Fifty-second Legislature | Mitchell
Second Regular Session | S.B. 1350

MITCHELL FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1350

(Reference to Senate engrossed bill)

Page 1, line 4, after "rentals" insert "and short-term rentals"
Line 7, after the first "RENTALS" insert a period strike remainder of line
Strike lines 8 and 9
Line 10, strike "NOTWITHSTANDING SUBSECTION A OF THIS SECTION," insert "A CITY OR TOWN MAY NOT RESTRICT THE USE OF OR REGULATE VACATION RENTALS OR SHORT-TERM RENTALS BASED ON THEIR CLASSIFICATION, USE OR OCCUPANCY."
Line 11, after "RENTALS" strike remainder of line
Line 12, strike "THE PUBLIC HEALTH AND SAFETY AND IS" insert "OR SHORT-TERM RENTALS"
Line 13, after the comma strike remainder of line
Line 14, strike "12, CHAPTER 8, ARTICLE 2.1,"
Line 16, after "CONTROL" insert ", AND DESIGNATION OF AN EMERGENCY POINT OF CONTACT, IF THE CITY OR TOWN DEMONSTRATES THAT THE RULE OR REGULATION IS FOR THE PRIMARY PURPOSE OF PROTECTING THE PUBLIC'S HEALTH AND SAFETY"
Between lines 16 and 17, insert:
"2. ADOPTING AND ENFORCING RESIDENTIAL USE AND ZONING ORDINANCES, INCLUDING ORDINANCES RELATED TO NOISE, PROTECTION OF WELFARE, PROPERTY MAINTENANCE AND OTHER NUISANCE ISSUES, IF THE ORDINANCE IS APPLIED IN THE SAME MANNER AS OTHER PROPERTY CLASSIFIED UNDER SECTIONS 42-12003 AND 42-12004."
Renumber to conform
Line 17, after "RENTAL" insert "OR SHORT-TERM RENTAL"
Line 18, after "OFFENDERS," insert "OPERATING OR MAINTAINING A STRUCTURED SOBER LIVING HOME,"
Between lines 20 and 21, insert:
"C. THIS SECTION DOES NOT EXEMPT AN OWNER OF A RESIDENTIAL RENTAL PROPERTY, AS DEFINED IN SECTION 33-1901, FROM MAINTAINING WITH THE ASSESSOR OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED INFORMATION REQUIRED UNDER TITLE 33, CHAPTER 17, ARTICLE 1."
Reletter to conform

1 Line 21, strike the comma insert ":
2 1. "TRANSIENT" HAS THE SAME MEANING PRESCRIBED IN SECTION 42-5070.
3 2."
4 Page 1, line 25, after "ESTABLISHMENT" insert "OR OWNER-OCCUPIED RESIDENTIAL HOME
5 OFFERED FOR TRANSIENT USE IF THE ACCOMMODATIONS ARE NOT CLASSIFIED FOR
6 PROPERTY TAXATION UNDER SECTION 42-12001. VACATION RENTAL AND SHORT-TERM
7 RENTAL DO NOT INCLUDE A UNIT THAT IS USED FOR ANY NONRESIDENTIAL USE,
8 INCLUDING RETAIL, RESTAURANT, BANQUET SPACE, EVENT CENTER OR ANOTHER SIMILAR
9 USE."
10 Line 28, after "rentals" insert "and short-term rentals"
11 Line 30, strike the comma insert a period
12 Strike lines 31 through 33
13 Line 34, strike "NOTWITHSTANDING SUBSECTION A OF THIS SECTION," insert "A COUNTY
14 MAY NOT RESTRICT THE USE OF OR REGULATE VACATION RENTALS OR SHORT-TERM
15 RENTALS BASED ON THEIR CLASSIFICATION, USE OR OCCUPANCY."
16 Line 35, after "RENTALS" strike remainder of line
17 Line 36, strike "HEALTH AND SAFETY AND IS" insert "OR SHORT-TERM RENTALS"
18 Line 37, after the comma strike remainder of line
19 Line 38, strike "12, CHAPTER 8, ARTICLE 2.1"
20 Line 40, after "CONTROL" insert ", AND DESIGNATION OF AN EMERGENCY POINT OF
21 CONTACT, IF THE COUNTY DEMONSTRATES THAT THE RULE OR REGULATION IS FOR THE
22 PRIMARY PURPOSE OF PROTECTING THE PUBLIC'S HEALTH AND SAFETY"
23 Between lines 40 and 41, insert:
24 "2. ADOPTING AND ENFORCING RESIDENTIAL USE AND ZONING ORDINANCES,
25 INCLUDING ORDINANCES RELATED TO NOISE, PROTECTION OF WELFARE, PROPERTY
26 MAINTENANCE AND OTHER NUISANCE ISSUES, IF THE ORDINANCE IS APPLIED IN THE
27 SAME MANNER AS OTHER PROPERTY CLASSIFIED UNDER SECTIONS 42-12003 AND
28 42-12004."
29 Renumber to conform
30 Line 41, after "RENTAL" insert "OR SHORT-TERM RENTAL"
31 Line 42, after "OFFENDERS," insert "OPERATING OR MAINTAINING A STRUCTURED SOBER
32 LIVING HOME,"
33 After line 44, insert:
34 "C. THIS SECTION DOES NOT EXEMPT AN OWNER OF A RESIDENTIAL RENTAL
35 PROPERTY, AS DEFINED IN SECTION 33-1901, FROM MAINTAINING WITH THE ASSESSOR
36 OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED INFORMATION REQUIRED UNDER
37 TITLE 33, CHAPTER 17, ARTICLE 1."
38 Reletter to conform
39 Page 2, line 1, strike the comma insert ":
40 1. "TRANSIENT" HAS THE SAME MEANING PRESCRIBED IN SECTION 42-5070.

2."

Line 5, after "ESTABLISHMENT" insert "OR OWNER-OCCUPIED RESIDENTIAL HOME OFFERED FOR TRANSIENT USE IF THE ACCOMMODATIONS ARE NOT CLASSIFIED FOR PROPERTY TAXATION UNDER SECTION 42-12001. VACATION RENTAL AND SHORT-TERM RENTAL DO NOT INCLUDE A UNIT THAT IS USED FOR ANY NONRESIDENTIAL USE, INCLUDING RETAIL, RESTAURANT, BANQUET SPACE, EVENT CENTER OR ANOTHER SIMILAR USE."

Page 2, strike lines 6 through 45

Page 3, strike lines 1 through 13, insert:

"Sec. 3. Title 15, chapter 13, article 2, Arizona Revised Statutes, is amended by adding section 15-1650.01, to read:

15-1650.01. Hospitality studies scholarship fund

A. THE HOSPITALITY STUDIES SCHOLARSHIP FUND IS ESTABLISHED CONSISTING OF REVENUES AVAILABLE TO THE FUND FROM ANY LAWFUL SOURCE. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND AND MAY PARTNER WITH ANY STATEWIDE LODGING AND TOURISM ASSOCIATION THAT PROVIDES MATCHING MONIES IN ADMINISTERING THE FUND. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION FOR THE PURPOSES OF THIS SECTION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

B. THE BOARD SHALL USE THE MONIES IN THE FUND TO PROVIDE SCHOLARSHIPS AND OTHER FINANCIAL ASSISTANCE TO STUDENTS ENTERING INTO OR ENROLLED IN A HOSPITALITY STUDIES PROGRAM AT ANY UNIVERSITY UNDER THE JURISDICTION OF THE BOARD. THE FINANCIAL ASSISTANCE SHALL BE USED TO DEFRAY EDUCATIONAL EXPENSES, INCLUDING ROOM AND BOARD. IF A RECIPIENT WITHDRAWS FROM SCHOOL OR FROM THE HOSPITALITY STUDIES PROGRAM BEFORE RECEIVING A DEGREE, THE RECIPIENT MUST REPAY ALL SCHOLARSHIP MONIES PREVIOUSLY AWARDED TO THE RECIPIENT. IF THE RECIPIENT IS DISMISSED FROM THE UNIVERSITY, THE BOARD SHALL NEGOTIATE AN APPROPRIATE REPAYMENT SCHEDULE PLUS EIGHT PER CENT SIMPLE INTEREST.

C. FOR THE PURPOSES OF THIS SECTION, "HOSPITALITY STUDIES PROGRAM" MEANS ANY UNDERGRADUATE OR GRADUATE ACADEMIC STUDIES PROGRAM RELATING TO OPERATION OR MANAGEMENT OF HOTELS, MOTELS OR OTHER FACILITIES FOR TRANSIENT LODGING AS DESCRIBED IN SECTION 42-5070, SUBSECTION A OR RESTAURANTS AS DESCRIBED IN SECTION 42-5074."

Renumber to conform

Page 9, line 21, strike "42-5001" insert "42-5076"

Strike lines 29 through 44

Strike pages 10 through 12

Page 13, strike lines 1 and 2

Renumber to conform

Page 14, line 38, after "MARKETPLACE" insert ", AS DEFINED IN SECTION 42-5076,"; after "DEPARTMENT" insert "FOR A LICENSE"

Line 39, strike "BY ANY COUNTY, CITY, TOWN AND" insert "ONE OR MORE COUNTIES, CITIES, TOWNS OR"

Page 14, line 40, strike "DISTRICT WITH RESPECT TO" insert "DISTRICTS, AT THE ELECTION OF THE ONLINE LODGING MARKETPLACE, FOR TAXES DUE FROM AN ONLINE LODGING OPERATOR ON"

Line 41, after "MARKETPLACE" insert ", SUBJECT TO SECTIONS 42-5076 AND 42-6009"

Between lines 41 and 42, insert:

"M. FOR THE PURPOSES OF THIS CHAPTER AND CHAPTER 6 OF THIS TITLE, A PERSON WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 20 AND WHO FILES AN ELECTRONIC CONSOLIDATED TAX RETURN FOR INDIVIDUAL REAL PROPERTIES UNDER MANAGEMENT ON BEHALF OF THE PROPERTY OWNERS MAY BE LICENSED WITH THE DEPARTMENT FOR THE PAYMENT OF TAXES LEVIED BY THIS STATE AND BY ANY COUNTY, CITY OR TOWN WITH RESPECT TO THOSE PROPERTIES."

Reletter to conform

Page 18, line 40, after "OPERATOR" insert ", AS DEFINED IN SECTION 42-5076,"

Page 18, line 42, after "TRANSACTION" insert ", AS DEFINED IN SECTION 42-5076,"; after "MARKETPLACE" insert ", AS DEFINED IN SECTION 42-5076,"

Page 19, line 2, after "MARKETPLACE" insert ", PURSUANT TO SECTION 42-5005, SUBSECTION L"

Between lines 2 and 3, insert:

"Sec. 7. Section 42-5010, Arizona Revised Statutes, is amended to read:

42-5010. Rates; distribution base

A. The tax imposed by this article is levied and shall be collected at the following rates:

1. Five percent of the tax base as computed for the business of every person engaging or continuing in this state in the following business classifications described in article 2 of this chapter:

(a) Transporting classification.

(b) Utilities classification.

(c) Telecommunications classification.

(d) Pipeline classification.

(e) Private car line classification.

(f) Publication classification.

(g) Job printing classification.

(h) Prime contracting classification.

(i) Amusement classification.

(j) Restaurant classification.

(k) Personal property rental classification.

(l) Retail classification and amounts equal to retail transaction privilege tax due pursuant to section 42-5008.01.

2. Five and one-half percent of the tax base as computed for the business of every person engaging or continuing in this state in:

(a) The transient lodging classification described in section 42-5070.

(b) THE ONLINE LODGING MARKETPLACE CLASSIFICATION DESCRIBED IN SECTION 42-5076 WHO HAS ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT TO REGISTER FOR, OR HAS OTHERWISE OBTAINED FROM THE DEPARTMENT, A LICENSE TO COLLECT TAX PURSUANT TO SECTION 42-5005, SUBSECTION L.

3. Three and one-eighth percent of the tax base as computed for the business of every person engaging or continuing in this state in the mining classification described in section 42-5072.

4. Zero percent of the tax base as computed for the business of every person engaging or continuing in this state in the commercial lease classification described in section 42-5069.

B. Except as provided by subsection J of this section, twenty percent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (a) through (h) of this section is designated as distribution base for purposes of section 42-5029.

C. Forty percent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (i) through (l) of this section is designated as distribution base for purposes of section 42-5029.

D. Thirty-two percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 3 of this section is designated as distribution base for purposes of section 42-5029.

E. Fifty-three and one-third percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 4 of this section is designated as distribution base for purposes of section 42-5029.

F. Fifty percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 2 of this section is designated as distribution base for purposes of section 42-5029.

G. In addition to the rates prescribed by subsection A of this section, if approved by the qualified electors voting at a statewide general election, an additional rate increment is imposed and shall be collected through June 30, 2021. The taxpayer shall pay taxes pursuant to this subsection at the same time and in the same manner as under subsection A of this section. The department shall separately account for the revenues

collected with respect to the rates imposed pursuant to this subsection and the state treasurer shall distribute all of those revenues in the manner prescribed by section 42-5029, subsection E. The rates imposed pursuant to this subsection shall not be considered local revenues for purposes of article IX, section 21, Constitution of Arizona. The additional tax rate increment is levied at the rate of six-tenths of one per cent of the tax base of every person engaging or continuing in this state in a business classification listed in subsection A, paragraph 1 of this section.

H. Any increase in the rate of tax that is imposed by this chapter and that is enacted by the legislature or by a vote of the people does not apply with respect to contracts entered into by prime contractors or pursuant to written bids made by prime contractors on or before the effective date of the legislation or the date of the election enacting the increase. To qualify for the exemption under this subsection, the prime contractor must maintain sufficient documentation, in a manner and form prescribed by the department, to verify the date of the contract or written bid.

I. For taxpayers taxable under this chapter other than prime contractors taxable pursuant to section 42-5075:

1. Any increase in the rate of tax that is levied by this article or article 2 of this chapter enacted by the legislature or by a vote of the people does not apply for a period of one hundred twenty days from the date of the tax rate increase to the gross proceeds of sales or gross income from the business of the taxpayer with respect to written contracts entered into before the effective date of the tax rate increase unless the taxpayer has entered into a contract that contains a provision that entitles the taxpayer to recover from the purchaser the amount of the additional tax levied.

2. The provisions of this subsection apply without regard to the accounting method used by the taxpayer to report the taxes imposed under article 2 of this chapter.

3. The provisions of this subsection shall not be considered in determining the rate of tax imposed under chapter 6, article 3 of this title.

J. Zero percent of the tax revenues that are collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classification listed in subsection A, paragraph 1, subdivision (h) of this section, and that are subject to any distribution required by section 42-5032.02, is designated as distribution base for the purposes of section 42-5029 until the total amount subject to distribution pursuant to section 42-5032.02 has reached the maximum amount prescribed by section 42-5032.02, subsection C. Thereafter, twenty percent of the remaining tax revenues is designated as distribution base for the purposes of section 42-5029 as provided by subsection B of this section."

Renumber to conform
Page 19, line 6, strike "OR" insert a comma; after "E" insert "OR F"
Page 20, line 36, after "MARKETPLACE" insert ", AS DEFINED IN SECTION 42-5076,"
Line 39, strike "THIS CHAPTER" insert "SECTION 42-5076"
Line 40, after "TRANSACTION" insert ", AS DEFINED IN SECTION 42-5076,"
Line 42, strike "ALL" insert "EACH"
Line 44, after "OPERATOR" insert ", AS DEFINED IN SECTION 42-5076,"
Page 21, strike lines 1 through 9, insert:

"F. A PERSON WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 20 AND WHO IS LICENSED WITH THE DEPARTMENT PURSUANT TO SECTION 42-5005, SUBSECTION M SHALL:

1. FILE A CONSOLIDATED RETURN MONTHLY WITH RESPECT TO ALL MANAGED PROPERTIES FOR WHICH THE LICENSEE FILES AN ELECTRONIC CONSOLIDATED TAX RETURN PURSUANT TO SECTION 42-6013.

2. REMIT TO THE DEPARTMENT THE AGGREGATE TOTAL AMOUNT OF THE APPLICABLE TAXES PAYABLE PURSUANT TO THIS CHAPTER AND CHAPTER 6 OF THIS TITLE FOR ALL OF THE RESPECTIVE TAXING JURISDICTIONS WITH RESPECT TO THE MANAGED PROPERTIES."

Reletter to conform
Page 22, line 29, after "MARKETPLACE" insert ", AS DEFINED IN SECTION 42-5076"
Line 40, after "OPERATOR" insert ", AS DEFINED IN SECTION 42-5076,"; after "TRANSACTIONS" insert ", AS DEFINED IN SECTION 42-5076,"
Line 42, after "MARKETPLACE" insert ", AS DEFINED IN SECTION 42-5076,"; strike the last comma
Line 43, after "HAS" insert "REMITTED"
Page 23, between lines 20 and 21, insert:

"Sec. 10. Title 42, chapter 5, article 2, Arizona Revised Statutes, is amended by adding section 42-5076, to read:

42-5076. Online lodging marketplace classification; definitions

A. THE ONLINE LODGING MARKETPLACE CLASSIFICATION IS COMPRISED OF THE BUSINESS OF OPERATING AN ONLINE LODGING MARKETPLACE.

B. THE TAX BASE FOR THE ONLINE LODGING MARKETPLACE CLASSIFICATION IS THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THE BUSINESS MEASURED BY THE TOTAL AMOUNT CHARGED FOR AN ONLINE TRANSIENT LODGING TRANSACTION BY THE ONLINE LODGING OPERATOR.

C. THE ONLINE LODGING MARKETPLACE CLASSIFICATION DOES NOT INCLUDE ANY ONLINE LODGING MARKETPLACE THAT HAS NOT ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT TO REGISTER FOR, OR HAS NOT OTHERWISE OBTAINED FROM THE DEPARTMENT, A LICENSE TO COLLECT TAX PURSUANT TO SECTION 42-5005, SUBSECTION L.

D. FOR THE PURPOSES OF THIS SECTION:

1 1. "ONLINE LODGING MARKETPLACE" MEANS A PERSON THAT PROVIDES A DIGITAL
2 PLATFORM FOR COMPENSATION THROUGH WHICH AN UNAFFILIATED THIRD PARTY OFFERS TO
3 RENT LODGING ACCOMMODATIONS TO AN OCCUPANT, INCLUDING A TRANSIENT, AS DEFINED
4 IN SECTION 42-5070, AND THE ACCOMMODATIONS ARE NOT CLASSIFIED FOR PROPERTY
5 TAX PURPOSES UNDER SECTION 42-12001. FOR THE PURPOSES OF THIS PARAGRAPH:
6 (a) "LODGING ACCOMMODATIONS" MEANS ANY SPACE OFFERED TO THE PUBLIC FOR
7 LODGING, INCLUDING ANY HOTEL, MOTEL, INN, TOURIST HOME OR HOUSE, DUDE RANCH,
8 RESORT, CAMPGROUND, STUDIO OR BACHELOR HOTEL, LODGING HOUSE, ROOMING HOUSE,
9 RESIDENTIAL HOME, APARTMENT HOUSE, DORMITORY, PUBLIC OR PRIVATE CLUB, MOBILE
10 HOME OR HOUSE TRAILER AT A FIXED LOCATION OR OTHER SIMILAR STRUCTURE OR
11 SPACE.
12 (b) "UNAFFILIATED THIRD PARTY" MEANS A PERSON THAT IS NOT OWNED OR
13 CONTROLLED, DIRECTLY OR INDIRECTLY, BY THE SAME INTERESTS.
14 2. "ONLINE LODGING OPERATOR" MEANS A PERSON THAT IS ENGAGED IN THE
15 BUSINESS OF RENTING TO AN OCCUPANT, INCLUDING A TRANSIENT AS DEFINED IN
16 SECTION 42-5070, ANY LODGING ACCOMMODATION OFFERED THROUGH AN ONLINE LODGING
17 MARKETPLACE.
18 3. "ONLINE LODGING TRANSACTION" MEANS A CHARGE TO AN OCCUPANT,
19 INCLUDING A TRANSIENT AS DEFINED IN SECTION 42-5070, BY AN ONLINE LODGING
20 OPERATOR FOR THE OCCUPANCY OF ANY LODGING ACCOMMODATION AND INCLUDES AN
21 ONLINE TRANSIENT LODGING TRANSACTION.
22 4. "ONLINE TRANSIENT LODGING TRANSACTION" MEANS A CHARGE TO AN
23 OCCUPANT WHO IS A TRANSIENT AS DEFINED IN SECTION 42-5070 BY AN ONLINE
24 LODGING OPERATOR FOR THE OCCUPANCY OF ANY LODGING ACCOMMODATION."
25 Renumber to conform
26 Page 23, line 22, strike "section" insert "sections"; after "42-6009" insert "and
27 42-6013"
28 Line 27, after the first "OR" strike remainder of line
29 Strike line 28, insert ", IN THE CASE OF AN ONLINE LODGING MARKETPLACE THAT IS
30 LICENSED PURSUANT TO SECTION 42-5005, SUBSECTION L, ON ANY ONLINE LODGING
31 TRANSACTION FACILITATED BY THE ONLINE LODGING MARKETPLACE OR ON ANY ONLINE
32 LODGING OPERATOR WITH RESPECT TO ANY ONLINE LODGING TRANSACTION FOR WHICH IT
33 HAS RECEIVED DOCUMENTATION THAT THE ONLINE LODGING MARKETPLACE HAS OR WILL
34 REMIT THE APPLICABLE TAX TO THE DEPARTMENT PURSUANT TO SECTION 42-5014,
35 SUBSECTION E."
36 Line 29, after "B." insert "IN THE CASE OF AN ONLINE LODGING MARKETPLACE THAT IS
37 LICENSED PURSUANT TO SECTION 42-5005, SUBSECTION L,"
38 Line 31, after "ON" insert "THE"; strike "OPERATORS" insert "MARKETPLACE"
39 Line 33, after "BE" insert "ADMINISTERED IN A MANNER THAT IS"; after "OF" insert
40 "ONLINE LODGING MARKETPLACES,"
41 Line 35, strike the period insert ", EXCEPT THAT:

1 (a) THE ADOPTED TAX RATE MAY BE DIFFERENT FROM THE STATE TAX RATE
2 PRESCRIBED BY SECTION 42-5010.
3 (b) THE ADOPTED TAX MAY APPLY TO ONLINE LODGING TRANSACTIONS INVOLVING
4 RENTALS OF LODGING ACCOMMODATIONS FOR MORE THAN TWENTY-NINE CONSECUTIVE
5 DAYS. WITH RESPECT TO ANY TAX ON RENTALS OF LODGING ACCOMMODATIONS FOR MORE
6 THAN TWENTY-NINE CONSECUTIVE DAYS, IN THE CASE OF AN ONLINE LODGING
7 MARKETPLACE THAT HAS REGISTERED PURSUANT TO SECTION 42-5005, SUBSECTION L,
8 THE ADOPTED TAX MUST UNIFORMLY APPLY TO ALL LODGING ACCOMMODATIONS FOR THIRTY
9 CONSECUTIVE DAYS OR MORE, AND THE TAX BASE FOR THE TAX MUST BE LIMITED
10 EXCLUSIVELY TO ONLINE LODGING TRANSACTIONS FACILITATED BY AN ONLINE LODGING
11 MARKETPLACE FOR RENTALS OF LODGING ACCOMMODATIONS FOR THIRTY CONSECUTIVE DAYS
12 OR MORE AND LOCATED IN THE APPLICABLE CITY, TOWN OR OTHER TAXING
13 JURISDICTION."
14 Line 39, after "ON" insert "ONLINE LODGING MARKETPLACES,"
15 Line 43, strike "42-1108, SUBSECTION F" insert "42-6002"
16 Page 24, line 11, after the first comma insert ""LODGING ACCOMMODATIONS","
17 Line 13, strike "42-5001" insert "42-5076"
18 Between lines 13 and 14, insert:
19 "42-6013. Electronic consolidated real property management tax
20 returns; definition
21 A. FOR TAXABLE PERIODS BEGINNING FROM AND AFTER DECEMBER 31, 2017, A
22 CITY OR TOWN THAT LEVIES A TRANSACTION PRIVILEGE TAX UNDER THIS SECTION SHALL
23 ALLOW PERSONS WHO ARE LICENSED PURSUANT TO TITLE 32, CHAPTER 20 AND WHO ARE
24 LICENSED WITH THE DEPARTMENT PURSUANT TO SECTION 42-5005, SUBSECTION M TO
25 FILE ELECTRONIC CONSOLIDATED TAX RETURNS WITH THE DEPARTMENT WITH RESPECT TO
26 GROSS PROCEEDS OR GROSS INCOME DERIVED FROM THE INDIVIDUAL PROPERTIES UNDER
27 MANAGEMENT ON BEHALF OF THE PROPERTY OWNERS, SUBJECT TO THE FOLLOWING
28 CONDITIONS AND REQUIREMENTS:
29 1. THE DEPARTMENT SHALL ADMINISTER, COLLECT AND ENFORCE THE TAX THAT
30 IS REPORTED AND PAID PURSUANT TO AN ELECTRONIC CONSOLIDATED RETURN AND REMIT
31 THE COLLECTED REVENUES TO THE APPROPRIATE CITY OR TOWN.
32 2. THE TAX MAY NOT BE COLLECTED FROM ANY PROPERTY OWNER WHOSE LICENSEE
33 HAS PROVIDED WRITTEN DOCUMENTATION TO THE PROPERTY OWNER AND TO THE CITY OR
34 TOWN THAT THE LICENSEE HAS REPORTED AND REMITTED OR WILL REPORT AND REMIT THE
35 APPLICABLE TAX WITH RESPECT TO THE PROPERTY UNDER MANAGEMENT.
36 3. THE DEPARTMENT SHALL DEVELOP AN ELECTRONIC CONSOLIDATED RETURN FORM
37 THAT SEPARATELY IDENTIFIES EACH OWNER'S PROPERTY LOCATIONS AND THE GROSS
38 INCOME AND DEDUCTIONS FOR EACH PROPERTY LOCATION. THE LICENSEE SHALL FILE
39 THE RETURN ELECTRONICALLY USING THE CONSOLIDATED RETURN FORM DEVELOPED BY THE
40 DEPARTMENT.

4. ALL PARTICIPATING PROPERTY OWNERS INCLUDED IN THE SAME ELECTRONIC CONSOLIDATED RETURN MUST BE ON THE SAME TAX PAYMENT SCHEDULE AND USE THE SAME CASH RECEIPTS OR ACCRUAL BASIS OF REPORTING.

5. A LICENSEE FILING AN ELECTRONIC CONSOLIDATED RETURN:

(a) ACTS IN A FIDUCIARY CAPACITY AS THE PROPERTY OWNERS' AGENT.

(b) IS RESPONSIBLE AND ACCOUNTABLE TO THE PROPERTY OWNERS AND TO THE CITY OR TOWN FOR FULLY AND ACCURATELY REPORTING AND PAYING TO THE DEPARTMENT THE TAX AND ANY OTHER AMOUNTS DUE.

(c) IS SUBJECT TO AUDIT, AS PROVIDED BY LAW, OF THE ELECTRONIC CONSOLIDATED RETURNS, INCLUDING DATA IN THE LICENSEE'S POSSESSION THAT IS USED IN COMPILING AND FILING THE ELECTRONIC CONSOLIDATED RETURNS.

6. A PROPERTY OWNER:

(a) REMAINS ULTIMATELY RESPONSIBLE, ACCOUNTABLE AND LIABLE FOR BOTH:

(i) THE ACCURACY OF INFORMATION THE PROPERTY OWNER FURNISHES TO THE LICENSEE.

(ii) THE RETURN AND PAYMENT OF THE FULL TAX LIABILITY.

(b) IS SUBJECT TO AUDIT, AS PROVIDED BY LAW, OF THE RECORDS IN THE PROPERTY OWNER'S POSSESSION THAT ARE SUBMITTED TO THE LICENSEE FOR THE PURPOSES OF THE ELECTRONIC CONSOLIDATED RETURN.

(c) MAY WITHDRAW ANY OF THE PROPERTY OWNER'S PROPERTIES FROM THE ELECTRONIC CONSOLIDATED RETURN ON THIRTY DAYS' WRITTEN NOTICE TO THE LICENSEE, THE DEPARTMENT AND THE TAX COLLECTOR OF THE CITY OR TOWN.

B. FOR THE PURPOSES OF THIS SECTION, "LICENSEE" MEANS A PERSON WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 20 AND WHO IS LICENSED WITH THE DEPARTMENT PURSUANT TO SECTION 42-5005, SUBSECTION M."

Page 26, between lines 8 and 9, insert:

"Sec. 14. Joint legislative study committee on transient lodging; report; repeal

A. The joint legislative study committee on transient lodging is established consisting of the following members:

1. Three members of the senate who are appointed by the president of the senate, not more than two of whom are members of the same political party and one of whom shall serve as co-chair.

2. Three members of the house of representatives who are appointed by the speaker of the house of representatives, not more than two of whom are members of the same political party and one of whom shall serve as co-chair.

3. One member who uses a residential home as a short term rental through an online lodging marketplace, as defined in section 42-5076, Arizona Revised Statutes, as added by this act, and who is appointed by the president of the senate.

4. One member who manages or operates a hotel, motel or bed and breakfast business and who is appointed by the speaker of the house of representatives.

5. One representative of an association of cities and towns in this state who is appointed by the president of the senate.

6. One representative of an association of counties in this state that represents county boards of supervisors and who is appointed by the speaker of the house of representatives.

7. One representative of an online lodging marketplace, as defined in section 42-5076, Arizona Revised Statutes, as added by this act, and who is appointed by the president of the senate.

8. One representative of a statewide lodging and tourism association who is appointed by the speaker of the house of representatives.

9. One representative of a taxpayer organization in this state who is appointed by the president of the senate.

10. One representative of a statewide association representing licensed real estate professionals who is appointed by the speaker of the house.

11. One representative of a statewide multihousing association who is appointed by the president of the senate.

12. One representative of a convention and visitor's bureau in this state who is appointed by the speaker of the house of representatives.

B. The committee shall consider current state and local government laws and regulations on the various types of accommodations used for the purposes of transient lodging. The committee shall consider the economic, business and consumer impact of the laws and regulations, including whether a regulation is the least burdensome to ensure compliance and whether there are viable alternatives for regulatory relief.

C. The committee may request industry data from relevant state agencies during an annual committee meeting to be held on or before September 15, 2017 and annually thereafter.

D. The committee shall submit a report of the committee's findings and any recommendations on or before December 15, 2017, and each year thereafter, to the president of the senate, the speaker of the house of representatives and the governor and provide a copy of this report to the secretary of state.

E. This section is repealed and the committee terminates for all purposes from and after December 31, 2020.

Sec. 15. Applicability; savings

A. This act does not affect the rights and obligations under any existing agreement to pay taxes to a taxing jurisdiction in effect before the effective date of this act.

1 B. This act does not entitle an online lodging marketplace, as defined
2 in section 42-5076, Arizona Revised Statutes, as added by this act, to a
3 refund of any taxes or fees collected and paid to a taxing jurisdiction
4 before the effective date of this act."
5 Renumber to conform
6 Amend title to conform

DARIN MITCHELL

1350dm4
05/04/2016
10:30 AM
C: dmt