STATE OF ARIZONA

Application for Serial Number
Initiative Petition
A.R.S. § 19-111

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.

<table>
<thead>
<tr>
<th>Statutory Measure</th>
<th>Constitutional Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Application</td>
<td>March 9, 2018</td>
</tr>
<tr>
<td>Signatures Required</td>
<td>225,963</td>
</tr>
<tr>
<td>Deadline for Filing</td>
<td>July 5, 2018</td>
</tr>
<tr>
<td>Serial Number Issued</td>
<td>C-05-2018</td>
</tr>
</tbody>
</table>

This measure would amend the Arizona Constitution to prohibit the state government, as well as county, municipal and other political subdivision governments and taxing districts, from imposing or increasing any transaction-based taxes, fees, stamp requirements, or assessments on any service performed in Arizona, or on the gross receipts of sales or gross income derived from any service performed in Arizona. The amendment does not repeal or nullify any tax, fee, stamp requirement, or assessment that was in effect as of December 31, 2017.

Holly Mabery
Name of Applicant
2855 W. State Route 89A
Address
Sedona  AZ  86336
City State Zip
(928) 239-0081
Telephone Number
hmabery@gmail.com
E-mail Address

Citizens for Fair Tax Policy
Committee Name
201800333
Committee ID No.
Holly Mabery
Chairperson
Kent Simpson
Treasurer
516 East Willetta Street
Committee Address
Phoenix  AZ  85004
City State Zip
(602) 625-2750
Committee Telephone Number
tom@farleypublicaffairsgroup.com
Committee E-mail Address

By submitting this Application for Serial Number and checking all boxes below, I acknowledge the following:

- [ ] That I have read and understand 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 electronic Statewide Initiative Petition form.

March 9, 2018

[Signature]
Applicant Signature
Office of the Secretary of State
700 W. Washington Street
Phoenix, Arizona 85007

Rev. 06/01/2017
OFFICIAL TITLE

THE PROTECT ARIZONA TAXPAYERS ACT

A CONSTITUTIONAL AMENDMENT INITIATIVE MEASURE


TEXT OF PROPOSED AMENDMENT

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

Section 1 Title

This constitutional amendment shall be known and may be cited as the Protect Arizona Taxpayers Act.

Section 2 Findings and Intent

(a) Each day millions of Arizonans pay for an array of services integral to daily life, ranging from medical treatments and auto repairs to haircuts and childcare, and much more.

(b) In their unending quest to extract more money from citizens, politicians in other states have started taxing these vital everyday services, thereby making them more expensive and increasing the financial strain on working families.

(c) These taxes are not only unfair to hardworking citizens, but they also impose a crippling burden on small businesses, making it more difficult for them to create well-paying jobs. The end result is more unemployment and less take-home pay for workers.

(d) To protect Arizonans from these regressive and inequitable taxes, this initiative measure amends the Arizona Constitution to prohibit the state and its political subdivisions from imposing any new taxes on services.

Section 3 Article IX, section 6, of the Arizona Constitution is amended as follows:

Section 6. Local assessments and taxes

EXCEPT AS PROVIDED BY SECTION 25 OF THIS ARTICLE, incorporated cities, towns, and villages may be vested by law with power to make local improvements by special assessments, or by special taxation of property benefited. For all corporate purposes, all municipal corporations may be vested with authority to assess and collect taxes.
Section 4  Article IX of the Arizona Constitution is amended as follows by adding section 25:

Section 25. PROHIBITION OF NEW OR INCREASED TAXES ON SERVICES

THE STATE, ANY COUNTY, CITY, TOWN, MUNICIPAL CORPORATION, OR OTHER POLITICAL SUBDIVISION OF THE STATE, OR ANY DISTRICT CREATED BY LAW WITH AUTHORITY TO IMPOSE ANY TAX, FEE, STAMP REQUIREMENT, OR OTHER ASSESSMENT, SHALL NOT IMPOSE OR INCREASE ANY SALES TAX, TRANSACTION PRIVILEGE TAX, LUXURY TAX, EXCISE TAX, USE TAX, OR ANY OTHER TRANSACTION-BASED TAX, FEE, STAMP REQUIREMENT OR ASSESSMENT ON THE PRIVILEGE TO ENGAGE IN, OR THE GROSS RECEIPTS OF SALES OR GROSS INCOME DERIVED FROM, ANY SERVICE PERFORMED IN THIS STATE. THIS SECTION DOES NOT REPEAL OR NULLIFY ANY TAX, FEE, STAMP REQUIREMENT, OR OTHER ASSESSMENT IN EFFECT ON DECEMBER 31, 2017.

Section 5  Article XIII, section 2, of the Arizona Constitution is amended as follows:

2. Charter; preparation and proposal by board of freeholders; ratification and approval; amendment

Section 2. Any city containing, now or hereafter, a population of more than three thousand five hundred may frame a charter for its own government consistent with, and subject to, the Constitution and the laws of the state, in the following manner: A board of freeholders composed of fourteen qualified electors of said city may be elected at large by the qualified electors thereof, at a general or special election, whose duty it shall be, within ninety days after such election, to prepare and propose a charter for such city. Such proposed charter shall be signed in duplicate by the members of such board, or a majority of them, and filed, one copy of said proposed charter with the chief executive officer of such city and the other with the county recorder of the county in which said city shall be situated. Such proposed charter shall then be published in one or more newspapers published, and of general circulation, within said city for at least twenty-one days if in a daily paper, or in three consecutive issues if in a weekly paper, and the first publication shall be made within twenty days after the completion of the proposed charter. Within thirty days, and not earlier than twenty days, after such publication, said proposed charter shall be submitted to the vote of the qualified electors of said city at a general or special election. If a majority of such qualified electors voting thereon shall ratify such proposed charter, it shall thereupon be submitted to the governor for his approval, and the governor shall approve it if it shall not be in conflict with this Constitution or with the laws of the state. Upon such approval said charter shall become the organic law of such city and supersede any charter then existing (and all amendments thereto), and all ordinances inconsistent with said new charter. A copy of such charter, certified by the chief executive officer, and authenticated by the seal, of such city, together with a statement similarly certified and authenticated setting forth the submission of such charter to the electors and its ratification by them, shall, after the approval of such charter by the governor, be made in duplicate and filed, one copy in the office of the secretary of state and the other in the archives of the city after being recorded in the office of said county recorder. Thereafter all courts shall take judicial
notice of said charter.

The charter so ratified may be amended by amendments proposed and submitted by the legislative authority of the city to the qualified electors thereof (or by petition as hereinafter provided), at a general or special election, and ratified by a majority of the qualified electors voting thereon and approved by the governor as herein provided for the approval of the charter.

NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, NO CHARTER SHALL PROVIDE A CITY WITH ANY POWER TO VIOLATE ARTICLE IX, SECTION 25, WHICH PREEMPTS SUCH POWER.

**Section 6** Severability

If a provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect any other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

**Section 7** Submission to the Electorate

The Secretary of State shall submit this initiative measure to the qualified electors of the State of Arizona at the next general election, as provided by Article IV, Part 1, Section 1 of the Arizona Constitution.

**Section 8** Standing & Fee Shifting

(a) The People of the State of Arizona desire that this initiative measure, if approved by the voters and thereafter challenged in court, be defended by the State of Arizona. In the event that the Attorney General fails to defend this Act or fails to appeal an adverse judgment against its validity or application, in whole or in part, in any court, any resident of the State of Arizona shall have standing to initiate or intervene in any action or proceeding to enforce the terms of this Act.

(b) A 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 the terms of this Act pursuant to subsection (a). As used in this section, “fees and other expenses” includes without limitation the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, report, test, or project found by the court to be necessary for preparation of the party’s case, and reasonable and necessary attorneys’ fees.