

## Methods Currently Used by Other Municipalities

- Program Cities (such as Prescott Valley, Gilbert, Surprise and Goodyear) that have adopted supplemental local audit authority through the adoption of Appendix IV perform audits and are authorized to collect TPT as a result of these audits.
- Program Cities (such as Payson, Clarkdale and Globe) that have **not** adopted supplemental local audit authority do not perform audits and are therefore not authorized to collect TPT.
- Non-Program Cities (such as Mesa, Flagstaff and Prescott) are self-collecting and perform audits and collect their own TPT>

Non-Program Cities are generally more aggressive in collection attempts. Mesa issues citations, and utilizes process servers and their municipal court system to obtain judgments for non-payment of TPT. Avondale cancels tax licenses and issues citations as well. Many Non-Programs Cities have their legal departments play a larger role in collections in addition to their specialized collection staff. Flagstaff sends out monthly statements and reports non-paying taxpayers to credit agencies. Prescott used to use their in-house legal department but currently is using an outside collection agency.

Some Program Cities that have local audits are aggressively pursuing the options of revocation of business licenses. Lake Havasu City, for example, has been very successful in getting taxpayers to pay the delinquent TPT when the taxpayers are faced with the prospect of losing their business license. Goodyear refuses to issue building permits to contractors who are delinquent in paying their TPT. Gilbert sends monthly delinquent statements and utilizes a collection agency.

Typically, Non-Program Cities are more involved in the Municipal Tax Hearing Office (MTHO) rulings than the Program Cities. This most likely is a result of the size of the city and their proximity to Phoenix where the MTHO is located.