

Senate Engrossed House Bill

model city tax code; notice

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

## **CHAPTER 144**

# **HOUSE BILL 2119**

AN ACT

AMENDING SECTIONS 9-499.15, 9-836, 42-2003 AND 42-6054, 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 9-499.15, Arizona Revised Statutes, is amended  
3 to read:

4 9-499.15. Proposed new or increased municipal taxes and fees;  
5 notification; exceptions

6 A. A municipality may not levy or assess any new taxes or fees or  
7 increase existing taxes or fees pursuant to statute on a business without  
8 complying with this section.

9 B. A municipality that proposes to levy or assess a tax or fee  
10 shall:

11 1. Prepare a schedule of the proposed new or increased tax or fee  
12 that includes the amount of the tax or fee and a written report or data  
13 that supports the new or increased tax or fee. A copy of the report or  
14 data shall be filed in the office of the clerk of the municipality.

15 2. If ~~the imposition of~~ the proposed tax or fee is a new charge,  
16 provide written notice of the proposed charge, the schedule of the  
17 proposed new charge and the written report or data that supports the new  
18 charge on the home page of the municipality's website at least sixty days  
19 before the date the proposed new tax or fee is approved or ~~disapproved~~  
20 REJECTED by the governing body of the municipality.

21 3. If the municipality proposes to increase the rate of an existing  
22 tax or fee on a business, provide written notice of the proposed increase,  
23 the schedule of the proposed increased tax or fee and the written report  
24 or data that supports the proposed increased tax or fee on the home page  
25 of the municipality's website at least sixty days before the date the  
26 proposed new rate is approved or ~~disapproved~~ REJECTED by the governing  
27 body of the municipality.

28 4. Prepare a notice of intent to establish or increase taxes,  
29 assessments or fees including assessments LEVIED pursuant to section  
30 48-572, subsection B, paragraph ~~1~~ 2. The notice of intent shall include  
31 the date, time and place of the meeting of the governing body of the  
32 municipality in which the proposed new or increased tax or fee will be  
33 considered and a statement that a schedule of the proposed new or  
34 increased tax or fee that includes the amount of the tax or fee and a  
35 written report or data that supports the new or increased tax or fee is  
36 available on the municipality's website. The notice of intent shall be  
37 posted on the municipality's website at least fifteen days before the date  
38 the proposed new or increased tax or fee will be approved or ~~disapproved~~  
39 REJECTED by the governing body of the municipality. If the municipality  
40 uses social media or other electronic communication tools, the notice of  
41 intent shall be distributed through the municipality's social media  
42 accounts or other electronic communication tools.

1 C. AT LEAST SEVENTY-FIVE DAYS BEFORE THE DATE A MUNICIPALITY  
2 PROPOSES AN ORDINANCE TO ADOPT OR REPEAL A MODEL OR LOCAL OPTION IN THE  
3 MODEL CITY TAX CODE, THE MUNICIPALITY SHALL REQUEST FROM THE DEPARTMENT OF  
4 REVENUE A LIST OF ALL TAXPAYERS WITHIN THE MUNICIPALITY IN THE AFFECTED  
5 TAX CLASSIFICATION. AT LEAST SIXTY DAYS BEFORE THE DATE THE PROPOSED  
6 ORDINANCE IS APPROVED OR REJECTED BY THE GOVERNING BODY OF THE  
7 MUNICIPALITY, THE MUNICIPALITY SHALL NOTIFY BY MAIL ALL TAXPAYERS IN THE  
8 AFFECTED TAX CLASSIFICATION OF THE PROPOSED ORDINANCE.

9 D. SUBSECTION C OF THIS SECTION DOES NOT APPLY TO ORDINANCES THAT  
10 DO EITHER OF THE FOLLOWING:

11 1. IMPOSE A USE TAX OR A MODEL OR LOCAL OPTION TO EXEMPT A CITY OR  
12 TOWN FROM USE TAX.

13 2. IMPOSE A TWO-TIERED TAX RATE STRUCTURE FOR RETAIL SALES.

14 ~~E.~~ E. All departments, boards or other subdivisions of a  
15 municipality that are authorized to establish or modify taxes or fees  
16 shall follow the notice requirements prescribed in subsection B of this  
17 section before the date of the entity's consideration of the new or  
18 increased tax or fee.

19 ~~F.~~ F. Technological issues that either prevent the posting of the  
20 notice on the municipality's website or distribution of the notice through  
21 social media or other electronic communication tools ~~does~~ DO not preclude  
22 the governing body of the municipality from approving or ~~disapproving~~  
23 REJECTING the new or increased tax or fee at the meeting provided on the  
24 notice of intent.

25 ~~F.~~ G. A municipality shall demonstrate that the taxes or fees are  
26 imposed pursuant to statute.

27 ~~F.~~ H. Subsections A and B of this section do not apply to:

28 1. Any fee adopted pursuant to section 9-463.05.

29 2. Water and wastewater rates or rate components.

30 3. Fees for registration-based classes, programs or activities  
31 provided by the municipality.

32 4. Court fees established pursuant to state law.

33 5. Fees or charges established pursuant to federal law for public  
34 housing or other federally funded programs.

35 6. Other fees whose amounts are set by state or federal law.

36 ~~G.~~ I. If information is made available relating to the fees  
37 provided in subsection ~~F~~ H of this section, that information shall be  
38 posted on the municipality's website and, if the municipality uses social  
39 media or other electronic communication tools, distributed through social  
40 media or other electronic communication tools.

41 ~~H.~~ J. In addition to any other limitation that may be imposed by  
42 law, a municipality shall not levy or impose an assessment, fee or tax on  
43 hospital revenues, discharges, beds or services for the purpose of  
44 receiving services or payments pursuant to title 36, chapter 29.

1       Sec. 2. Section 9-836, Arizona Revised Statutes, is amended to  
2 read:

3       9-836. License application process

4       A. A municipality that issues licenses shall provide the following  
5 information to an applicant at the time the applicant obtains an  
6 application for a license:

7       1. A list of all of the steps the applicant is required to take in  
8 order to obtain the license.

9       2. The applicable licensing time frames.

10       3. The name and telephone number of a municipal contact person who  
11 can answer questions or provide assistance throughout the application  
12 process.

13       4. The website address and any other information, if applicable, to  
14 allow the regulated person to use electronic communication with the  
15 municipality.

16       5. Notice that an applicant may receive a clarification from the  
17 municipality of its interpretation or application of a statute, ordinance,  
18 code or authorized substantive policy statement as provided in section  
19 9-839.

20       B. A MUNICIPALITY THAT ISSUES A BUSINESS LICENSE SHALL PROVIDE  
21 NOTICE OF ANY MODEL OR LOCAL OPTION IN THE MODEL CITY TAX CODE THAT WILL  
22 APPLY TO AN APPLICANT AT THE TIME THE APPLICANT OBTAINS A BUSINESS LICENSE  
23 APPLICATION.

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

26       42-2003. Authorized disclosure of confidential information

27       A. Confidential information relating to:

28       1. A taxpayer may be disclosed to the taxpayer, its successor in  
29 interest or a designee of the taxpayer who is authorized in writing by the  
30 taxpayer. A principal corporate officer of a parent corporation may  
31 execute a written authorization for a controlled subsidiary. If a  
32 taxpayer elects to file an Arizona small business income tax return under  
33 section 43-302, a written authorization by the taxpayer to allow the  
34 department to disclose personal income tax information to a designee  
35 includes the corresponding Arizona small business income tax return.

36       2. A corporate taxpayer may be disclosed to any principal officer,  
37 any person designated by a principal officer or any person designated in a  
38 resolution by the corporate board of directors or other similar governing  
39 body. If a corporate officer signs a statement under penalty of perjury  
40 representing that the officer is a principal officer, the department may  
41 rely on the statement until the statement is shown to be false. For the  
42 purposes of this paragraph, "principal officer" includes a chief executive  
43 officer, president, secretary, treasurer, vice president of tax, chief  
44 financial officer, chief operating officer or chief tax officer or any

1 other corporate officer who has the authority to bind the taxpayer on  
2 matters related to state taxes.

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

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

8       5. An estate may be disclosed to the personal representative of the  
9 estate and to any heir, next of kin or beneficiary under the will of the  
10 decedent if the department finds that the heir, next of kin or beneficiary  
11 has a material interest that will be affected by the confidential  
12 information.

13       6. A trust may be disclosed to the trustee or trustees, jointly or  
14 separately, and to the grantor or any beneficiary of the trust if the  
15 department finds that the grantor or beneficiary has a material interest  
16 that will be affected by the confidential information.

17       7. A government entity may be disclosed to the head of the entity  
18 or a member of the governing board of the entity, or any employee of the  
19 entity who has been delegated the authorization in writing by the head of  
20 the entity or the governing board of the entity.

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

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

26       10. Any taxpayer may be disclosed during a meeting or telephone  
27 call if the taxpayer is present during the meeting or telephone call and  
28 authorizes the disclosure of confidential information.

29       B. Confidential information may be disclosed to:

30       1. Any employee of the department whose official duties involve tax  
31 administration.

32       2. The office of the attorney general solely for its use in  
33 preparation for, or in an investigation that may result in, any proceeding  
34 involving tax administration before the department or any other agency or  
35 board of this state, or before any grand jury or any state or federal  
36 court.

37       3. The department of liquor licenses and control for its use in  
38 determining whether a spirituous liquor licensee has paid all transaction  
39 privilege taxes and affiliated excise taxes incurred as a result of the  
40 sale of spirituous liquor, as defined in section 4-101, at the licensed  
41 establishment and imposed on the licensed establishments by this state and  
42 its political subdivisions.

43       4. Other state tax officials whose official duties require the  
44 disclosure for proper tax administration purposes if the information is  
45 sought in connection with an investigation or any other proceeding

1 conducted by the official. Any disclosure is limited to information of a  
2 taxpayer who is being investigated or who is a party to a proceeding  
3 conducted by the official.

4 5. The following agencies, officials and organizations, if they  
5 grant substantially similar privileges to the department for the type of  
6 information being sought, pursuant to statute and a written agreement  
7 between the department and the foreign country, agency, state, Indian  
8 tribe or organization:

9 (a) The United States internal revenue service, alcohol and tobacco  
10 tax and trade bureau of the United States treasury, United States bureau  
11 of alcohol, tobacco, firearms and explosives of the United States  
12 department of justice, United States drug enforcement agency and federal  
13 bureau of investigation.

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

15 (c) An organization of states, federation of tax administrators or  
16 multistate tax commission that operates an information exchange for tax  
17 administration purposes.

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

21 (e) An agency, official or organization of an Indian tribal  
22 government with responsibilities comparable to the responsibilities of the  
23 agencies, officials or organizations identified in subdivision (a), (b) or  
24 (c) of this paragraph.

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

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

29 (a) The processing, storage, transmission, destruction and  
30 reproduction of the information.

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

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

34 8. The office of administrative hearings relating to taxes  
35 administered by the department pursuant to section 42-1101, but the  
36 department shall not disclose any confidential information without the  
37 taxpayer's written consent:

38 (a) Regarding income tax or withholding tax.

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

41 9. The United States treasury inspector general for tax  
42 administration for the purpose of reporting a violation of internal  
43 revenue code section 7213A (26 United States Code section 7213A),  
44 unauthorized inspection of returns or return information.

1       10. The financial management service of the United States treasury  
2 department for use in the treasury offset program.

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

6       12. The Arizona commerce authority for its use in:

7       (a) Qualifying renewable energy operations for the tax incentives  
8 under section 42-12006.

9       (b) Qualifying businesses with a qualified facility for income tax  
10 credits under sections 43-1083.03 and 43-1164.04.

11       (c) Fulfilling its annual reporting responsibility pursuant to  
12 section 41-1512, subsections U and V and section 41-1517, subsection L.

13       (d) Certifying computer data centers for tax relief under section  
14 41-1519.

15       (e) Certifying applicants for the tax credit for motion picture  
16 production costs under sections 43-1082 and 43-1165.

17       13. A prosecutor for purposes of section 32-1164, subsection C.

18       14. The office of the state fire marshal for use in determining  
19 compliance with and enforcing title 37, chapter 9, article 5.

20       15. The department of transportation for its use in administering  
21 taxes, surcharges and penalties prescribed by title 28.

22       16. The Arizona health care cost containment system administration  
23 for its use in administering nursing facility provider assessments.

24       17. The department of administration risk management division and  
25 the office of the attorney general if the information relates to a claim  
26 against this state pursuant to section 12-821.01 involving the department  
27 of revenue.

28       18. Another state agency if the taxpayer authorizes the disclosure  
29 of confidential information in writing, including an authorization that is  
30 part of an application form or other document submitted to the agency.

31       19. The department of economic security for its use in determining  
32 whether an employer has paid all amounts due under the unemployment  
33 insurance program pursuant to title 23, chapter 4.

34       20. The department of health services for its use in determining  
35 the following:

36       (a) Whether a medical marijuana dispensary is in compliance with  
37 the tax requirements of chapter 5 of this title for the purposes of  
38 section 36-2806, subsection A.

39       (b) Whether a marijuana establishment, marijuana testing facility  
40 or dual licensee licensed under title 36, chapter 28.2 is in compliance  
41 with the tax obligations under this title or title 43.

42       21. The Arizona department of agriculture for the purpose of  
43 ascertaining compliance with the licensing provisions in title 3.

1       22. The office of economic opportunity for the purpose of  
2 performing the duties and obligations to or on behalf of this state  
3 prescribed by title 41, chapter 53.

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

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

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

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

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

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

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

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

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

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

39       G. Confidential information relating to transaction privilege tax,  
40 use tax, severance tax, jet fuel excise and use tax and any other tax  
41 collected by the department on behalf of any jurisdiction may be disclosed  
42 to any county, city or town tax official if the information relates to a  
43 taxpayer who is or may be taxable by a county, city or town or who may be  
44 subject to audit by the department pursuant to section 42-6002. Any



1 taxpayer information that is released by the department to the county,  
2 city or town:

3 1. May be used only for internal purposes, including audits AND  
4 COMMUNICATION WITH TAXPAYERS FOR THE PURPOSES OF THE NOTICE REQUIRED BY  
5 SECTION 9-499.15, SUBSECTION C. If there is a legitimate business need  
6 relating to enforcing laws, regulations and ordinances pursuant to section  
7 9-500.39 or 11-269.17, a county, city or town tax official may redisclose  
8 transaction privilege tax information relating to a vacation rental or  
9 short-term rental property owner or online lodging operator from the new  
10 license report and license update report, subject to the following:

11 (a) The information redisclosed is limited to the following:

12 (i) The transaction privilege tax license number.

13 (ii) The type of organization or ownership of the business.

14 (iii) The legal business name and doing business as name, if  
15 different from the legal name.

16 (iv) The business mailing address, tax record physical location  
17 address, telephone number, email address and fax number.

18 (v) The date the business started in this state, the business  
19 description and the North American industry classification system code.

20 (vi) The name, address and telephone number for each owner,  
21 partner, corporate officer, member, managing member or official of the  
22 employing unit.

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

26 (c) All redisclosures of confidential information made pursuant to  
27 this paragraph are subject to paragraph 2 of this subsection.

28 2. May not be disclosed to the public in any manner that does not  
29 comply with confidentiality standards established by the department. The  
30 county, city or town shall agree in writing with the department that any  
31 release of confidential information that violates the confidentiality  
32 standards adopted by the department will result in the immediate  
33 suspension of any rights of the county, city or town to receive taxpayer  
34 information under this subsection.

35 H. The department may disclose statistical information gathered  
36 from confidential information if it does not disclose confidential  
37 information attributable to any one taxpayer. The department may disclose  
38 statistical information gathered from confidential information, even if it  
39 discloses confidential information attributable to a taxpayer, to:

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

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

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

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

10 K. The department may provide transaction privilege tax license  
11 information to property tax officials in a county for the purpose of  
12 identification and verification of the tax status of commercial property.

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

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

21 N. This section does not prohibit the disclosure by the department  
22 of any information or documents submitted to the department by a bingo  
23 licensee. Before disclosing the information, the department shall obtain  
24 the name and address of the person requesting the information.

25 O. If the department is required or allowed to disclose  
26 confidential information, it may charge the person or agency requesting  
27 the information for the reasonable cost of its services.

28 P. Except as provided in section 42-2002, subsection D, the  
29 department of revenue shall release confidential information as requested  
30 by the department of economic security pursuant to section 42-1122 or  
31 46-291. Information disclosed under this subsection is limited to the  
32 same type of information that the United States internal revenue service  
33 is authorized to disclose under section 6103(l)(6) of the internal revenue  
34 code.

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

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

1       S. The department shall release to the attorney general  
2 confidential information as requested by the attorney general for purposes  
3 of determining compliance with or enforcing any of the following:

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

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

8       3. Sections 44-7101 and 44-7111, the master settlement agreement  
9 referred to in those sections and all agreements regarding disputes under  
10 the master settlement agreement.

11       T. For proceedings before the department, the office of  
12 administrative hearings, the state board of tax appeals or any state or  
13 federal court involving penalties that were assessed against a return  
14 preparer, an electronic return preparer or a payroll service company  
15 pursuant to section 42-1103.02, 42-1125.01 or 43-419, confidential  
16 information may be disclosed only before the judge or administrative law  
17 judge adjudicating the proceeding, the parties to the proceeding and the  
18 parties' representatives in the proceeding prior to its introduction into  
19 evidence in the proceeding. The confidential information may be  
20 introduced as evidence in the proceeding only if the taxpayer's name, the  
21 names of any dependents listed on the return, all social security numbers,  
22 the taxpayer's address, the taxpayer's signature and any attachments  
23 containing any of the foregoing information are redacted and if either:

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

26       2. Such a return or the return information relates or may relate to  
27 a transactional relationship between a person who is a party to the  
28 proceeding and the taxpayer that directly affects the resolution of an  
29 issue in the proceeding.

30       3. The method of payment of the taxpayer's withholding tax  
31 liability or the method of filing the taxpayer's withholding tax return is  
32 an issue for the period.

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

35       1. Federal, state or local agencies located in this state for the  
36 purposes of enforcement of the statutes or agreements specified in  
37 subsection S of this section or for the purposes of enforcement of  
38 corresponding laws of other states.

39       2. Indian tribes located in this state for the purposes of  
40 enforcement of the statutes or agreements specified in subsection S of  
41 this section.

42       3. A court, arbitrator, data clearinghouse or similar entity for  
43 the purpose of assessing compliance with or making calculations required  
44 by the master settlement agreement or agreements regarding disputes under  
45 the master settlement agreement, and with counsel for the parties or

1 expert witnesses in any such proceeding, if the information otherwise  
2 remains confidential.

3 V. The department may provide the name and address of qualifying  
4 hospitals and qualifying health care organizations, as defined in section  
5 42-5001, to a business that is classified and reporting transaction  
6 privilege tax under the utilities classification.

7 W. The department may disclose to an official of any city, town or  
8 county in a current agreement or considering a prospective agreement with  
9 the department as described in section 42-5032.02, subsection G any  
10 information relating to amounts that are subject to distribution and that  
11 are required by section 42-5032.02. Information disclosed by the  
12 department under this subsection:

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

15 2. May not be disclosed to the public in any manner that does not  
16 comply with confidentiality standards established by the department. The  
17 city, town or county must agree with the department in writing that any  
18 release of confidential information that violates the confidentiality  
19 standards will result in the immediate suspension of any rights of the  
20 city, town or county to receive information under this subsection.

21 X. Notwithstanding any other provision of this section, the  
22 department may not disclose information provided by an online lodging  
23 marketplace, as defined in section 42-5076, without the written consent of  
24 the online lodging marketplace, and the information may be disclosed only  
25 pursuant to subsection A, paragraphs 1 through 6, 8 and 10, subsection B,  
26 paragraphs 1, 2, 7 and 8 and subsections C, D and G of this section. Such  
27 information:

28 1. Is not subject to disclosure pursuant to title 39, relating to  
29 public records.

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

32 Sec. 4. Section 42-6054, Arizona Revised Statutes, is amended to  
33 read:

34 42-6054. Modifications to model city tax code; notice and  
35 hearing

36 A. If a city or town adopts the model city tax code, the city or  
37 town shall not adopt any modification or amendment to the code unless the  
38 city or town holds a public hearing on the proposed action before the  
39 modification or amendment becomes effective.

40 B. If a city or town that has adopted the model city tax code  
41 issues a written notice with respect to an interpretation of any provision  
42 of the code or any procedures to be followed under the code, the city or  
43 town shall not adopt any modification or amendment to the written notice  
44 unless the city or town holds a public hearing on the proposed action  
45 before the modification or amendment becomes effective.

1 C. A city or town that has adopted the model city tax code shall  
2 not change the application of the code from audit to audit unless the city  
3 or town adopted an amendment or modification to the code.

4 D. The governing body of the city or town shall publish a notice of  
5 the hearing at least fifteen days before the date of the hearing in a  
6 newspaper of general circulation in the city or town. At the hearing, the  
7 governing body shall receive all written and oral comments relating to the  
8 proposed action. If, after receiving and considering all comments, the  
9 governing body proceeds with the proposed action, the modification or  
10 amendment shall not become effective for at least ~~thirty~~ SIXTY days after  
11 the date of the hearing, unless otherwise provided by city charter.

12 E. A CITY OR TOWN THAT PROPOSES AN ORDINANCE TO ADOPT OR REPEAL A  
13 MODEL OR LOCAL OPTION IN THE MODEL CITY TAX CODE SHALL NOTIFY ALL  
14 TAXPAYERS IN THE AFFECTED TAX CLASSIFICATION PURSUANT TO SECTION 9-499.15.

APPROVED BY THE GOVERNOR MAY 7, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 7, 2025.