



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 24, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on April 24th, 2019:

H.B. 2027 online lodging marketplace; local taxation (Kavanagh)
H.B. 2055 juvenile court; jurisdiction (J. Allen)
H.B. 2061 foster tuition waiver scholarship; age (Barto)
H.B. 2236 county recorder; candidate petition (Townsend)
H.B. 2303 computer science; credit; science; mathematics (Udall)
H.B. 2451 real estate licensure; exceptions; rentals (Griffin)
H.B. 2469 fire district consolidation, merger (Cobb)
H.B. 2485 real property disclosure; solar; disposal (Griffin)
H.B. 2598 public debt; refinance; JCCR review (Kern)
S.B. 1211 intermediate care facilities; licensure (Carter)
S.B. 1247 residential care institutions; children (Brophy-McGee)
S.B. 1537 service providers; fingerprint card (Brophy-McGee)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 124
HOUSE BILL 2027

AN ACT

AMENDING SECTION 42-6009, ARIZONA REVISED STATUTES; RELATING TO LOCAL
EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-6009, Arizona Revised Statutes, is amended to
3 read:

4 42-6009. Online lodging; definitions

5 A. Except as provided by this section, a city, town or other taxing
6 jurisdiction may not levy a transaction privilege, sales, use, franchise
7 or other similar tax or fee, however denominated, on the business of
8 operating an online lodging marketplace or, in the case of an online
9 lodging marketplace that is licensed pursuant to section 42-5005,
10 subsection L, on any online lodging transaction facilitated by the online
11 lodging marketplace or on any online lodging operator with respect to any
12 online lodging transaction for which it has received documentation that
13 the online lodging marketplace has remitted or will remit the applicable
14 tax to the department pursuant to section 42-5014, subsection E.

15 B. In the case of an online lodging marketplace that is licensed
16 pursuant to section 42-5005, subsection L, a city, town or other taxing
17 jurisdiction may levy a transaction privilege, sales, use, franchise or
18 other similar tax or fee ~~as provided by~~ ON AN ONLINE LODGING MARKETPLACE
19 FROM ANY ACTIVITY SUBJECT TO TAX UNDER the model city tax code, ~~on the~~
20 ~~online lodging~~ WITH THE TAX BASE FOR AN ONLINE MARKETPLACE BEING LIMITED
21 PURSUANT TO SECTION 42-5076, subject to the following conditions:

22 1. ~~The adopted~~ THE CITY, TOWN OR OTHER TAXING JURISDICTION tax must
23 be administered in a manner that is uniform with the treatment of online
24 lodging marketplaces, online lodging operators and online lodging
25 transactions provided by chapter 5 of this title, except that:

26 (a) The ~~adopted~~ CITY, TOWN OR OTHER TAXING JURISDICTION tax rate
27 may be different from the state tax rate prescribed by section 42-5010.

28 (b) The ~~adopted~~ CITY, TOWN OR OTHER TAXING JURISDICTION tax may
29 apply to online lodging transactions involving rentals of lodging
30 accommodations in the city, town or other taxing jurisdiction for more
31 than twenty-nine consecutive days. With respect to any tax on rentals of
32 lodging accommodations for more than twenty-nine consecutive days, in the
33 case of an online lodging marketplace that has registered pursuant to
34 section 42-5005, subsection L, the ~~adopted~~ CITY, TOWN OR OTHER TAXING
35 JURISDICTION tax must uniformly apply to all lodging accommodations in the
36 city, town or other taxing jurisdiction for thirty consecutive days or
37 more, and the tax base for the tax must be limited exclusively to online
38 lodging transactions facilitated by an online lodging marketplace for
39 rentals of lodging accommodations for thirty consecutive days or more and
40 located in the applicable city, town or other taxing jurisdiction.

41 2. The ~~adopted~~ CITY, TOWN OR OTHER TAXING JURISDICTION tax shall be
42 administered, collected and enforced by the department and ~~remitted~~
43 DISTRIBUTED to the city, town or other taxing jurisdiction in a uniform
44 manner.

1 3. The ~~adopted~~ CITY, TOWN OR OTHER TAXING JURISDICTION tax ~~must be~~
2 ~~uniform~~ IMPOSED on online lodging marketplaces, AND online lodging
3 operators ~~and~~ MUST BE UNIFORM WITH ALL other taxpayers ~~of the same class~~
4 ENGAGING IN THE SAME ACTIVITY within the jurisdictional boundaries of the
5 city, town or other taxing jurisdiction.

6 4. Any ~~adopted~~ CITY, TOWN OR OTHER TAXING JURISDICTION tax is
7 subject to:

8 (a) Section 42-6002, relating to audits.

9 (b) Section 42-2003, subsection X, relating to confidential
10 information.

11 (c) Section 42-5003, subsection B, relating to judicial
12 enforcement.

13 (d) Section 42-5005, subsection L, relating to registration of
14 online lodging marketplaces.

15 (e) Section 42-5014, subsection E, relating to tax returns.

16 5. The CITY, TOWN OR OTHER TAXING JURISDICTION tax may not be
17 collected from an online lodging operator with respect to any online
18 lodging transaction or transactions for which the online lodging operator
19 has received written notice or documentation from a registered online
20 lodging marketplace that it has remitted or will remit the applicable
21 CITY, TOWN OR OTHER TAXING JURISDICTION tax with respect to those
22 transactions to the department pursuant to section 42-5014, subsection E.

23 C. For the purposes of this section, "lodging accommodations",
24 "online lodging marketplace", "online lodging operator" and "online
25 lodging transaction" have the same meanings prescribed in section 42-5076.

APPROVED BY THE GOVERNOR APRIL 24, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2019.

Passed the House March 6, 20 19

Passed the Senate April 18, 20 19

by the following vote: 60 Ayes,

by the following vote: 26 Ayes,

0 Nays, 0 Not Voting

2 Nays, 2 Not Voting

R. R. Boyce
Speaker of the House

Karen Fann
President of the Senate

Jim Drake
Chief Clerk of the House

Susan Craves
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this
18th day of April, 20 19

at 2:15 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 24th day of
April 2014

at 4:01 o'clock P M.
[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State
this 24 day of April, 20 19

at 4:57 o'clock P M.

[Signature]
Secretary of State

H.B. 2027