

Finance Committee

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FINANCE COMMITTEE

LEGISLATION ENACTED

~~technical correction; double punishment~~ (NOW: EORP; appropriation; resignation; retirement) [\(S.B. 1002\)](#) – Chapter 323 E

An emergency measure effective June 28, 2022, that allows an Elected Officials' Retirement Plan (EORP) member who is 55 years old with 10 years of service or 59.5 years old with 5 years of service to receive pension payments for normal retirement if the member gives an irrevocable notice of resignation by July 29, 2022, with a retirement date no later than September 30, 2022. If a member retires under these requirements and subsequently becomes an elected official, the employer must pay contributions at the alternate rate, regardless of when the member returns to work. The retired member may not make contributions to EORP, accrue credited service while holding office or participate in the Elected Officials' Defined Contribution Retirement System.

Appropriates \$60,000,000 from the state General Fund in FY 2023 to the EORP Fund to pay unfunded liability and directs the Public Safety Personnel Retirement System Board of Trustees to account for the appropriation in the FY 2023 actuarial valuation of EORP.

~~health care liens; limitation~~ [\(S.B. 1021\)](#) – Chapter 340

Prohibits a health care provider, health care institution or ambulance entity or a county that maintains, operates or provides health care services from recovering an injured person's medical payment coverage when asserting a lien or assignment on the injured person's claims settlement. Any valid and enforceable health care lien or assignment is subordinate to a lien with higher priority. A health care provider may enforce a lien or assignment for all amounts for which a patient is personally responsible. The first one-third of any third-party judgment, settlement or award is exempt from a health care provider lien or assignment. In the absence of a contract provision allowing an in-network health care provider to assert a lien or assignment, the lien or assignment is invalid. The lien amount exemption and health care provider contract requirement do not apply in outlined circumstances.

All interested parties must compromise a health care lien or assignment to provide a fair and equitable settlement claim. Outlines compromise consideration factors and allows an action to be filed for a judicial determination of an appropriate compromise, if the interested parties cannot compromise. If a lien is compromised, the patient must provide a proposed distribution of the settlement monies on request of a health care provider. Applies the lien conditions and compromise requirements to liens filed for services provided beginning January 1, 2023.

~~insurance contracts; oral agreements~~ (NOW: PSPRS; advisory committee) [\(S.B. 1081\)](#) – Chapter 72

Removes the requirement that the Public Safety Personnel Retirement System Advisory Committee members appointed by the President of the Senate and Speaker of the House of Representatives must be a legislator or legislative staff member.

ASRS; employer contributions; prepayment (NOW: ASRS; lease-purchase agreements; contributions; prepayment) (S.B. 1082) – Chapter 324 E

An emergency measure effective June 28, 2022, that allows an Arizona State Retirement System (ASRS) employer to prepay the employer's required pension contributions directly to ASRS according to a written agreement between the employer and ASRS and prescribes written agreement requirements. Prepaid contributions may be deposited in the ASRS Trust Fund or a section 115 trust managed by ASRS. An employer may not prepay contributions in an amount greater than the employer's net pension liability.

ASRS; modifications (S.B. 1083) – Chapter 145

Requires an Arizona State Retirement System (ASRS) member to terminate employment with all employers before electing to receive early retirement income and removes the authority of ASRS to make payments to or on behalf of a retired member in the case of incapacity or emergency. Removes interest distribution requirements for members who die before the required minimum distribution begins and removes the specification that a married member's election for a joint and survivor life annuity must be a monthly benefit.

Directs ASRS to disburse member contributions and interest in circumstances in which the member has elected to receive a return of the contributions. If ASRS disburses more than the amount due to an alternate payee, the overpayment must be repaid with interest. If an employee is given an election to transfer to another defined benefit retirement system, only the principal amount paid for the purchase of service credit may be transferred.

public retirement systems; administration (S.B. 1084) – Chapter 73

Requires a Public Safety Personnel Retirement System (PSPRS) employer who is required to participate in the Public Safety Cancer Insurance Policy Program (CIP) to pay CIP premiums and to include the CIP premium amounts as wages of the participating firefighters and peace officers, subject to federal and state income and employment taxes.

Expands PSPRS membership by including game rangers who are certified peace officers employed by an Indian reservation in the definitions of *eligible groups*, *members* and *regularly assigned to hazardous duty*. Includes a simple retirement account and a Roth individual retirement account in the definition of *eligible retirement plan*. Requires the PSPRS Board of Trustees to provide certain annual reports by December 1, rather than December 31.

PSPRS; funded ratio; asset transfers (S.B. 1085) – Chapter 221

Prohibits a Public Safety Personnel Retirement System (PSPRS) member's contribution that exceeds 7.65 percent of compensation from being used to reduce the employer's contributions only until the employer's funded ratio is 100 percent or more. Removes the minimum employer contribution rates and prescribes conditions for the PSPRS Board of Trustees (PSPRS Board) to suspend contributions to PSPRS. If a fully funded employer account's actuarial valuation contains excess valuation assets, the PSPRS Board must account for the excess assets up to 100 percent of the present value of all future employer benefits, rather than 50 percent of the excess assets.

Allows the PSPRS Board to authorize an excess asset transfer to another PSPRS-managed employer account on request of an employer and prescribes employer and asset transfer eligibility requirements. For an eligible state employer, the Joint Legislative Budget Committee (JLBC) may request confirmation that the employer's account meets asset transfer requirements. Directs the Legislature to pass legislation directing the PSPRS Board to transfer assets from the eligible state employer account to another employer account and requires the JLBC, before the Legislature passes the bill, to confirm transfer eligibility and discuss the transfer in a public meeting.

appropriation; unfunded liability; PSPRS; CORP (S.B. 1086) – Chapter 325

[SEE THE APPROPRIATIONS COMMITTEE.](#)

property tax; class one; equalization assistance (NOW: equalization assistance; class one property) (S.B. 1093) – Chapter 171

Reduces the percentage of assessed valuation of class 1 property to 15.5 percent for TY 2026 and 15 percent each year thereafter. Sets the state equalization assistance property tax rate for TYs 2022 through 2027. Beginning for TY 2024, increases the cap, from \$3.50 to \$3.75 per \$100 of assessed valuation, that a fire district board must levy against all district property.

property tax exemptions; statutory conformity (S.B. 1095) – Chapter 341

Conditional on the voter approval of S.C.R. 1011, exempts the property of veterans with service or nonservice-connected disabilities who are Arizona residents from property tax in a statutorily prescribed amount. A qualifying veteran must initially establish eligibility for the exemption by filing an affidavit with the county assessor. Updates property tax exemption amounts and household income limits to reflect the amounts adjusted for inflation in TY 2022.

insurance; fees; consent; limits (NOW: insurance; fees; consent; medicare supplement) (S.B. 1118) – Chapter 342

Allows an insurer, for the purposes of Medicare supplement insurance, to file for Medicare supplement rates that include an early enrollment discount that will not be considered an attained age rating structure. An early enrollment discount must diminish over time and is only available to enrollees who purchase the plan within the early enrollment period.

Subject to an insurer's written record retention policy, an oral communication with a contemporaneous written record or an archived recording qualifies as consent for an insurer to deliver a notice electronically. If the federal laws that require providing a certificate of creditable coverage are superseded by the prohibition on preexisting condition exclusions, an insurer is not required to: 1) provide a certificate of creditable coverage; or 2) comply with annual reporting requirements relating to eligible individuals.

Removes the minimum amount of the nonrefundable fee for the certificate of the Director of the Department of Insurance and Financial Institutions, under seal. Removes the restrictions on the corporate or business name of an agent for a title insurer.

~~TPT; exemption; agricultural equipment.~~ (NOW: irrigation districts; service area; WIFA)
([S.B. 1197](#)) – Chapter 213

[SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.](#)

mortgage brokers; bankers; qualifications ([S.B. 1204](#)) – Chapter 172

Authorizes an employee of an affiliated entity or the licensee's parent company to be designated as the responsible individual for: 1) a commercial mortgage banker licensee to engage in commercial mortgage business; and 2) a mortgage broker or commercial mortgage broker licensee that is not a natural person to engage in mortgage or commercial mortgage business.

Establishes an exemption by which the responsible individual of a mortgage or commercial mortgage broker licensee may reside out-of-state, if the responsible individual meets outlined criteria and the parent company applies for and submits an exemption attestation confirming that the parent company meets outlined requirements. The Director of the Department of Insurance and Financial Institutions (Director) must prescribe an attestation form, may prescribe rules and may revoke an exemption as prescribed. If an exemption is revoked, the Director must issue an order outlining the factual and legal reasoning for the revocation. Exemption applicants have the right to an administrative hearing and must pay all fees as prescribed.

exempt property; tax credit; proceeds ([S.B. 1222](#)) – Chapter 346

Exempts from execution, attachment or sale on any process issued from any court or any other judicial remedy provided for the collection of debts: 1) the refundable portion of the federal or state Earned Income Tax Credits (EITCs); and 2) any additional refundable portion of any federal or state Child Tax Credits. The exemption amount is the lesser of the total federal and state tax refund or the total amount of any claimed federal or state EITCs and Child Tax Credits.

divestment; boycott; Israel; public entities ([S.B. 1250](#)) – Chapter 39

Includes universities and community college districts in the definition of *public entity* and requires each public entity to: 1) sell, redeem, divest or withdraw all direct holdings from companies that boycott Israel (restricted companies) within three months of the company being placed on the annual restricted company list; 2) not acquire securities of a restricted company as part of its direct holdings; or 3) request that managers of its indirect holdings consider selling, redeeming, divesting or withdrawing holdings of a restricted company from the assets under its management. The State Treasurer must notify each restricted company that the company is subject to divestment by a public entity. By August 1, each public entity must annually post on its website a list of investments that are sold, redeemed, divested or withdrawn.

For actions relating to divestment, each public entity is: 1) exempt from any conflicting statutory or common law obligation or fiduciary duties with respect to the choice of asset managers, investment funds or investments; 2) subject to statutes relating to immunity for acts and omissions; and 3) indemnified and held harmless from claims, demands, suits, actions, damages, judgments, costs, charges and expenses and against all liability, losses and damages because of a decision to sell, redeem, divest or withdraw holdings of a restricted company.

government lending programs; auditor general (NOW: credit support programs; lending; report) (S.B. 1262) – Chapter 350

Requires the Arizona Department of Administration (ADOA) to include the following information in specified annual reports: 1) a list of each lending program and credit support program and each program's authority; 2) the total amount of monies offered pursuant to lending programs; 3) the total amount of debts guaranteed or to which credit enhancements are given pursuant to credit support programs; and 4) an estimate of the cost of likely defaults on lending and credit support programs. If practicable, ADOA must use recognized standard accounting practices in the private sector to evaluate the likelihood and cost of defaults on lending and credit support programs. Designates this legislation as the *Arizona State Lending Transparency Act*.

internal revenue code; conformity (S.B. 1264) – Chapter 41

Updates the statutory definition of *Internal Revenue Code* to include all federal provisions in effect as of January 1, 2022, with the specific adoption of all retroactive effective dates.

property tax liens; foreclosure; notice (S.B. 1265) – Chapter 17

Specifies that the purchaser of a property tax lien (purchaser) must send a notice of intent to file an action to foreclose (notice) to the mailing address of the property owner and requires the notice to include the county assessor's property description. If the purchaser complied with the requirement to send the notice, the purchaser is not required to send the notice to any other address.

property tax; administration; county assessor (S.B. 1266) – Chapter 228

Replaces the requirement for a person claiming a property tax exemption to appear before the county assessor to make an affidavit with a requirement for the person to file an eligibility affidavit with the county assessor, signed under penalty of perjury. A county assessor may accept eligibility affidavits electronically and a taxpayer may file a property tax error notice of claim electronically. A tax officer who accepts electronic notices of claim and a county assessor who accepts electronic affidavits must provide an electronic acknowledgement of receipt.

Transfers administration of rental revenues deposited in the Highway Properties Fund from the applicable county assessor to the applicable county treasurer.

property; classification; primary residence (S.B. 1267) – Chapter 300

Requires a change in use of a property to have been physical and objectively verifiable for the purposes of determining the property's limited property value (LPV) and prohibits a change in the occupant or classification of a single-family residence from being considered, in and of itself, a change in use for the purposes of determining LPV. Requires class 3 and class 4 property to be used for residential purposes for specified property tax actions.

PSPRS; deferred retirement option plan (S.B. 1268) – Chapter 351 E

An emergency measure effective July 6, 2022, that extends, from 60 months to 84 months, the voluntary Deferred Retirement Option Plan (DROP) participation period for Public Safety Personnel Retirement System (PSPRS) Tier 1 members who are at least 51 years old and have at least 24.5 years of credited service. Until January 1, 2028, and notwithstanding the age and service requirements, a PSPRS employer may approve the extended DROP participation period for members participating in DROP on July 6, 2022. If a member extends their DROP participation past 60 months, PSPRS must transfer the participant's 60-month accumulated balance to an account in a defined contribution plan (DC plan). For the DROP participation period between 60 and 84 months, all DROP benefits must be deposited in the member's DC plan account and the member may not withdraw the assets until the member terminates employment.

By December 31, 2022, the PSPRS Board of Trustees must report to the Governor and Legislature on recommendations from stakeholders regarding measures to improve retention for Tier 2 and Tier 3 members and improve recruitment of Tier 3 members.

TPT; exemptions; motor vehicles; nonresidents (S.B. 1372) – Chapter 43

Expands the transaction privilege tax exemption and municipal tax prohibition on sales of motor vehicles to nonresidents of Arizona for use outside of Arizona to include a commercial motor vehicle that is a vehicle, trailer or semitrailer with a gross weight of more than 10,000 pounds and is used or maintained to transport property for interstate commerce.

~~retirement savings program; state treasurer~~ (NOW: study committee; retirement savings programs) (S.B. 1375) – Chapter 214

Establishes the 10-member Public-Private Partnerships Retirement Savings Program Study Committee (Study Committee) and outlines Study Committee membership. The Study Committee must research and make recommendations on outlined topics relating to the operation of a public-private partnership individual retirement program for employees whose employer does not offer an employer sponsored retirement plan, self-employed individuals and independent contractors. The Study Committee must submit a report of its activities and recommendations for legislative or administrative action by December 31, 2022. Repeals the Study Committee on January 1, 2024.

DIFI; business name; trade name (S.B. 1394) – Chapter 45

Exempts a consumer lender and any person under the jurisdiction of the Department of Insurance and Financial Institutions (DIFI) other than a financial institution (entity) from obtaining a separate license when doing business under an assumed or trade name, if the entity notifies DIFI in writing before using the assumed or trade name. An entity must notify the Director of DIFI within 15 days after any material change to the assumed or trade name. Prohibits a licensee from using an assumed or trade name that either: 1) is so substantially similar to the assumed or trade name of another licensee that it may cause uncertainty or confusion among the public; or 2) tends to deceive or mislead the public as to the nature of the business that the licensee conducts. Certain

licensee's sales and advertising materials must include the licensee's assumed or trade name. An individual may not use an assumed or trade name if the person is a licensed, certified or registered loan originator, real estate appraiser or property tax agent. A sales finance company licensee may not transact business without using the license name or other assumed or trade name.

~~industrial commission; workers' compensation; claim~~ (NOW: workers' compensation; industrial commission; claim) ([S.B. 1403](#)) – Chapter 162

[SEE THE COMMERCE COMMITTEE.](#)

~~auto glass; repair; penalties~~ ([S.B. 1410](#)) – Chapter 147

[SEE THE COMMERCE COMMITTEE.](#)

~~tax corrections act of 2022~~ ([S.B. 1579](#)) – Chapter 235

Corrects errors and obsolete language, addresses blending problems and provides clarifying changes to tax statutes.

Tax Credits – Repeals the individual Credit for Pollution Control Equipment, the corporate Credit for Construction Costs of Qualified Environmental Technology Facilities and the corporate Credit for Employment by a Healthy Forest Enterprise. Partners in a noncorporate partnership may not claim a share of the corporate Credit for Pollution Control Equipment.

Retroactive to January 1, 2022, establishes the corporate Credit for Entity-Level Income Tax and sets the amount of the Credit as the partner's or shareholder's pro rata share of the entity-level tax paid by the partnership or S corporation. The credit may be carried forward for up to five consecutive taxable years.

Arizona Department of Revenue (ADOR) – Includes an Arizona small business income tax return as a form of written authorization allowing ADOR to disclose personal tax information to a taxpayer's designee. A taxpayer's confidential information may be disclosed to ascertain agriculture licensure compliance.

Tax Provisions – Retroactive to January 1, 2021, delays, until January 1, 2022, the annual adjustment of the income dollar amount for the estates and trusts tax rates. Prohibits a taxpayer from making income tax additions or subtractions on their individual income tax return for amounts correctly made on their Arizona small business income tax return.

Miscellaneous – Adds electric transmission and distribution systems to ADOR's annual determination of centrally assessed property and adds fantasy sports contest and event wagering operators to the entities required to deduct and withhold federal withholding tax from each payment of prize winnings.

money transmission; money transmitter licensure (S.B. 1580) – Chapter 236

Establishes the Model Money Transmission Modernization Act which allows the Director of the Department of Insurance and Financial Institutions (DIFI) to: 1) enter into agreements with other federal and state regulatory agencies to standardize money transmission methods and procedures; 2) participate in multistate supervisory processes established between states for all money transmission licensees that hold licenses in Arizona and other states; 3) accept licensing, examination and investigation reports made by other state or federal agencies or officials and audit reports made by qualified individuals; and 4) provide for reciprocity. For all aspects of licensure, the Director of DIFI (Director) may use the Nationwide Multistate Licensing System and Registry (NMLS). For participation in the NMLS, the Director may waive or modify, by rule or order, any or all requirements and establish new requirements as reasonably necessary for participation. Requires the Director to adopt rules to implement money transmission regulations and allows the Director to impose fees for administration and enforcement.

Expands money transmitter licensure eligibility to individuals other than a corporation or limited liability company and prohibits an unlicensed person from engaging in money transmission business. Exempts outlined entities from money transmission regulations and allows the Director to require documentation to validate an exemption. Outlines approval, revocation and suspension procedures for licensees and authorized delegates and prescribes requirements for licensure applications. The Director may suspend or revoke licenses and designations of authorized delegates and may approve an individual to acquire control of a licensee. Prescribes procedures and requirements for the ongoing conduct of a person acting as a licensee's authorized delegate, a key individual, a licensee conducting business through an authorized delegate and an individual in control or who seeks to acquire control of a licensee. A licensee must complete outlined procedures before the licensee is authorized to conduct business through an authorized delegate, including entering into a prescribed agreement with the authorized delegate. Establishes notice and information requirements for a change of the individual responsible for establishing or directing policies and procedures of a licensee.

Modifies licensee net worth and bond requirements and prescribes multistate notification requirements for statutory trust establishment and letters of credit. Outlines permissible investments and authorizes the Director to participate with other state regulators to determine investments of sufficient liquidity and quality. The Director may designate an agent to serve as beneficiary to a letter of credit and participate in multistate processes designed to facilitate issuing and administering letters of credit. Each licensee must transmit money in accordance with the terms of the agreement between the licensee and sender and provide a receipt as prescribed. Modifies licensee recordkeeping and reporting requirements.

use tax; service vehicles; inventory (S.B. 1636) – Chapter 229

Defines *motor vehicles that are removed from inventory* as a motor vehicle that has been removed from a motor vehicle dealer's inventory and is not for sale. For use tax purposes, a service vehicle is not considered to be removed from inventory if the service vehicle is continuously available for sale. The Arizona Department of Revenue must consider any service vehicle that remains, or is treated as, a new motor vehicle to be continuously available for sale.

water infrastructure financing; supply; augmentation (S.B. 1740/H.B. 2873) – Chapter 366

[SEE THE APPROPRIATIONS COMMITTEE.](#)

constitutional property tax exemptions (S.C.R. 1011)

Subject to voter approval, constitutionally allows the Legislature to determine by law the qualifications for, and the amount of, property tax exemptions for widows, widowers, persons with a total and permanent disability, honorably discharged veterans with a service or nonservice-connected disability and property used in trade or business or for agricultural purposes. Requires the Secretary of State to submit the proposition to the voters at the next general election. Becomes effective if approved by the voters and on proclamation of the Governor.

~~educational opportunities; children; support~~ (NOW: fire districts; funding; TPT increment) (S.C.R. 1049)

Subject to voter approval, statutorily establishes an additional 0.1 percent transaction privilege tax (TPT) and use tax on outlined business classifications for a period of 20 years and requires collections to be deposited in the Fire District Safety Fund (Fund), which is administered by the State Treasurer. Prescribes an order of priority for payments to fire districts from the Fund. TPT monies transferred to a fire district as outlined may be spent to carry out any of the district's statutory duties. Designates this legislation as the *Arizona Fire District Safety Act*.

financial institutions; burdensome reporting requirements (S.M. 1001)

Urges the U.S. Congress to protect consumers from harmful and intrusive Internal Revenue Service rules and to protect financial institutions from burdensome reporting requirements.

water supply development fund; revisions (H.B. 2057) – Chapter 63

[SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.](#)

PSPRS; CORP; reemployment; time period (H.B. 2063) – Chapter 24

Decreases, from 12 months to 6 months, the time period after which a retired member of the Public Safety Personnel Retirement System (PSPRS) or Corrections Officer Retirement Plan may become reemployed by the same employer from which the member retired and be eligible to continue to receive pension payments, subject to statutory requirements.

A retired PSPRS member who has a prearranged reemployment agreement and who becomes reemployed after 60 consecutive days from the member's retirement date as a result of participating in an open competitive new hire process is subject to statutorily outlined pension limitations for reemployment. Removes the criteria that a reemployment position be an entry level, nonsupervisory position to be exempt from certain pension limitations for reemployment.

~~injury reports; medical treatment~~ (NOW: workers' compensation; injuries; medical-only loss)
([H.B. 2120](#)) – Chapter 368

[SEE THE COMMERCE COMMITTEE.](#)

health insurance coverage; biomarker testing ([H.B. 2144](#)) – Chapter 219

Requires the Arizona Health Care Cost Containment System (AHCCCS) and its contractors to provide biomarker testing coverage as outlined. For subscription contracts, evidences of coverage and policies issued or modified on or after January 1, 2023, a hospital or medical service corporation, health care services organization, disability insurer and group or blanket disability insurer (health insurer) must provide biomarker testing coverage in a manner that limits disruptions in care. Authorizes biomarker testing for the purposes of diagnosis, treatment, appropriate management or ongoing monitoring of a disease or condition to guide treatment decisions when the test provides clinical utility as demonstrated by specified medical and scientific evidence.

A subscriber, enrollee, insured or AHCCCS member and the prescribing practitioner must have access to a clear, readily accessible and convenient process to request an exception to a coverage policy. Any request for an AHCCCS member's coverage exception must be submitted electronically by the prescribing practitioner. The coverage exception process requirements are not required if the health insurer's or AHCCCS and its contractor's existing process complies with the prescribed process requirements.

~~pharmacy board; information change requirement~~ (NOW: tax credits; motion picture credits)
([H.B. 2156](#)) – Chapter 387 W/S

Directs the Arizona Commerce Authority (ACA) to implement an Arizona Motion Picture Production Program (Program) and establishes the individual and corporate Credit for Motion Picture Production Costs (Credits) allowed against a motion picture production company's (production company's) qualifying production costs. To qualify for the Program, a production company must use a qualified production facility in Arizona or produce and film the motion picture production primarily in Arizona and meet other outlined requirements.

The Credit amount is equal to a percentage of the total qualified production costs approved by the ACA and an additional percentage of the production labor costs approved by the ACA. If the allowable Credit for a taxable year exceeds the income taxes otherwise due, the amount of the claim not used as an offset must be refunded to the taxpayer. Caps the aggregate annual Credits at: 1) \$75,000,000 in CY 2023; 2) \$100,000,000 in CY 2024; and 3) \$125,000,000 in CY 2025 and each year thereafter. Requires the Arizona Department of Revenue (ADOR) to maintain annual Credit data and provide the data to the ACA upon request.

Requires the ACA to establish separate processes to review initial applications and certify and preapprove production companies for the Credits. On determination that a production company qualifies for the Credits, the ACA must issue a preapproval letter which is effective for a period prescribed by the ACA. On completion of the motion picture production, a preapproved

production company must apply for approval of the Credits and provide an audited statement that certifies the total amount of eligible production costs. The ACA must provide postapproval to production companies that meet the eligibility requirements and notify ADOR that the company may claim the Credits.

Requires the ACA and ADOR to adopt rules to administer the Program and Credits and outlines Program reporting requirements. Requires the ACA to audit the Program every five years and submit an audit report to the Legislature. The Auditor General must review each audit and report its findings to the Legislature. Repeals the Program and Credits on January 1, 2044.

industrial commission; fee schedule; notice (H.B. 2202) – Chapter 56 E

[SEE THE COMMERCE COMMITTEE.](#)

technical correction; cosmetology schools; contracts (NOW: special purpose banks; comparable; rights) (H.B. 2203) – Chapter 176

Grants an out-of-state bank doing business in Arizona, rather than an out-of-state bank with a banking office in Arizona, including a bank-chartered special purpose depository institution, the same rights, powers, privileges and entitlements as a comparable in-state financial institution.

technical correction; wage board; powers (NOW: taxation; subtraction; virtual currency) (NOW: taxation; virtual currency; non-fungible tokens) (H.B. 2204) – Chapter 369

Beginning January 1, 2023, establishes an individual income tax subtraction, to the extent not already excluded from Arizona gross income under the U.S. Internal Revenue Code, for the value of virtual currency and non-fungible tokens (NFTs) the taxpayer received through an airdrop, at the time of the airdrop. A taxpayer who included a gain or loss on the sale of virtual currency or an NFT in their Arizona gross income may subtract gas fees from the taxpayer's Arizona gross income, if the taxpayer did not include any gas fees paid on the purchase of the virtual currency or NFT or did not otherwise deduct the gas fees. A *gas fee* is a fee paid to the operator of a virtual network for the use of the network to facilitate a virtual currency or NFT transaction.

insurance; secondary sources (H.B. 2272) – Chapter 89

Determines that a secondary source on insurance does not constitute the law or public policy of the State of Arizona and is not authoritative if the secondary source purports to create, eliminate, expand or restrict a cause of action, right or remedy or if it conflicts with: 1) the Arizona or U.S. Constitution; 2) state law; 3) Arizona case law precedent; or 4) other common law that may have been adopted by the state.

veterans' organization; leased property; classification (H.B. 2320) – Chapter 261

Classifies, as class 9 property, property, buildings and fixtures that are leased to a veterans' organization that operates a veterans' organization post on the premises. Requires veterans' organization property owners and property owners leasing to a veterans' organization to file

affidavits certifying that the property is used or held for veterans' organizations operations and that the lessee is the sole economic beneficiary of the tax reclassification. If a veterans' organization property owner files evidence of their tax-exempt status with the county assessor, the property is exempt from property tax and the property owner is exempt from filing subsequent affidavits.

homeowner's insurance; dogs; nondiscrimination (H.B. 2323) – Chapter 243

[SEE THE JUDICIARY COMMITTEE.](#)

state agencies; cash payment; acceptance (NOW: enforcement prohibition; vaccinations; requirements) (H.B. 2371) – Chapter 263

[SEE THE GOVERNMENT COMMITTEE.](#)

water infrastructure finance; sunset repeal (H.B. 2556) – Chapter 68

[SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.](#)

G&F; permits; tags; transfers (NOW: project unit size; affordable housing) (H.B. 2610) – Chapter 287

Removes the 200-unit cap for an affordable rental housing property to qualify for a statutory property tax exemption.

property tax liens; expiration dates (H.B. 2629) – Chapter 69

Modifies the time period within which the county treasurer must notify a property tax lien purchaser of the lien's pending expiration to within 365 days before the expiration, rather than between 30 and 60 days before the expiration. Within 30 days after expiration of a property tax lien, rather than 7 days, the county treasurer must notify the lien purchaser by mail or email, if practicable, that the lien and certificate of purchase have expired. Removes the restriction that property lien notice requirements only apply to liens purchased beginning August 23, 2002.

tax credit; charitable organizations; adjustment (H.B. 2693) – Chapter 385

Retroactive to taxable years beginning January 1, 2022, expands the definitions of *qualified individual* and *services* for the purposes of qualifying as a qualifying charitable organization (QCO) and qualifying foster care charitable organization (QFCO).

For taxable years beginning January 1, 2023, the Arizona Department of Revenue must annually adjust for inflation the dollar amounts of the Credit for Contribution to QCOs and the Credit for Contribution to QFCOs. The dollar amounts may not be adjusted below the amounts allowed in the prior taxable year.

insurance; assignment of benefits (H.B. 2698) – Chapter 157

Applies the statutory permissions relating to the assignment of benefits under disability contracts to an insurer whether acting as an insurer or performing administrative services.

fire district bonds; merger; consolidation (H.B. 2699) – Chapter 84

Deems any outstanding bonded indebtedness of a fire district to be an ongoing indebtedness of only the portion of the resulting merged or consolidated fire district that originally approved the bonds through an election. To pay the principal and interest of the bonds as they become due and payable, the county board of supervisors must annually cause a tax to be levied and collected on the taxable property of the portion of the resulting fire district that originally approved the bonds.

personal property; additional depreciation (H.B. 2822) – Chapter 103

Requires the county assessor to adjust the depreciation schedule prescribed by the Arizona Department of Revenue by using a valuation factor of 2.5 percent to determine the valuation of certain subclasses of: 1) class 1 and class 2 personal property initially classified during or after TY 2022; and 2) class 6 personal property acquired and initially classified during or after TY 2022.

tax; revisions; distributions; 2022-2023 (H.B. 2871/S.B. 1738) – Chapter 321

[SEE THE APPROPRIATIONS COMMITTEE.](#)

urging Congress; reporting requirements; taxes (H.C.M. 2004)

Urges the U.S. Congress to oppose the burdensome reporting requirements included in the Biden Administration's tax increase proposal for FY 2022.