

State of Arizona
Senate
Fifty-fourth Legislature
Second Regular Session
2020

CHAPTER 71
SENATE BILL 1121

AN ACT

AMENDING SECTION 42-6052, ARIZONA REVISED STATUTES; REPEALING SECTION 42-6053, ARIZONA REVISED STATUTES; RELATING TO THE MODEL CITY TAX CODE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-6052, Arizona Revised Statutes, is amended to
3 read:

4 42-6052. Municipal tax code commission; members; meetings;
5 model city tax code; official copy; review and
6 comment on proposed amendments; annual report

7 A. The municipal tax code commission is established consisting of
8 the director of the department of revenue, or the director's
9 representative, as an ex officio member without the power to vote and nine
10 members who are mayors or members of the governing bodies of cities or
11 towns that have adopted the model city tax code and who are appointed as
12 follows:

- 13 1. Five members appointed by the governor.
- 14 2. Two members appointed by the president of the senate.
- 15 3. Two members appointed by the speaker of the house of
16 representatives.

17 B. ~~NO~~ NOT more than two members of the commission may be from the
18 same city or town. The commission shall annually elect a chairman from
19 among its members. Appointive members shall serve terms of three years.
20 Members of the commission are not eligible for compensation for their
21 services.

22 C. The commission shall meet on the ~~second Friday of every other~~
23 ~~month unless the chairman determines that a meeting is unnecessary due to~~
24 ~~a lack of issues for the commission to consider. The commission may hold~~
25 ~~additional meetings on the~~ call of the chairman, IN RESPONSE TO ANY
26 PROPOSED AMENDMENT PURSUANT TO SUBSECTION E OF THIS SECTION or at the
27 request of four or more of its members, ~~but the commission must give at~~
28 ~~least two weeks' notice of the meeting.~~

29 D. The department of revenue shall:

- 30 1. MAINTAIN THE OFFICIAL COPY OF THE MODEL CITY TAX CODE.
- 31 2. POST THE OFFICIAL COPY ON THE DEPARTMENT'S OFFICIAL WEBSITE.
- 32 3. Maintain a mailing list for meeting notices, send required
33 notices and provide staff support and meeting accommodations for the
34 commission. All notices under this ~~subsection~~ PARAGRAPH may be delivered
35 by either physical mail or ~~e-mail~~ EMAIL AND SHALL BE DELIVERED WITHIN THE
36 TIME FRAMES PRESCRIBED IN THIS SECTION.

37 E. AT LEAST SIXTY DAYS BEFORE THE COMMISSION ADOPTS ANY AMENDMENT
38 TO THE MODEL CITY TAX CODE, A CITY OR TOWN, A TAXPAYER OR THE DEPARTMENT
39 OF REVENUE SHALL SUBMIT THE PROPOSED AMENDMENT TO THE COMMISSION TO REVIEW
40 AND CONSIDER FOR ADOPTION. THE DEPARTMENT SHALL POST THE PROPOSED
41 AMENDMENT, MEETING NOTICE AND MEETING AGENDA ON THE DEPARTMENT'S OFFICIAL
42 WEBSITE AT LEAST THIRTY DAYS BEFORE THE INFORMATIONAL PUBLIC HEARING
43 REQUIRED UNDER SUBSECTION F OF THIS SECTION AND AT LEAST SIXTY DAYS BEFORE

1 THE PUBLIC HEARING FOR CONSIDERATION TO ADOPT THE PROPOSED AMENDMENT
2 REQUIRED UNDER SUBSECTION G OF THIS SECTION.

3 F. AT LEAST THIRTY DAYS AFTER RECEIVING A PROPOSED AMENDMENT, AND
4 AT THE REQUEST OF A CITY OR TOWN, A TAXPAYER OR THE DEPARTMENT OF REVENUE,
5 THE COMMISSION SHALL HOLD AN INFORMATIONAL PUBLIC HEARING TO REVIEW AND
6 RECEIVE COMMENTS ON THE PROPOSED AMENDMENT. THE DEPARTMENT SHALL PROVIDE
7 A LEGAL ANALYSIS OF THE PROPOSED AMENDMENT TO THE COMMISSION AT THE
8 HEARING. THE COMMISSION SHALL CONSIDER ANY INFORMATION AND TESTIMONY
9 PRESENTED AT THE HEARING, MAY REQUIRE CHANGES TO THE LANGUAGE PRESENTED AT
10 THE HEARING AND MAY REQUIRE CHANGES TO THE LANGUAGE PRESENTED BY THE CITY,
11 TOWN, TAXPAYER OR DEPARTMENT. THE DEPARTMENT SHALL POST THE PROPOSED
12 AMENDMENT WITH ANY REQUIRED CHANGES ON THE DEPARTMENT'S OFFICIAL WEBSITE
13 NOT LATER THAN FIVE DAYS AFTER THE DATE OF THE INFORMATIONAL PUBLIC
14 HEARING.

15 G. AT LEAST SIXTY DAYS AFTER THE COMMISSION RECEIVES A PROPOSED
16 AMENDMENT PURSUANT TO SUBSECTION E OF THIS SECTION, THE COMMISSION SHALL
17 HOLD A PUBLIC HEARING TO CONSIDER ANY INFORMATION AND TESTIMONY PRESENTED
18 AT THE INFORMATIONAL PUBLIC HEARING, IF ONE WAS REQUESTED UNDER
19 SUBSECTION F, AND TO CONSIDER ADOPTING THE PROPOSED AMENDMENT. IF THE
20 COMMISSION ADOPTS THE PROPOSED AMENDMENT, THE DEPARTMENT OF REVENUE SHALL
21 UPDATE THE OFFICIAL COPY OF THE MODEL CITY TAX CODE TO REFLECT THE
22 AMENDMENT ADOPTED BY THE COMMISSION NOT LATER THAN TEN DAYS AFTER THE
23 COMMISSION ADOPTS THE AMENDMENT. ANY CHANGES THAT ARE NOT REFLECTED IN
24 THE OFFICIAL COPY POSTED ON THE DEPARTMENT'S OFFICIAL WEBSITE ARE VOID AND
25 HAVE NO EFFECT.

26 H. ALL CITIES AND TOWNS SHALL ADOPT THE CHANGES TO THE MODEL CITY
27 TAX CODE ADOPTED BY THE COMMISSION. THIS REQUIREMENT DOES NOT PROHIBIT
28 THE COMMISSION FROM RECOMMENDING A MODEL OR LOCAL OPTION OR CHANGES TO A
29 MODEL OR LOCAL OPTION CONTAINED IN THE MODEL CITY TAX CODE TO BE ADOPTED
30 ONLY BY THOSE CITIES AND TOWNS THAT CHOOSE THE OPTION OR FROM APPROVING A
31 CHANGE SUBMITTED BY A CITY OR TOWN THAT DOES NOT APPLY TO ANY OTHER CITY
32 OR TOWN. THE CITY OR TOWN MAY NOT ADOPT AN AMENDMENT TO ANY PROVISION OF
33 THE MODEL CITY TAX CODE UNLESS THE COMMISSION HAS ADOPTED THE AMENDMENT.

34 I. CHANGES IN RATES OF TAX ARE NOT SUBJECT TO REVIEW, BUT WITHIN
35 TEN DAYS AFTER PASSAGE OF AN ORDINANCE IMPOSING A RATE CHANGE:

36 1. THE CITY OR TOWN IMPOSING A NEW OR DIFFERENT TAX RATE SHALL
37 NOTIFY THE COMMISSION AND THE DEPARTMENT OF REVENUE. FAILURE OF A CITY OR
38 TOWN TO NOTIFY THE COMMISSION AND THE DEPARTMENT RENDERS THE NEW OR
39 DIFFERENT TAX RATE VOID AND OF NO EFFECT. FOR THE PURPOSES OF THIS
40 PARAGRAPH, "NEW OR DIFFERENT TAX RATE" MEANS THE ADOPTION OR REPEAL OF A
41 MODEL OR LOCAL OPTION OR ANY CHANGE THAT INCREASES THE AMOUNT OF TAX A
42 TAXPAYER MUST PAY TO A CITY OR TOWN.

1 2. THE OFFICIAL COPY OF THE MODEL CITY TAX CODE MUST REFLECT THE
2 CHANGE. ANY CHANGE NOT REFLECTED IN THE OFFICIAL COPY OF THE MODEL CITY
3 TAX CODE IS VOID AND HAS NO EFFECT.
4 ~~D.~~ J. The commission shall prepare ~~an annual~~ A report and deliver
5 the report to the governor, the president of the senate and the speaker of
6 the house of representatives before January 1 ~~in~~ each year.
7 Sec. 2. Repeal
8 Section 42-6053, Arizona Revised Statutes, is repealed.

APPROVED BY THE GOVERNOR JUNE 5, 2020.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 5, 2020.