

REFERENCE TITLE: construction industry; municipal discriminatory taxes

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1366

Introduced by
Senators Gorman: Burns, Gould, Johnson

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-500.27; RELATING TO MUNICIPAL CONSTRUCTION CONTRACTING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 4, article 8, Arizona Revised Statutes, is
3 amended by adding section 9-500.27, to read:

4 9-500.27. Construction contracting industry: discrimination
5 prohibited: use of tax proceeds: exemption:
6 definitions

7 A. EXCEPT AS PROVIDED IN SUBSECTIONS B AND C OF THIS SECTION, A CITY
8 OR TOWN SHALL NOT DISCRIMINATE AGAINST CONSTRUCTION CONTRACTING INDUSTRY
9 BUSINESSES IN THE IMPOSITION OR COLLECTION OF TRANSACTION PRIVILEGE TAXES.

10 B. BEGINNING JANUARY 1, 2008, A CITY OR TOWN MAY DISCRIMINATE AGAINST
11 CONSTRUCTION CONTRACTING INDUSTRY BUSINESSES IN THE IMPOSITION OR COLLECTION
12 OF TRANSACTION PRIVILEGE TAXES ON CONSTRUCTION CONTRACTING INDUSTRY BUSINESS
13 CLASSIFICATIONS IF THE PROCEEDS OF ALL CONSTRUCTION CONTRACTING INDUSTRY
14 TRANSACTION PRIVILEGE TAXES ARE USED BY THE CITY OR TOWN EXCLUSIVELY TO
15 OFFSET COSTS TO THE MUNICIPALITY OF REAL PROPERTY OR PUBLIC INFRASTRUCTURE
16 COMPRISING PUBLIC SERVICES, AS PRESCRIBED BY SECTION 9-463.05, PROVIDED TO
17 NEW DEVELOPMENT.

18 C. FOR ANY CITY OR TOWN THAT ADOPTED A DISCRIMINATORY TRANSACTION
19 PRIVILEGE TAX ON CONSTRUCTION CONTRACTING INDUSTRY BUSINESS CLASSIFICATIONS
20 BEFORE JANUARY 1, 2008, THE CITY OR TOWN HAS UNTIL DECEMBER 31, 2008 TO
21 COMPLY WITH THIS SECTION. UNTIL A CITY OR TOWN THAT HAS ADOPTED A
22 DISCRIMINATORY TRANSACTION PRIVILEGE TAX ON CONSTRUCTION CONTRACTING INDUSTRY
23 BUSINESS CLASSIFICATIONS BEFORE JANUARY 1, 2008 COMPLIES WITH THIS SECTION,
24 THE CITY OR TOWN SHALL NOT INCREASE THE RATE OF THE DISCRIMINATORY
25 TRANSACTION PRIVILEGE TAX.

26 D. A CITY OR TOWN THAT HAS NOT ADOPTED A DISCRIMINATORY TRANSACTION
27 PRIVILEGE TAX ON CONSTRUCTION CONTRACTING INDUSTRY BUSINESS CLASSIFICATIONS
28 BEFORE JANUARY 1, 2008 SHALL NOT ADOPT A DISCRIMINATORY TRANSACTION PRIVILEGE
29 TAX ON CONSTRUCTION CONTRACTING INDUSTRY BUSINESS CLASSIFICATIONS EXCEPT IN
30 COMPLIANCE WITH THIS SECTION.

31 E. FOR THE PURPOSES OF THIS SECTION:

32 1. "CONSTRUCTION CONTRACTING INDUSTRY BUSINESS CLASSIFICATIONS" MEANS
33 EITHER:

34 (a) AN OWNER-BUILDER WHO SELLS OR CONTRACTS TO SELL, AT ANY TIME,
35 IMPROVED REAL PROPERTY CONSISTING OF CUSTOM, MODEL OR INVENTORY HOMES,
36 REGARDLESS OF THE STAGE OF COMPLETION OF THOSE HOMES.

37 (b) IMPROVED RESIDENTIAL OR COMMERCIAL LOTS WITHOUT A STRUCTURE.

38 2. "DISCRIMINATE" MEANS THE PERCENTAGE AMOUNT OF THE TRANSACTION
39 PRIVILEGE TAX RATE IMPOSED ON ANY CONSTRUCTION CONTRACTING INDUSTRY BUSINESS
40 CLASSIFICATION EXCEEDS THE PERCENTAGE AMOUNT OF THE TRANSACTION PRIVILEGE TAX
41 RATE IMPOSED ON THE MAJORITY OF OTHER BUSINESS CLASSIFICATIONS BY A CITY OR
42 TOWN ON OR BEFORE JULY 1, 2008.