STATE OF ARIZONA

SENATE BILL 1165

AN ACT

AMENDING SECTION 42-6002, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 42-6002, Arizona Revised Statutes, is amended to read:

42-6002. Procedures for levy, collection and enforcement applicable to cities and towns

A. The procedures for levy, collection and enforcement of payment of transaction privilege and affiliated excise taxes, including use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax, levied by a city or town by such city or town shall be in the same manner as authorized by chapter 5 of this title unless otherwise provided by the ordinance of such city or town. The department, when acting on behalf of a city or town in levying and collecting transaction privilege and affiliated taxes for such city or town, shall utilize the procedures for levying, collecting and enforcing the payment of such taxes on behalf of the city or town.

B. A CITY OR TOWN SHALL NOT:

1. EMPLOY AUDITORS ON A CONTINGENT FEE BASIS OR ENTER INTO CONTINGENT FEE CONTRACTS FOR AUDITING ANY TRANSACTION PRIVILEGE OR AFFILIATED TAX LEVIED BY THE CITY OR TOWN.

2. ENTER INTO CONTRACTS WITH A THIRD PARTY, OTHER THAN THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE, FOR THE COLLECTION, ADMINISTRATION OR PROCESSING OF TRANSACTION PRIVILEGE OR AFFILIATED TAXES LEVIED BY THE CITY OR TOWN. THIS PARAGRAPH DOES NOT APPLY TO A CITY OR TOWN THAT DOES NOT CONTRACT WITH THE DEPARTMENT FOR THE COLLECTION, ADMINISTRATION OR PROCESSING OF TRANSACTION PRIVILEGE OR AFFILIATED TAXES LEVIED BY THE CITY OR TOWN AND THAT ENTERS INTO A CONTRACT WITH A THIRD PARTY SOLELY FOR THE COLLECTION OF DELINQUENT CITY OR TOWN TRANSACTION PRIVILEGE OR AFFILIATED TAXES FOR WHICH A LIABILITY HAS BEEN ESTABLISHED.

Sec. 2. Savings; preexisting contracts

Section 42-6002, Arizona Revised Statutes, as amended by this act, does not apply to or affect any contract entered into before, or any contractual relationship existing on, January 1, 2011, but does apply to any renewal of a contract that is otherwise unaffected due to this section.