THAN ONE-HALF OF THE ADULT SEATING CAPACITY OF THE MOTOR VEHICLE, NOT INCLUDING THE DRIVER.

E. The surcharge applies throughout the district, but if a business demonstrates that it is subject to a surcharge imposed by the voters under section 5-839, the business is entitled to a credit against the surcharge imposed pursuant to this section equal to the amount of the surcharge paid pursuant to section 5-839, except that the credit shall not exceed the amount of the surcharge imposed pursuant to this section.

F. Unless the context otherwise requires, section 42-6102 governs the administration of a surcharge imposed under this section, which shall be reported on a form prescribed by the department of revenue.

G. Each month the state treasurer shall remit to the district treasurer the net revenues collected under this section during the preceding month. The district treasurer shall deposit the monies in the county stadium district fund.

H. The board of directors may pledge all or part of the surcharge levied under this section to secure district bonds or financial obligations under this chapter. The surcharge shall not be terminated until all bonds, obligations and associated payments that are secured by the surcharge are fully met and discharged.

I. For the purposes of this section, "motor vehicle" means a self-propelled vehicle that is operated on the streets and highways of this state, that is primarily intended to carry passengers and that is licensed for hire in the district without a driver.

APPROVED BY THE GOVERNOR APRIL 26, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 27, 2010.

Passed the House March 8, 2010

by the following vote: 57 Ayes,

0 Nays, 2 Not Voting

1 vacancy

Speaker of the House

Chief Clerk of the House

Passed the Senate April 19, 2010

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

20 day of April, 2010

at 4:40 o'clock P. M.

Secretary to the Governor

Approved this 5:47 day of

April

at 5:48 o'clock P. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 27th day of April, 2010

at 12:10 o'clock P. M.

Secretary of State

H.B. 2434