

House Engrossed Senate Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

CHAPTER 181

SENATE BILL 1316

AN ACT

AMENDING SECTIONS 48-4002 AND 48-4022, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 25, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-4024.01; AMENDING SECTION 48-4025, ARIZONA REVISED STATUTES; RELATING TO COUNTY JAIL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-4002, Arizona Revised Statutes, is amended to
3 read:

4 48-4002. Board of directors; administrative powers, duties
5 and immunities

6 A. The county board of supervisors shall serve as the board of
7 directors of the district. The directors are not eligible to receive
8 compensation for their services as such but are eligible for reimbursement
9 for their necessary expenses in attending district meetings and traveling
10 in and out of state when necessary to carry on the affairs of the
11 district.

12 B. A county jail district organized under this chapter is a
13 tax-levying public improvement district for all purposes of article XIII,
14 section 7, Constitution of Arizona, and has all the powers, privileges and
15 immunities granted generally to municipal corporations by the constitution
16 and laws of this state including immunity of its property, debts,
17 obligations and interest from taxation.

18 C. The board of directors shall exercise all powers and duties in
19 acquiring the properties of the district and in carrying out its functions
20 under this chapter, and as otherwise provided by law, as are ordinarily
21 exercised by the governing body of a municipal corporation.

22 D. A district organized under this article, acting through its
23 board of directors and the sheriff, may:

24 1. Acquire by eminent domain, purchase, donation, dedication,
25 exchange, lease, lease-purchase or other lawful means and mortgage and
26 dispose of by sale, exchange or other lawful means real and personal
27 property. Any lease-purchase agreement for property acquired under this
28 paragraph shall require the final payment to be made within twenty-five
29 years after the date the agreement is executed.

30 2. Acquire and maintain existing correctional facilities and
31 juvenile detention facilities within the district for the benefit of the
32 district if mutually agreeable to the owners of such facilities.

33 3. Enter into intergovernmental agreements with other public
34 agencies pursuant to title 11, chapter 7, article 3 to carry out the
35 objects and purposes of the district.

36 4. Sue and be sued, enter into contracts and generally do all
37 things ~~which~~ THAT may be necessary to construct, acquire and maintain
38 facilities, operate the district and perform its functions and ~~which~~ THAT
39 are in the interests of the district.

40 5. Adopt such rules and bylaws for its orderly operation as it sees
41 fit.

42 6. Apply for, obtain and expend financial assistance from this
43 state and from any other available source and comply with the terms and
44 conditions of the assistance, including repayment of loans.

1 7. Pledge all or part of the net revenues from county maintenance
2 of effort payments under section 48-4024 OR 48-4024.01 or from an excise
3 tax levied under section 48-4022, or revenues from both sources, to make
4 payments under a lease-purchase agreement.

5 E. The board shall keep a proper written record of all of its
6 proceedings, which shall be open to public inspection.

7 F. Except as provided in sections 8-306 and 48-4005, the county
8 sheriff shall exercise all powers and duties in operating and managing the
9 properties of the district under this chapter and as otherwise provided by
10 law, the county treasurer shall serve as the district treasurer and the
11 county attorney shall serve as the attorney for the district. The sheriff
12 may employ other employees the sheriff considers desirable and necessary
13 to carry out the purposes of the district. Any other work required by the
14 district may be performed by regular employees of the county on assignment
15 by the county board of supervisors, except that regular county employees
16 shall not undertake construction projects with an estimated cost of five
17 thousand dollars or more.

18 G. The accounts, funds and monies of the district shall be
19 maintained separate from county accounts, funds and monies and are subject
20 to annual and other audits as provided by law.

21 Sec. 2. Section 48-4022, Arizona Revised Statutes, is amended to
22 read:

23 48-4022. Excise tax

24 A. The board of directors of a district in a county having a
25 population of less than one million five hundred thousand persons
26 according to the most recent United States decennial or special census may
27 by resolution order the approval of a district excise tax to be placed on
28 the ballot of an election pursuant to section 48-4021. If a majority of
29 the qualified electors voting at the election approves the county jail
30 district excise tax, the board of directors may by resolution levy, and if
31 levied, the department of revenue shall collect, a tax beginning January 1
32 or July 1, whichever date first occurs at least three months after the
33 district resolution approving the tax levy. The tax rate shall be a
34 percentage of the excise tax rate prescribed by section 42-5010,
35 subsection A applying to each person engaging or continuing in the
36 district in a business taxed under title 42, chapter 5, article 1 and
37 section 42-5352, subsection A, ~~not to exceed~~ DETERMINED AS FOLLOWS:

38 ~~1. Ten per cent of each rate prescribed by section 42-5010,~~
39 ~~subsection A and section 42-5352, subsection A, In counties having a~~
40 ~~population of five hundred thousand persons or less:~~

41 (a) TO WHICH SECTION 48-4024 APPLIES, NOT TO EXCEED TEN PERCENT OF
42 EACH RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A AND SECTION 42-5352,
43 SUBSECTION A.

1 (b) TO WHICH SECTION 48-4024.01 APPLIES, NOT TO EXCEED 6.6 PERCENT
2 OF EACH RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A AND SECTION
3 42-5352, SUBSECTION A.

4 2. Five ~~per cent~~ PERCENT of each rate prescribed by section
5 42-5010, subsection A and section 42-5352, subsection A, in counties
6 having a population of more than five hundred thousand persons but less
7 than one million five hundred thousand persons.

8 B. If a district levies an excise tax under subsection A of this
9 section, the board of directors, by resolution, may also levy, and if
10 levied, the department of revenue shall collect, a use tax on each retail
11 electric or natural gas customer using or consuming electricity or natural
12 gas in the district and subject to use tax pursuant to section 42-5155.
13 The use tax levied pursuant to this subsection shall be applied as a
14 percentage of the use tax rate imposed by title 42, chapter 5, article 4
15 equal to the percentage determined under subsection A, paragraph 1 or 2 of
16 this section, as applicable.

17 C. The tax applies in both incorporated and unincorporated areas of
18 the county.

19 D. At the end of each month the state treasurer shall transmit the
20 net revenues collected pursuant to this section to the district treasurer
21 who shall deposit the revenues in the county jail district general fund.

22 E. Unless the context otherwise requires:

23 1. Section 42-6102 governs the administration of the tax imposed
24 pursuant to subsection A of this section.

25 2. Title 42, chapter 5, article 4 governs the administration of the
26 use tax imposed pursuant to subsection B of this section.

27 Sec. 3. Title 48, chapter 25, article 2, Arizona Revised Statutes,
28 is amended by adding section 48-4024.01, to read:

29 48-4024.01. County alternative maintenance of effort

30 A. A COUNTY HAVING A POPULATION OF FIVE HUNDRED THOUSAND PERSONS OR
31 LESS, IN CIRCUMSTANCES DESCRIBED IN SUBSECTION D OF THIS SECTION AND IN
32 WHICH A COUNTY JAIL DISTRICT IS ESTABLISHED SHALL MAINTAIN ITS SUPPORT OF
33 CORRECTIONS FACILITIES AND SERVICES OPERATED, MAINTAINED AND PERFORMED BY
34 THE DISTRICT AS PROVIDED BY THIS SECTION IN LIEU OF SECTION 48-4024. IF
35 THE DISTRICT INCLUDES JUVENILE DETENTION FACILITIES AND SERVICES, THE
36 COUNTY SHALL ALSO MAINTAIN ITS SUPPORT OF THE JUVENILE DETENTION
37 FACILITIES AND SERVICES OPERATED, MAINTAINED AND PERFORMED BY THE
38 DISTRICT. EACH FISCAL YEAR THE COUNTY SHALL PAY THE AMOUNT DETERMINED
39 UNDER SUBSECTION B OF THIS SECTION TO THE DISTRICT TREASURER IN TWELVE
40 EQUAL MONTHLY INSTALLMENTS FOR DEPOSIT IN THE COUNTY JAIL DISTRICT GENERAL
41 FUND. SECTION 48-4024 DOES NOT APPLY TO COUNTIES THAT MAKE PAYMENTS UNDER
42 THIS SECTION.

43 B. THE AUDITOR GENERAL SHALL DETERMINE THE AMOUNT EXPENDED BY THE
44 COUNTY FOR MAINTENANCE AND OPERATION OF CORRECTIONAL FACILITIES AND
45 PROGRAMS IN THE FISCAL YEAR IMMEDIATELY PRECEDING THE FIRST FISCAL YEAR IN

1 WHICH A COUNTY JAIL DISTRICT TAX LEVY IS EFFECTIVE UNDER THIS ARTICLE. IF
2 THE DISTRICT INCLUDES JUVENILE DETENTION FACILITIES AND SERVICES, THE
3 AUDITOR GENERAL SHALL DETERMINE THE AMOUNT SPENT BY THE COUNTY FOR
4 MAINTENANCE AND OPERATION OF JUVENILE DETENTION FACILITIES AND SERVICES IN
5 THE FISCAL YEAR IMMEDIATELY PRECEDING THE FIRST FISCAL YEAR IN WHICH THE
6 EXPENDITURES FOR JUVENILE DETENTION FACILITIES AND SERVICES ARE
7 TRANSFERRED TO THE DISTRICT. TWENTY-FIVE PERCENT OF THIS TOTAL AMOUNT IS
8 THE BASE EXPENDITURE. ANY OUTSTANDING DEBT DUE FROM A CITY, THIS STATE OR
9 THE UNITED STATES FOR THE COUNTY HOUSING PRISONERS PURSUANT TO SECTION
10 31-121 SHALL BE EXCLUDED FROM THE BASE EXPENDITURE CALCULATION. AS PART
11 OF THE ANNUAL COUNTY AUDIT THE AUDITOR GENERAL SHALL DETERMINE THE AMOUNT
12 TO BE PAID BY THE COUNTY TO THE DISTRICT TREASURER FOR THE FISCAL YEAR BY
13 ADJUSTING THE AMOUNT THE COUNTY PAID TO THE DISTRICT TREASURER IN THE
14 PRECEDING FISCAL YEAR, OR THE BASE EXPENDITURE, BY THE LESSER OF THE
15 PERCENTAGE CHANGE IN THE COUNTY'S PRIMARY PROPERTY TAX LEVY LIMITATION
16 FROM THE PRECEDING YEAR PURSUANT TO SECTION 42-17051 OR THE ANNUAL CHANGE
17 IN THE GDP PRICE DEFLATOR, AS DEFINED IN SECTION 41-563.

18 C. NOTWITHSTANDING SUBSECTIONS A AND B OF THIS SECTION, THE
19 DISTRICT MAY REIMBURSE THE COUNTY FOR THE ACTUAL COST OF INDIRECT OR
20 COLLATERAL SERVICES PROVIDED TO THE DISTRICT BY THE COUNTY, INCLUDING
21 SERVICES RELATING TO HUMAN RESOURCES, INFORMATION SYSTEMS, PURCHASING,
22 BUDGET AND FINANCE AND THE OFFICES OF THE COUNTY MANAGER, THE COUNTY
23 TREASURER, THE COUNTY RECORDER AND THE COUNTY ATTORNEY. THE DISTRICT MAY
24 CHOOSE TO PERFORM FOR ITSELF ANY OF THE SERVICES PROVIDED BY THE COUNTY
25 INSTEAD OF RECEIVING SERVICES FROM THE COUNTY EXCEPT FOR ELECTION AND
26 FINANCIAL SERVICES AND THOSE OTHER SERVICES THAT THE COUNTY IS REQUIRED BY
27 LAW TO PROVIDE TO THE DISTRICT.

28 D. FOR ANY COUNTY WITH A NEGATIVE NET NEW ASSESSED VALUATION IN ANY
29 ONE YEAR THAT OCCURS AFTER 2015 AND THAT IS WITHIN THE THREE-YEAR PERIOD
30 IMMEDIATELY PRECEDING THE IMPOSITION OF A COMMUNITY CORRECTIONS TAX LEVIED
31 PURSUANT TO THIS CHAPTER, THIS SECTION APPLIES FOR THE DURATION OF THE TAX
32 AND THE COUNTY IS EXEMPT FROM SECTION 48-4024.

33 Sec. 4. Section 48-4025, Arizona Revised Statutes, is amended to
34 read:

35 48-4025. County jail district general fund; annual audit

36 A. The board of directors shall establish and administer a county
37 jail district general fund consisting of revenues from approved taxes
38 under this article, county maintenance of effort payments under section
39 48-4024 OR 48-4024.01 and any other available revenues for that purpose
40 from federal, state, local and private sources.

41 B. The board of directors shall separately account for monies
42 received as county maintenance of effort payments and may expend other
43 monies in the fund only after the expenditure of all county maintenance of
44 effort monies currently deposited in the fund.

1 C. The board of directors shall retain any monies remaining
2 unexpended or unencumbered in the fund at the end of the fiscal year and
3 may allocate these monies as necessary to:

- 4 1. Reduce the county primary property tax levy.
- 5 2. Reduce the subsequent year's levy for the district.
- 6 3. Reduce the district's debt.
- 7 4. Be held as reserves for years in which district revenues are
8 insufficient to meet district expenditures.
- 9 5. Offset future district construction and maintenance costs.

10 D. The board of directors shall cause an audit to be made of the
11 fund either by a certified public accountant within ninety days after the
12 close of each fiscal year or in conjunction with the annual county audit
13 pursuant to section 41-1279.21. The board shall immediately file a
14 certified copy of the audit with the auditor general. The auditor general
15 may make such further audits of the fund as necessary and take appropriate
16 action relating to the audit pursuant to title 41, chapter 7,
17 article 10.1. If the auditor general takes no official action within
18 thirty days after the audit is filed, the audit is deemed sufficient. The
19 board of directors shall pay the costs of the certified public accountant
20 and the auditor general under this section from the fund.

21 E. Any jail district formed after January 1, 2000 shall only
22 allocate monies based on subsection C, paragraphs 2 through 5 of this
23 section.

APPROVED BY THE GOVERNOR APRIL 21, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 21, 2017.

Passed the House April 17, 2017,

Passed the Senate February 21, 2017,

by the following vote: 58 Ayes,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

0 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

S.B. 1316

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 18, 2017

by the following vote: 27 Ayes,

1 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

18th day of April, 2017

at 12:19 o'clock P. M.



Secretary to the Governor

Approved this 21st day of

April, 2017

at 9:39 o'clock A M.



Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 21 day of April, 2017

at 2:46 o'clock P M.



Secretary of State