Senate Engrossed

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

# SENATE BILL 1371

AN ACT

AMENDING SECTION 42-17153, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 18, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-18121.02; RELATING TO DELINQUENT PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 42-17153, Arizona Revised Statutes, is amended to read:

42-17153. Lien for taxes; time lien attaches; priority

A. Except as provided in ~~subsection~~ SUBSECTIONS B AND C of this section, a tax that is levied on real or personal property is a lien on the assessed property.

B. A tax that is levied against personal property of a person who owns real property of a value of less than two hundred dollars in the county is a personal liability of the property owner, in addition to being a lien against the property.

C. A TAX THAT IS LEVIED AGAINST A RESIDENTIAL COMMON AREA THAT IS DESCRIBED IN AND VALUED PURSUANT TO CHAPTER 13, ARTICLE 9 OF THIS TITLE IS THE CORPORATE LIABILITY OF THE HOMEOWNERS' ASSOCIATION, IN ADDITION TO BEING A LIEN AGAINST THE PROPERTY.

~~C.~~ D. The lien:

1. Attaches on January 1 of the tax year.

2. Is not satisfied or removed until one of the following occurs:

(a) The taxes, penalties, charges and interest are paid.

(b) Title to the property has finally vested in a purchaser under a sale for taxes.

(c) A certificate of removal and abatement has been issued pursuant to section 42-18353.

3. Is prior and superior to all other liens and encumbrances on the property, except:

(a) Liens or encumbrances held by this state.

(b) Liens for taxes accruing in any other years.

~~D.~~ E. For taxpayers valued by the department pursuant to section 42-14151, the lien ~~shall attach~~ ATTACHES:

1. To all property, real and personal, regardless of the taxing jurisdiction where such property is located. ~~Such lien will attach~~

2. To the entire system and may not be released by payment of a portion of the tax liability relating to a single portion or component of the system.

~~E.~~ F. If a political subdivision of this state acquires title to property after December 31, 1998, any lien for delinquent taxes on the property:

1. Is not abated, extinguished, discharged or merged in the title to the property unless approved by the county board of supervisors.

2. Is enforceable in the same manner as other delinquent tax liens.

Sec. 2. Title 42, chapter 18, article 3, Arizona Revised Statutes, is amended by adding section 42-18121.02, to read:

42-18121.02. Purchase of tax lien on residential common area; satisfaction of lien; purchaser's recourse

AS PROVIDED BY SECTION 42-17153, SUBSECTION C, A TAX THAT IS LEVIED AGAINST A RESIDENTIAL COMMON AREA THAT IS DESCRIBED IN AND VALUED PURSUANT TO CHAPTER 13, ARTICLE 9 OF THIS TITLE IS THE CORPORATE LIABILITY OF THE HOMEOWNERS' ASSOCIATION, IN ADDITION TO BEING A LIEN AGAINST THE PROPERTY. IF A TAX LIEN ON A RESIDENTIAL COMMON AREA IS SOLD TO A PURCHASER PURSUANT TO THIS ARTICLE:

1. THE TAX LIEN IS SATISFIED ON PAYMENT BY THE PURCHASER OF THE AMOUNT OF DELINQUENT TAXES, INTEREST AND PENALTIES FOR WHICH THE LIEN WAS SOLD.

2. THE TREASURER SHALL REMOVE THE LIEN AND MAKE THE PROPER ENTRIES IN THE TREASURER'S RECORD OF TAX LIEN SALES.

3. THE REDEMPTION AND FORECLOSURE PROVISIONS OF THIS CHAPTER DO NOT APPLY.

4. THE PURCHASER'S RECOURSE IS THROUGH JUDICIAL ACTION AGAINST THE HOMEOWNERS' ASSOCIATION ON THE ASSOCIATION'S CORPORATE LIABILITY FOR THE AMOUNT OF THE DELINQUENT TAXES, INTEREST, PENALTIES AND CHARGES RELATING TO THE PRIOR LIEN PLUS ADDITIONAL INTEREST ON THAT AMOUNT AT THE BID RATE UNDER SECTION 42-18114.