

REFERENCE TITLE: short-term rentals; vacation rentals

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HCR 2006

Introduced by
Representatives Butler: Andrade, Blackwater-Nygren, Cano, Fernandez B,
Powers Hannley, Schwiebert, Solorio

A CONCURRENT RESOLUTION

**ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO SHORT-TERM AND VACATION RENTALS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
 2 the Senate concurring:
 3 1. Under the power of the referendum, as vested in the Legislature,
 4 the following measure, relating to short-term and vacation rentals, is
 5 enacted to become valid as a law if approved by the voters and on
 6 proclamation of the Governor:

7 AN ACT

8 REPEALING SECTIONS 9-500.39 AND 11-269.17, ARIZONA REVISED
 9 STATUTES; AMENDING SECTIONS 12-1134, 42-1125.02, 42-2003 AND
 10 42-5042, ARIZONA REVISED STATUTES; RELATING TO SHORT-TERM
 11 RENTALS AND VACATION RENTALS.

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

13 Section 1. Repeal

14 Sections 9-500.39 and 11-269.17, Arizona Revised
 15 Statutes, are repealed.

16 Sec. 2. Section 12-1134, Arizona Revised Statutes, is
 17 amended to read:

18 12-1134. Diminution in value; just compensation;
 19 exceptions; definitions

20 A. If the existing rights to use, divide, sell or
 21 possess private real property are reduced by the enactment or
 22 applicability of any land use law enacted after the date the
 23 property is transferred to the owner and such action reduces
 24 the fair market value of the property, the owner is entitled
 25 to just compensation from this state or the political
 26 subdivision of this state that enacted the land use law.

27 B. This section does not apply to land use laws that
 28 MEET ANY OF THE FOLLOWING:

29 1. Limit or prohibit a use or division of real property
 30 for the protection of the public's health and safety,
 31 including rules and regulations relating to fire and building
 32 codes, health and sanitation, transportation or traffic
 33 control, solid or hazardous waste, and pollution control. ;

34 2. Limit or prohibit the use or division of real
 35 property commonly and historically recognized as a public
 36 nuisance under common law. ;

37 3. Are required by federal law. ;

38 4. Limit or prohibit the use or division of a property
 39 for the purpose of housing sex offenders, selling illegal
 40 drugs, liquor control, or pornography, obscenity, nude or
 41 topless dancing, and other adult oriented businesses if the
 42 land use laws are consistent with the constitutions of this
 43 state and the United States. ;

44 5. Establish locations for utility facilities. ;

45 6. Do not directly regulate an owner's land. ;

1 7. Were enacted before ~~the effective date of this~~
2 ~~section~~ DECEMBER 7, 2006.

3 8. REGULATE A VACATION RENTAL OR SHORT-TERM RENTAL.

4 C. This state or the political subdivision of this
5 state that enacted the land use law has the burden of
6 demonstrating that the land use law is exempt pursuant to
7 subsection B OF THIS SECTION.

8 D. The owner shall not be required to first submit a
9 land use application to remove, modify, vary or otherwise
10 alter the application of the land use law to the owner's
11 property as a prerequisite to demanding or receiving just
12 compensation pursuant to this section.

13 E. If a land use law continues to apply to private real
14 property more than ninety days after the owner of the property
15 makes a written demand in a specific amount for just
16 compensation to this state or the political subdivision of
17 this state that enacted the land use law, the owner has a
18 cause of action for just compensation in a court in the county
19 in which the property is located, unless this state or THE
20 political subdivision of this state and the owner reach an
21 agreement on the amount of just compensation to be paid, or
22 unless this state or THE political subdivision of this state
23 amends, ~~OR~~ repeals, ~~THE LAND USE LAW~~ or issues to the
24 landowner a binding waiver of enforcement of the land use law
25 on the owner's specific parcel.

26 F. Any demand for landowner relief or any waiver that
27 is granted in lieu of compensation runs with the land.

28 G. An action for just compensation based on diminution
29 in value must be made or forever barred within three years of
30 the effective date of the land use law, or of the first date
31 the reduction of the existing rights to use, divide, sell or
32 possess property applies to the owner's parcel, whichever is
33 later.

34 H. The remedy created by this section is in addition to
35 any other remedy that is provided by the laws and constitution
36 of this state or the United States and is not intended to
37 modify or replace any other remedy.

38 I. ~~Nothing in~~ This section ~~prohibits~~ DOES NOT PROHIBIT
39 this state or any political subdivision of this state from
40 reaching an agreement with a private property owner to waive a
41 claim for diminution in value regarding any proposed action by
42 this state or a political subdivision of this state or action
43 requested by the property owner.

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J. FOR THE PURPOSES OF THIS SECTION:

1. "TRANSIENT" HAS THE SAME MEANING PRESCRIBED IN SECTION 42-5070.

2. "VACATION RENTAL" OR "SHORT-TERM RENTAL":

(a) MEANS ANY INDIVIDUALLY OR COLLECTIVELY OWNED SINGLE-FAMILY OR ONE-TO-FOUR-FAMILY HOUSE OR DWELLING UNIT OR ANY UNIT OR GROUP OF UNITS IN A CONDOMINIUM, COOPERATIVE OR TIMESHARE, THAT IS ALSO A TRANSIENT PUBLIC LODGING ESTABLISHMENT OR OWNER-OCCUPIED RESIDENTIAL HOME OFFERED FOR TRANSIENT USE IF THE ACCOMMODATIONS ARE NOT CLASSIFIED FOR PROPERTY TAXATION UNDER SECTION 42-12001.

(b) DOES NOT INCLUDE A UNIT THAT IS USED FOR ANY NONRESIDENTIAL USE, INCLUDING A RETAIL, RESTAURANT, BANQUET SPACE OR EVENT CENTER USE OR ANOTHER SIMILAR USE.

Sec. 3. Section 42-1125.02, Arizona Revised Statutes, is amended to read:

42-1125.02. Civil penalties; online lodging operators; definition

A. An online lodging operator that fails to comply with section 42-5042 shall pay the following civil penalty:

- 1. For a first offense, \$250.
- 2. For a second and any subsequent offense, \$1,000.

~~B. If an online lodging operator received a verified violation, the online lodging operator shall pay the following civil penalty:~~

~~1. For a first verified violation received for a property, either:~~

~~(a) If the city, town or county did not impose a civil penalty on the online lodging operator for the verified violation, \$500;~~

~~(b) If the city, town or county imposed a civil penalty on the online lodging operator for the verified violation, the difference between the amount prescribed in subdivision (a) of this paragraph and the amount of the civil penalty the city, town or county imposed on the online lodging operator for the verified violation.~~

~~2. For a second verified violation received on the same property within a twelve-month period, either:~~

~~(a) If the city, town or county did not impose a civil penalty on the online lodging operator for the verified violation, \$1,000;~~

~~(b) If the city, town or county imposed a civil penalty on the online lodging operator for the verified violation, the difference between the amount prescribed in subdivision (a) of this paragraph and the amount of the civil penalty the city,~~

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~~town or county imposed on the online lodging operator for the verified violation.~~

~~3. For a third and any subsequent verified violation received on the same property within the same twelve-month period, either:~~

~~(a) If the city, town or county did not impose a civil penalty on the online lodging operator for the verified violation, fifty percent of the gross monthly revenues of the lodging accommodation at which the violation occurred for the month in which the violation occurred or \$1,500, whichever is greater.~~

~~(b) If the city, town or county imposed a civil penalty on the online lodging operator for the verified violation, the difference between the amount prescribed in subdivision (a) of this paragraph and the amount of the civil penalty the city, town or county imposed on the online lodging operator for the verified violation.~~

~~6. If the department imposes a civil penalty pursuant to subsection B, paragraph 1 of this section and the online lodging operator appeals the civil penalty, the hearing officer may waive or lower the civil penalty based on the online lodging operator's diligence in attempting to prohibit renters from violating state law or the city's or town's applicable laws, regulations or ordinances. In determining whether to waive or lower the civil penalty, the hearing officer shall consider both of the following:~~

~~1. Whether rules that prohibit activities violating state law or the city's or town's applicable laws, regulations or ordinances were included in the advertisement for the lodging accommodation, vacation rental or short-term rental.~~

~~2. Whether the rules described in paragraph 1 of this subsection were posted in a conspicuous location inside the lodging accommodation, vacation rental or short-term rental.~~

~~B. For the purposes of this section, --~~

~~1. "Lodging accommodation" has the same meaning prescribed in section 42-5076.~~

~~2. "Online lodging marketplace" has the same meaning prescribed in section 42-5076.~~

~~3. "online lodging operator" has the same meaning prescribed in section 42-5076 and includes an owner of a vacation rental or short-term rental that is not offered through an online lodging marketplace.~~

~~4. "Vacation rental" and "short-term rental" have the same meanings prescribed in section 9-500.39 or 11-269.17.~~

1 ~~5. "Verified violation" has the same meaning prescribed~~
2 ~~in section 9-500.39 or 11-269.17.~~

3 Sec. 4. Section 42-2003, Arizona Revised Statutes, is
4 amended to read:

5 42-2003. Authorized disclosure of confidential
6 information

7 A. Confidential information relating to:

8 1. A taxpayer may be disclosed to the taxpayer, its
9 successor in interest or a designee of the taxpayer who is
10 authorized in writing by the taxpayer. A principal corporate
11 officer of a parent corporation may execute a written
12 authorization for a controlled subsidiary.

13 2. A corporate taxpayer may be disclosed to any
14 principal officer, any person designated by a principal
15 officer or any person designated in a resolution by the
16 corporate board of directors or other similar governing
17 body. If a corporate officer signs a statement under penalty
18 of perjury representing that the officer is a principal
19 officer, the department may rely on the statement until the
20 statement is shown to be false. For the purposes of this
21 paragraph, "principal officer" includes a chief executive
22 officer, president, secretary, treasurer, vice president of
23 tax, chief financial officer, chief operating officer or chief
24 tax officer or any other corporate officer who has the
25 authority to bind the taxpayer on matters related to state
26 taxes.

27 3. A partnership may be disclosed to any partner of the
28 partnership. This exception does not include disclosure of
29 confidential information of a particular partner unless
30 otherwise authorized.

31 4. A limited liability company may be disclosed to any
32 member of the company or, if the company is manager-managed,
33 to any manager.

34 5. An estate may be disclosed to the personal
35 representative of the estate and to any heir, next of kin or
36 beneficiary under the will of the decedent if the department
37 finds that the heir, next of kin or beneficiary has a material
38 interest that will be affected by the confidential
39 information.

40 6. A trust may be disclosed to the trustee or trustees,
41 jointly or separately, and to the grantor or any beneficiary
42 of the trust if the department finds that the grantor or
43 beneficiary has a material interest that will be affected by
44 the confidential information.

1 7. A government entity may be disclosed to the head of
2 the entity or a member of the governing board of the entity,
3 or any employee of the entity who has been delegated the
4 authorization in writing by the head of the entity or the
5 governing board of the entity.

6 8. Any taxpayer may be disclosed if the taxpayer has
7 waived any rights to confidentiality either in writing or on
8 the record in any administrative or judicial proceeding.

9 9. The name and taxpayer identification numbers of
10 persons issued direct payment permits may be publicly
11 disclosed.

12 10. Any taxpayer may be disclosed during a meeting or
13 telephone call if the taxpayer is present during the meeting
14 or telephone call and authorizes the disclosure of
15 confidential information.

16 B. Confidential information may be disclosed to:

17 1. Any employee of the department whose official duties
18 involve tax administration.

19 2. The office of the attorney general solely for its
20 use in preparation for, or in an investigation that may result
21 in, any proceeding involving tax administration before the
22 department or any other agency or board of this state, or
23 before any grand jury or any state or federal court.

24 3. The department of liquor licenses and control for
25 its use in determining whether a spirituous liquor licensee
26 has paid all transaction privilege taxes and affiliated excise
27 taxes incurred as a result of the sale of spirituous liquor,
28 as defined in section 4-101, at the licensed establishment and
29 imposed on the licensed establishments by this state and its
30 political subdivisions.

31 4. Other state tax officials whose official duties
32 require the disclosure for proper tax administration purposes
33 if the information is sought in connection with an
34 investigation or any other proceeding conducted by the
35 official. Any disclosure is limited to information of a
36 taxpayer who is being investigated or who is a party to a
37 proceeding conducted by the official.

38 5. The following agencies, officials and organizations,
39 if they grant substantially similar privileges to the
40 department for the type of information being sought, pursuant
41 to statute and a written agreement between the department and
42 the foreign country, agency, state, Indian tribe or
43 organization:

44 (a) The United States internal revenue service, alcohol
45 and tobacco tax and trade bureau of the United States

1 treasury, United States bureau of alcohol, tobacco, firearms
2 and explosives of the United States department of justice,
3 United States drug enforcement agency and federal bureau of
4 investigation.

5 (b) A state tax official of another state.

6 (c) An organization of states, federation of tax
7 administrators or multistate tax commission that operates an
8 information exchange for tax administration purposes.

9 (d) An agency, official or organization of a foreign
10 country with responsibilities that are comparable to those
11 listed in subdivision (a), (b) or (c) of this paragraph.

12 (e) An agency, official or organization of an Indian
13 tribal government with responsibilities comparable to the
14 responsibilities of the agencies, officials or organizations
15 identified in subdivision (a), (b) or (c) of this paragraph.

16 6. The auditor general, in connection with any audit of
17 the department subject to the restrictions in section 42-2002,
18 subsection D.

19 7. Any person to the extent necessary for effective tax
20 administration in connection with:

21 (a) The processing, storage, transmission, destruction
22 and reproduction of the information.

23 (b) The programming, maintenance, repair, testing and
24 procurement of equipment for purposes of tax administration.

25 (c) The collection of the taxpayer's civil liability.

26 8. The office of administrative hearings relating to
27 taxes administered by the department pursuant to section
28 42-1101, but the department shall not disclose any
29 confidential information without the taxpayer's written
30 consent:

31 (a) Regarding income tax or withholding tax.

32 (b) On any tax issue relating to information associated
33 with the reporting of income tax or withholding tax.

34 9. The United States treasury inspector general for tax
35 administration for the purpose of reporting a violation of
36 internal revenue code section 7213A (26 United States Code
37 section 7213A), unauthorized inspection of returns or return
38 information.

39 10. The financial management service of the United
40 States treasury department for use in the treasury offset
41 program.

42 11. The United States treasury department or its
43 authorized agent for use in the state income tax levy program
44 and in the electronic federal tax payment system.

- 1 12. The Arizona commerce authority for its use in:
2 (a) Qualifying renewable energy operations for the tax
3 incentives under section 42-12006.
4 (b) Qualifying businesses with a qualified facility for
5 income tax credits under sections 43-1083.03 and 43-1164.04.
6 (c) Fulfilling its annual reporting responsibility
7 pursuant to section 41-1511, subsections U and V and section
8 41-1512, subsections U and V.
9 (d) Certifying computer data centers for tax relief
10 under section 41-1519.
11 13. A prosecutor for purposes of section 32-1164,
12 subsection C.
13 14. The office of the state fire marshal for use in
14 determining compliance with and enforcing title 37, chapter 9,
15 article 5.
16 15. The department of transportation for its use in
17 administering taxes, surcharges and penalties prescribed by
18 title 28.
19 16. The Arizona health care cost containment system
20 administration for its use in administering nursing facility
21 provider assessments.
22 17. The department of administration risk management
23 division and the office of the attorney general if the
24 information relates to a claim against this state pursuant to
25 section 12-821.01 involving the department of revenue.
26 18. Another state agency if the taxpayer authorizes the
27 disclosure of confidential information in writing, including
28 an authorization that is part of an application form or other
29 document submitted to the agency.
30 19. The department of economic security for its use in
31 determining whether an employer has paid all amounts due under
32 the unemployment insurance program pursuant to title 23,
33 chapter 4.
34 20. The department of health services for its use in
35 determining the following:
36 (a) Whether a medical marijuana dispensary is in
37 compliance with the tax requirements of chapter 5 of this
38 title for the purposes of section 36-2806, subsection A.
39 (b) Whether a marijuana establishment, marijuana
40 testing facility or dual licensee licensed under title 36,
41 chapter 28.2 is in compliance with the tax obligations under
42 this title or title 43.

1 C. Confidential information may be disclosed in any
2 state or federal judicial or administrative proceeding
3 pertaining to tax administration pursuant to the following
4 conditions:

5 1. One or more of the following circumstances must
6 apply:

7 (a) The taxpayer is a party to the proceeding.

8 (b) The proceeding arose out of, or in connection with,
9 determining the taxpayer's civil or criminal liability, or the
10 collection of the taxpayer's civil liability, with respect to
11 any tax imposed under this title or title 43.

12 (c) The treatment of an item reflected on the
13 taxpayer's return is directly related to the resolution of an
14 issue in the proceeding.

15 (d) Return information directly relates to a
16 transactional relationship between a person who is a party to
17 the proceeding and the taxpayer and directly affects the
18 resolution of an issue in the proceeding.

19 2. Confidential information may not be disclosed under
20 this subsection if the disclosure is prohibited by section
21 42-2002, subsection C or D.

22 D. Identity information may be disclosed for purposes
23 of notifying persons entitled to tax refunds if the department
24 is unable to locate the persons after reasonable effort.

25 E. The department, on the request of any person, shall
26 provide the names and addresses of bingo licensees as defined
27 in section 5-401, verify whether or not a person has a
28 privilege license and number, a tobacco product distributor's
29 license and number or a withholding license and number or
30 disclose the information to be posted on the department's
31 website or otherwise publicly accessible pursuant to section
32 42-1124, subsection F and section 42-3401.

33 F. A department employee, in connection with the
34 official duties relating to any audit, collection activity or
35 civil or criminal investigation, may disclose return
36 information to the extent that disclosure is necessary to
37 obtain information that is not otherwise reasonably
38 available. These official duties include the correct
39 determination of and liability for tax, the amount to be
40 collected or the enforcement of other state tax revenue laws.

41 G. Confidential information relating to transaction
42 privilege tax, use tax, severance tax, jet fuel excise and use
43 tax and any other tax collected by the department on behalf of
44 any jurisdiction may be disclosed to any county, city or town
45 tax official if the information relates to a taxpayer who is

1 or may be taxable by a county, city or town or who may be
2 subject to audit by the department pursuant to section
3 42-6002. Any taxpayer information that is released by the
4 department to the county, city or town:

5 1. May be used only for internal purposes, including
6 audits. ~~If there is a legitimate business need relating to~~
7 ~~enforcing laws, regulations and ordinances pursuant to section~~
8 ~~9-500.39 or 11-269.17, a county, city or town tax official may~~
9 ~~redisclose transaction privilege tax information relating to a~~
10 ~~vacation rental or short-term rental property owner or online~~
11 ~~lodging operator from the new license report and license~~
12 ~~update report, subject to the following:~~

13 ~~(a) The information redisclosed is limited to the~~
14 ~~following:~~

15 ~~(i) The transaction privilege tax license number.~~

16 ~~(ii) The type of organization or ownership of the~~
17 ~~business.~~

18 ~~(iii) The legal business name and doing business as~~
19 ~~name, if different from the legal name.~~

20 ~~(iv) The business mailing address, tax record physical~~
21 ~~location address, telephone number, email address and fax~~
22 ~~number.~~

23 ~~(v) The date the business started in this state, the~~
24 ~~business description and the North American industry~~
25 ~~classification system code.~~

26 ~~(vi) The name, address and telephone number for each~~
27 ~~owner, partner, corporate officer, member, managing member or~~
28 ~~official of the employing unit.~~

29 ~~(b) Redisclosure is limited to nonelected officials in~~
30 ~~other units within the county, city or town. The information~~
31 ~~may not be redisclosed to an elected official or the elected~~
32 ~~official's staff.~~

33 ~~(c) All redisclosures of confidential information made~~
34 ~~pursuant to this paragraph are subject to paragraph 2 of this~~
35 ~~subsection.~~

36 2. May not be disclosed to the public in any manner
37 that does not comply with confidentiality standards
38 established by the department. The county, city or town shall
39 agree in writing with the department that any release of
40 confidential information that violates the confidentiality
41 standards adopted by the department will result in the
42 immediate suspension of any rights of the county, city or town
43 to receive taxpayer information under this subsection.

1 H. The department may disclose statistical information
2 gathered from confidential information if it does not disclose
3 confidential information attributable to any one taxpayer.
4 The department may disclose statistical information gathered
5 from confidential information, even if it discloses
6 confidential information attributable to a taxpayer, to:

7 1. The state treasurer in order to comply with the
8 requirements of section 42-5029, subsection A, paragraph 3.

9 2. The joint legislative income tax credit review
10 committee, the joint legislative budget committee staff and
11 the legislative staff in order to comply with the requirements
12 of section 43-221.

13 I. The department may disclose the aggregate amounts of
14 any tax credit, tax deduction or tax exemption enacted after
15 January 1, 1994. Information subject to disclosure under this
16 subsection shall not be disclosed if a taxpayer demonstrates
17 to the department that such information would give an unfair
18 advantage to competitors.

19 J. Except as provided in section 42-2002, subsection C,
20 confidential information, described in section 42-2001,
21 paragraph 1, subdivision (a), item (ii), may be disclosed to
22 law enforcement agencies for law enforcement purposes.

23 K. The department may provide transaction privilege tax
24 license information to property tax officials in a county for
25 the purpose of identification and verification of the tax
26 status of commercial property.

27 L. The department may provide transaction privilege
28 tax, luxury tax, use tax, property tax and severance tax
29 information to the ombudsman-citizens aide pursuant to title
30 41, chapter 8, article 5.

31 M. Except as provided in section 42-2002, subsection D,
32 a court may order the department to disclose confidential
33 information pertaining to a party to an action. An order
34 shall be made only on a showing of good cause and that the
35 party seeking the information has made demand on the taxpayer
36 for the information.

37 N. This section does not prohibit the disclosure by the
38 department of any information or documents submitted to the
39 department by a bingo licensee. Before disclosing the
40 information, the department shall obtain the name and address
41 of the person requesting the information.

42 O. If the department is required or permitted to
43 disclose confidential information, it may charge the person or
44 agency requesting the information for the reasonable cost of
45 its services.

1 P. Except as provided in section 42-2002, subsection D,
2 the department of revenue shall release confidential
3 information as requested by the department of economic
4 security pursuant to section 42-1122 or 46-291. Information
5 disclosed under this subsection is limited to the same type of
6 information that the United States internal revenue service is
7 authorized to disclose under section 6103(1)(6) of the
8 internal revenue code.

9 Q. Except as provided in section 42-2002, subsection D,
10 the department shall release confidential information as
11 requested by the courts and clerks of the court pursuant to
12 section 42-1122.

13 R. To comply with the requirements of section 42-5031,
14 the department may disclose to the state treasurer, to the
15 county stadium district board of directors and to any city or
16 town tax official that is part of the county stadium district
17 confidential information attributable to a taxpayer's business
18 activity conducted in the county stadium district.

19 S. The department shall release to the attorney general
20 confidential information as requested by the attorney general
21 for purposes of determining compliance with or enforcing any
22 of the following:

23 1. Any public health control law relating to tobacco
24 sales as provided under title 36, chapter 6, article 14.

25 2. Any law relating to reduced cigarette ignition
26 propensity standards as provided under title 37, chapter 9,
27 article 5.

28 3. Sections 44-7101 and 44-7111, the master settlement
29 agreement referred to in those sections and all agreements
30 regarding disputes under the master settlement agreement.

31 T. For proceedings before the department, the office of
32 administrative hearings, the state board of tax appeals or any
33 state or federal court involving penalties that were assessed
34 against a return preparer, an electronic return preparer or a
35 payroll service company pursuant to section 42-1103.02,
36 42-1125.01 or 43-419, confidential information may be
37 disclosed only before the judge or administrative law judge
38 adjudicating the proceeding, the parties to the proceeding and
39 the parties' representatives in the proceeding prior to its
40 introduction into evidence in the proceeding. The
41 confidential information may be introduced as evidence in the
42 proceeding only if the taxpayer's name, the names of any
43 dependents listed on the return, all social security numbers,
44 the taxpayer's address, the taxpayer's signature and any

1 attachments containing any of the foregoing information are
2 redacted and if either:

3 1. The treatment of an item reflected on such a return
4 is or may be related to the resolution of an issue in the
5 proceeding.

6 2. Such a return or the return information relates or
7 may relate to a transactional relationship between a person
8 who is a party to the proceeding and the taxpayer that
9 directly affects the resolution of an issue in the proceeding.

10 3. The method of payment of the taxpayer's withholding
11 tax liability or the method of filing the taxpayer's
12 withholding tax return is an issue for the period.

13 U. The department and attorney general may share the
14 information specified in subsection S of this section with any
15 of the following:

16 1. Federal, state or local agencies located in this
17 state for the purposes of enforcement of the statutes or
18 agreements specified in subsection S of this section or for
19 the purposes of enforcement of corresponding laws of other
20 states.

21 2. Indian tribes located in this state for the purposes
22 of enforcement of the statutes or agreements specified in
23 subsection S of this section.

24 3. A court, arbitrator, data clearinghouse or similar
25 entity for the purpose of assessing compliance with or making
26 calculations required by the master settlement agreement or
27 agreements regarding disputes under the master settlement
28 agreement, and with counsel for the parties or expert
29 witnesses in any such proceeding, if the information otherwise
30 remains confidential.

31 V. The department may provide the name and address of
32 qualifying hospitals and qualifying health care organizations,
33 as defined in section 42-5001, to a business that is
34 classified and reporting transaction privilege tax under the
35 utilities classification.

36 W. The department may disclose to an official of any
37 city, town or county in a current agreement or considering a
38 prospective agreement with the department as described in
39 section 42-5032.02, subsection G any information relating to
40 amounts that are subject to distribution and that are required
41 by section 42-5032.02. Information disclosed by the
42 department under this subsection:

43 1. May only be used by the city, town or county for
44 internal purposes.

1 2. May not be disclosed to the public in any manner
2 that does not comply with confidentiality standards
3 established by the department. The city, town or county must
4 agree with the department in writing that any release of
5 confidential information that violates the confidentiality
6 standards will result in the immediate suspension of any
7 rights of the city, town or county to receive information
8 under this subsection.

9 X. Notwithstanding any other provision of this section,
10 the department may not disclose information provided by an
11 online lodging marketplace, as defined in section 42-5076,
12 without the written consent of the online lodging marketplace,
13 and the information may be disclosed only pursuant to
14 subsection A, paragraphs 1 through 6, 8 and 10, subsection B,
15 paragraphs 1, 2, 7 and 8 and subsections C, D and G of this
16 section. Such information:

17 1. Is not subject to disclosure pursuant to title 39,
18 relating to public records.

19 2. May not be disclosed to any agency of this state or
20 of any county, city, town or other political subdivision of
21 this state.

22 Sec. 5. Section 42-5042, Arizona Revised Statutes, is
23 amended to read:

24 42-5042. Online lodging operators; requirements;
25 definitions

26 A. An online lodging operator may not offer for rent or
27 rent a lodging accommodation without a current transaction
28 privilege tax license. The online lodging operator shall list
29 the transaction privilege tax license number on each
30 advertisement for each lodging accommodation the online
31 lodging operator maintains, including online lodging
32 marketplace postings.

33 B. For the purposes of this section:

34 1. "Lodging accommodation" has the same meaning
35 prescribed in section 42-5076.

36 2. "Online lodging marketplace" has the same meaning
37 prescribed in section 42-5076.

38 3. "Online lodging operator" has the same meaning
39 prescribed in section 42-5076 ~~and includes an owner of a~~
40 ~~vacation rental or short-term rental, as defined in section~~
41 ~~9-500.39 or 11-269.17, that is not offered through an online~~
42 ~~lodging marketplace.~~

43 2. The Secretary of State shall submit this proposition to the
44 voters at the next general election as provided by article IV, part 1,
45 section 1, Constitution of Arizona.