

COMMITTEE ON FINANCE  
SENATE AMENDMENTS TO S.B. 1189  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Repeal

3 Section 41-3023.09, Arizona Revised Statutes, is repealed.

4 Sec. 2. Title 41, chapter 27, article 2, Arizona Revised Statutes,  
5 is amended by adding section 41-3027.06, to read:

6 41-3027.06. Municipal tax code commission; termination July 1,  
7 2027

8 A. THE MUNICIPAL TAX CODE COMMISSION TERMINATES ON JULY 1, 2027.

9 B. SECTION 42-6052 AND THIS SECTION ARE REPEALED ON JANUARY 1, 2028.

10 Sec. 3. Section 42-6052, Arizona Revised Statutes, is amended to  
11 read:

12 42-6052. Municipal tax code commission; members; meetings;  
13 model city tax code; official copy; review and  
14 comment on proposed amendments; annual report

15 A. The municipal tax code commission is established consisting of  
16 the director ~~of the department of revenue~~, or the director's  
17 representative, as an ex officio member without the power to vote and nine  
18 members who are mayors or members of the governing bodies of cities or  
19 towns that have adopted the model city tax code and who are appointed as  
20 follows:

- 21 1. Five members appointed by the governor.
- 22 2. Two members appointed by the president of the senate.
- 23 3. Two members appointed by the speaker of the house of  
24 representatives.

1           B. Not more than two members of the commission may be from the same  
2 city or town. The commission shall annually elect a ~~chairman~~ CHAIRPERSON  
3 from among its members. Appointive members shall serve terms of three  
4 years. Members of the commission are not eligible for compensation for  
5 their services.

6           C. The commission shall meet on the call of the ~~chairman~~  
7 CHAIRPERSON, in response to any proposed amendment pursuant to subsection E  
8 of this section or at the request of four or more of its members.

9           D. The department ~~of revenue~~ shall:

10           1. Maintain the official copy of the model city tax code.

11           2. INCORPORATE CHANGES TO THE MODEL CITY TAX CODE THAT ARE REQUIRED  
12 TO CONFORM THE MODEL CITY TAX CODE WITH A STATUTORY CHANGE WITHIN THIRTY  
13 DAYS OF THE EFFECTIVE DATE OF THE STATUTORY CHANGE.

14           ~~2.~~ 3. Post the official copy on the department's official website.

15           ~~3.~~ 4. Maintain a mailing list for meeting notices, send required  
16 notices and provide staff support and meeting accommodations for the  
17 commission. All notices under this paragraph may be delivered by either  
18 physical mail or email and shall be delivered within the time frames  
19 prescribed in this section.

20           E. At least sixty days before the commission adopts any amendment to  
21 the model city tax code, a city or town, a taxpayer or the department  
22 ~~of revenue~~ shall submit the proposed amendment to the commission to review  
23 and consider for adoption. The department shall post the proposed  
24 amendment, meeting notice and meeting agenda on the department's official  
25 website at least thirty days before the informational public hearing  
26 required under subsection F of this section and at least sixty days before  
27 the public hearing for consideration to adopt the proposed amendment  
28 required under subsection G of this section.

29           F. At least thirty days after receiving a proposed amendment, and at  
30 the request of a city or town, a taxpayer or the department ~~of revenue~~, the  
31 commission shall hold an informational public hearing to review and receive  
32 comments on the proposed amendment. The department shall provide a legal

1 analysis of the proposed amendment to the commission at the hearing. The  
2 commission shall consider any information and testimony presented at the  
3 hearing, may require changes to the language presented at the hearing and  
4 may require changes to the language presented by the city, ~~OR~~ OR town,  
5 taxpayer or department. The department shall post the proposed amendment  
6 with any required changes on the department's official website not later  
7 than five days after the date of the informational public hearing.

8 G. At least sixty days after the commission receives a proposed  
9 amendment pursuant to subsection E of this section, the commission shall  
10 hold a public hearing to consider any information and testimony presented  
11 at the informational public hearing, if one was requested under  
12 subsection F OF THIS SECTION, and to consider adopting the proposed  
13 amendment. If the commission adopts the proposed amendment, the department  
14 ~~of revenue~~ shall update the official copy of the model city tax code to  
15 reflect the amendment adopted by the commission not later than ten days  
16 after the commission adopts the amendment. Any changes that are not  
17 reflected in the official copy posted on the department's official website  
18 are void and have no effect.

19 H. All cities and towns shall adopt the changes to the model city  
20 tax code adopted by the commission. This requirement does not prohibit the  
21 commission from recommending a model or local option or changes to a model  
22 or local option contained in the model city tax code to be adopted only by  
23 those cities and towns that choose the option or from approving a change  
24 submitted by a city or town that does not apply to any other city or  
25 town. The city or town may not adopt an amendment to any provision of the  
26 model city tax code unless the commission has adopted the amendment OR THE  
27 AMENDMENT IS A RESULT OF A STATUTORY CHANGE INCORPORATED PURSUANT TO  
28 SUBSECTION D, PARAGRAPH 2 OF THIS SECTION.

29 I. Changes in rates of tax are not subject to review, but within ten  
30 days after passage of an ordinance imposing a rate change:

31 1. The city or town imposing a new or different tax rate shall  
32 notify the commission and the department ~~of revenue~~. Failure of a city or

1 town to notify the commission and the department renders the new or  
2 different tax rate void and ~~of~~ HAS no effect. For the purposes of this  
3 paragraph, "new or different tax rate" means the adoption or repeal of a  
4 model or local option or any change that increases the amount of tax a  
5 taxpayer must pay to a city or town.

6 2. The official copy of the model city tax code must reflect the  
7 change. Any change not reflected in the official copy of the model city  
8 tax code is void and has no effect.

9 J. The commission shall prepare a report and deliver the report to  
10 the governor, the president of the senate and the speaker of the house of  
11 representatives before January 1 each year.

12 Sec. 4. Purpose

13 Pursuant to section 41-2955, subsection B, Arizona Revised Statutes,  
14 the legislature continues the municipal tax code commission to promote  
15 uniformity and consistency among the excise tax bases of the municipalities  
16 through the model city tax code and to provide a forum for both taxpayers  
17 and municipalities to present recommendations for changes to the code and  
18 to listen to general taxpayer concerns.

19 Sec. 5. Retroactivity

20 Sections 1 and 2 of this act apply retroactively to from and after  
21 July 1, 2023."

22 Amend title to conform

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