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ARIZONA TAX RESEARCH ASSOCIATION

ATRA OPPOSES HB2330

Bypasses Longstanding Property Owner Approval for Fire District Creation

Background

Current statute allows for the creation of a fire district through a petition process that requires the signatures of more than 50% of the property owners and owners with more than 50% of the net assessed value. If established, the fire district may levy a secondary property tax on all the property within the district at a maximum tax rate of \$3.75 per \$100 of assessed value. The petition process that requires the approval from more than half of the property owners is important since the property owners will be liable for the tax.

HB2330 would allow a proposed fire district to bypass the petition process, and instead, create a new district with a vote of the registered voters.

ATRA's Opposition

HB2330 allows proponents of a new fire district to do an end run around property taxpayers by replacing the current petition process with a public vote. Particularly in rural areas of the state, vacant and improved land may be owned by taxpayers who are not registered to vote in the area and therefore would not be allowed to vote in the election. In this case, a fire district could be created by a small number of electors to impose a significant property tax on all property owners.

Lawmakers should protect the existing petition process and vote no on HB2330!