

The September 2022 Arizona Municipal Tax Code Commission sunset review found that the Commission has not met its statutory purpose to review, hold hearings on, and approve or deny amendments to the Model City Tax Code because it lacks a quorum of members to hold public meetings. We made 1 recommendation to the Governor, Arizona Senate President, and Speaker of the Arizona House of Representatives, and 2 recommendations to the Commission, and their status in implementing the recommendations is as follows:

Status of Governor, Arizona Senate President, and Speaker of the Arizona House of Representative 1 recommendation

Partially implemented	1
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Status of Commission’s 2 recommendations

Implemented	1
In process	1

We will conduct a 30-month followup with the Commission on the status of the recommendation that has not yet been implemented.

Sunset Factor 2: The extent to which the Commission has met its statutory objective and purpose and the efficiency with which it has operated.

1. The Governor, Arizona Senate President, and Speaker of the Arizona House of Representatives should consider appointing Commission members, as set forth in statute.

Partially implemented at 18 months—As of August 2024, 8 of 9 Commission members had been appointed by the Governor, Arizona Senate President, and Speaker of the Arizona House of Representatives. According to legislative staff, as of September 5, 2024, the Speaker of the Arizona House of Representatives had not yet filled the remaining Commission member vacancy.

2. The Commission/Commission members should, once its members have been appointed and it has a quorum of members, meet to review and consider, for approval or disapproval, any proposed amendments to the Model City Tax Code that have been submitted to it, as required by statute.

Implementation in process—As of June 2024, the Commission had a quorum of 7 voting members, including 6 new members, allowing it to convene a public meeting and conduct business. In June 2024, the Commission held its first public meeting since we issued our audit in September 2022. During this meeting, the Commission received a briefing from Arizona Department of Revenue (Department) staff on Commission members’ roles and responsibilities and on pending matters before the Commission, including pending proposed amendments to the Model City Tax Code. The Commission also elected a Commission Chair, as required by A.R.S. §42-6052(B). As of August 2024, the Commission had not held or scheduled another public meeting and did not provide information on when it plans to hold subsequent meetings to review the pending amendments to the Model City Tax Code.

Sunset Factor 3: The extent to which the Commission serves the entire State rather than specific interests.

3. The Commission/Commission members should complete conflict-of-interest disclosure forms annually as required by Department policy.

Implemented at 18 months—Since we issued our audit in September 2022 and as of July 2024, all active Commission members had completed conflict-of-interest disclosure forms annually, as required by Department policy.