

REFERENCE TITLE: spouses; married couples; terminology.

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SB 1374

Introduced by
Senators Navarrete: Alston, Bowie, Bradley, Contreras, Dalessandro,
Gonzales, Mendez, Otondo, Rios, Steele; Representative Andrade

AN ACT

AMENDING SECTIONS 7-102, 8-103, 8-805, 10-1623, 10-2058, 10-2060, 11-1134, 12-612, 12-2231, 12-2232, 13-1408, 13-3609, 13-4062, 14-1201, 14-2802, 14-2804, 14-3101, 14-5426, 14-9106, 23-805, 23-1046, 23-1064, 25-101, 25-211, 25-314, 25-1060, 25-1256, 32-2101, 33-405, 33-431, 33-452, 33-454, 33-457, 36-301, 36-334, 36-832, 42-2079, 43-301, 43-309, 43-310, 43-311, 43-432, 43-562, 43-943, 43-1022, 43-1041, 43-1043, 43-1083, 43-1086, 43-1088, 43-1089, 43-1089.01, 43-1089.02, 43-1089.03 AND 46-453, ARIZONA REVISED STATUTES; RELATING TO MARRIED COUPLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 7-102, Arizona Revised Statutes, is amended to
3 read:

4 7-102. Qualification of sureties

5 A bond shall not be approved if executed by individual sureties
6 unless the sureties appear ~~upon~~ ON the tax roll of the county for an
7 amount at least equal to the penalty of any other judicial bonds ~~upon~~ ON
8 which they may already be sureties. If a surety is married, the bond
9 shall be signed by both ~~husband and wife~~ SPOUSES.

10 Sec. 2. Section 8-103, Arizona Revised Statutes, is amended to
11 read:

12 8-103. Who may adopt

13 A. Any adult resident of this state, whether married, unmarried or
14 legally separated, is eligible to qualify to adopt children. A ~~husband~~
15 ~~and wife~~ MARRIED COUPLE may jointly adopt children.

16 B. An adult nonresident of this state, whether married, unmarried
17 or legally separated, is eligible to qualify to adopt a child if all of
18 the following apply:

19 1. The child is a dependent child and currently under the
20 jurisdiction of the juvenile court in this state.

21 2. The child currently resides in the home of the applicant.

22 3. The department placed the child in the home of the applicant
23 pursuant to section 8-548.

24 4. The department recommends the adoption of the child by the
25 applicant.

26 5. The foster care review board has reviewed the child's case as
27 required by section 8-515.03, except that the court may not delay the
28 child's adoption if the foster care review board has not reviewed the
29 child's case.

30 C. Pursuant to rules adopted by the department, the department or
31 adoption agency shall place a child in an adoptive home that best meets
32 the safety, social, emotional, physical and mental health needs of the
33 child. Other relevant factors for consideration, in no order of
34 preference, shall include:

35 1. The marital status and the length and stability of the marital
36 relationship of the prospective adoptive parents.

37 2. Placement with the child's siblings pursuant to section 8-862.

38 3. Established relationships between the child and the prospective
39 adoptive family as described in section 8-862, including placement with a
40 grandparent or another member of the child's extended family, including a
41 person or foster parent who has a significant relationship with the child.

42 4. The prospective adoptive family's ability to meet the child's
43 safety, social, emotional, physical and mental health needs and the
44 ability to financially provide for the child.

1 5. The wishes of the child who is twelve years of age or older.

2 6. The wishes of the child's birth parents unless the rights of the
3 parent have been terminated or the court has established a case plan of
4 severance and adoption.

5 7. The availability of relatives, the child's current or former
6 foster parents or other significant persons to provide support to the
7 prospective adoptive family and child.

8 D. If all relevant factors are equal and the choice is between a
9 married ~~man and woman~~ COUPLE certified to adopt and a single adult
10 certified to adopt, placement preference shall be with ~~a~~ THE married ~~man~~
11 ~~and woman~~ COUPLE.

12 E. In each adoption proceeding, the court shall make findings on
13 the record regarding the best interests of the child pursuant to law.

14 Sec. 3. Section 8-805, Arizona Revised Statutes, is amended to
15 read:

16 8-805. Immunity of participants; nonprivileged communications

17 A. Any person making a complaint, ~~or~~ providing information or
18 otherwise participating in the program authorized by this article ~~shall be~~
19 IS immune from any civil or criminal liability by reason of such AN
20 action, unless ~~such~~ THE person acted with malice or unless ~~such~~ THE person
21 has been charged with or is suspected of abusing, abandoning or neglecting
22 the child or children in question.

23 B. Except as provided in subsection C of this section, the
24 physician-patient privilege, ~~husband-wife~~ THE SPOUSAL privilege, ~~or~~ any
25 privilege except the attorney-client privilege, provided for by
26 professions such as the practice of social work or nursing covered by law
27 or a code of ethics regarding practitioner-client confidences, both as
28 they relate to the competency of the witness and to the exclusion of
29 confidential communications, shall not pertain in any civil or criminal
30 litigation in which a child's neglect, dependency, abuse or abandonment is
31 in issue ~~nor~~ OR in any judicial proceeding resulting from a report
32 submitted pursuant to this article.

33 C. In any civil or criminal litigation in which a child's neglect,
34 dependency, abuse or abandonment is an issue, a clergyman or priest shall
35 not, without his consent, be examined as a witness concerning any
36 confession made to him in his role as a clergyman or a priest in the
37 course of the discipline enjoined by the church to which he belongs.

38 Sec. 4. Section 10-1623, Arizona Revised Statutes, is amended to
39 read:

40 10-1623. Statement of bankruptcy or receivership;
41 interrogatories before subsequent incorporation;
42 violation; classification; definitions

43 A. On the filing of a petition for bankruptcy or the appointment of
44 a receiver for any corporation, the corporation shall deliver a statement
45 to the commission listing:

1 1. All officers, directors, trustees and major stockholders of the
2 corporation within one year of filing the petition for bankruptcy or the
3 appointment of a receiver. If a major stockholder is a corporation, the
4 statement shall list the current president, THE chairman of the board of
5 directors and major stockholders of ~~such~~ THE corporate stockholder.

6 2. Whether ~~any~~ such A person has been an officer, director, trustee
7 or major stockholder of any other corporation within one year of the
8 bankruptcy or receivership of the other corporation.

9 3. If the answer in paragraph 2 of this subsection is in the
10 affirmative, for each such corporation the following information:

- 11 (a) Name and address.
- 12 (b) States in which it:
 - 13 (i) Was incorporated.
 - 14 (ii) Transacted business.
- 15 (c) Dates of operation.

16 B. The commission shall maintain a suitably indexed list of all
17 such persons. The index is a public record of the commission for purposes
18 of title 39.

19 C. On receipt for filing of articles of incorporation of a new
20 corporation or application for authority to transact business by a foreign
21 corporation, the commission shall determine whether any person proposed as
22 an officer, director, trustee, incorporator or major stockholder of the
23 new or foreign corporation has been involved two or more times in a
24 corporate bankruptcy, receivership, revocation, administrative dissolution
25 or judicial dissolution commenced by any state. If so, the commission may
26 direct detailed interrogatories to the persons requiring any additional
27 relevant information deemed necessary by the commission and at the same
28 time shall provide public notice of the interrogatory procedure. Any
29 person may request additional interrogatories or may provide additional
30 information to the commission. The interrogatories shall be completely
31 answered within thirty days after mailing. With respect to corporations
32 incorporated or seeking authority to transact business, articles of
33 incorporation or application for authority shall not be filed until all
34 outstanding interrogatories have been answered to the satisfaction of the
35 commission.

36 D. Any applicant for filing articles of incorporation or authority
37 to transact business who is dissatisfied with a determination of the
38 commission or any other proceeding under this section may demand and the
39 commission or its designee shall convene a public hearing at the county
40 seat of the county of the corporate headquarters of the proposed
41 corporation. The commission shall give public notice of the hearing at
42 least twenty days before the hearing by publication in a newspaper of
43 general circulation in any county in which a relevant prior bankruptcy or
44 receivership occurred.

1 E. The commission shall provide the attorney general with a copy of
2 statements furnished pursuant to subsection A OF THIS SECTION and answers
3 to interrogatories propounded pursuant to subsection C OF THIS SECTION on
4 a quarterly updated basis.

5 F. Any person or corporation failing to comply with the
6 requirements of this section is guilty of a class 1 misdemeanor. Any
7 person making a false statement or giving false information pursuant to
8 this section is guilty of a class 5 felony.

9 G. ~~It~~ FOR THE PURPOSES OF this section:

10 1. "Controlling" includes the total shares of stock issued to a
11 ~~husband and wife~~ MARRIED COUPLE and their relatives to the first degree of
12 consanguinity.

13 2. "Major stockholder" means a shareholder possessing or
14 controlling twenty ~~per cent~~ PERCENT of the issued and outstanding shares
15 or twenty ~~per cent~~ PERCENT of any proprietary, beneficial or membership
16 interest in the corporation.

17 Sec. 5. Section 10-2058, Arizona Revised Statutes, is amended to
18 read:

19 10-2058. Board of directors; compensation; term; quorum

20 A. The business of a cooperative shall be managed by a board of
21 directors. Unless the bylaws provide otherwise, each of the directors
22 shall be a member of the cooperative or of another cooperative that is a
23 member. The bylaws shall prescribe the number of directors, their
24 qualifications other than those prescribed in this article and the manner
25 of holding meetings of the board of directors and of electing successors
26 to directors who resign or die or who are otherwise incapable of acting.
27 The bylaws may also provide for the removal of directors from office and
28 for the election of their successors.

29 B. Unless the bylaws provide otherwise, the directors shall not
30 receive salaries for services as directors and, except in emergencies,
31 shall not be employed by the cooperative in any capacity involving
32 compensation without the approval of the members. The bylaws may allow a
33 payment of a fee and provide that expenses of attendance may be allowed to
34 each director for attendance at each meeting of the board of directors.

35 C. The directors of a cooperative named in the articles of
36 incorporation, consolidation, merger or conversion shall hold office until
37 successors are elected and qualify. The bylaws shall prescribe the manner
38 of electing directors and the number and terms of the directors, including
39 whether the terms are staggered. If stated in the bylaws, at each annual
40 meeting, or, in case of failure to hold the annual meeting as specified in
41 the bylaws, at a special meeting called for that purpose, the members
42 shall elect directors to hold office until the next annual meeting of the
43 members, except as otherwise provided in this article. Each director
44 shall hold office for the term for which the director is elected and until
45 a successor is elected and qualifies. A director may resign at any time

1 by delivering written notice to the board of directors, its presiding
2 officer or the cooperative. A resignation is effective when the notice is
3 delivered unless the notice specifies a later effective date or event.

4 D. A majority of the board of directors shall constitute a quorum.

5 E. If a ~~husband and wife hold~~ MARRIED COUPLE HOLDS a joint
6 membership in a cooperative, either ~~one~~ SPOUSE, but not both, may be
7 elected a director.

8 F. The board of directors may take any action without a meeting if
9 the action would be allowed at a meeting and if before the board takes the
10 action all of the directors who are normally required to approve the
11 action at a meeting provide prior consent by signing a written statement
12 that explains and approves the action.

13 G. The board of directors may exercise all the powers of a
14 cooperative not conferred ~~upon~~ ON the members by this article, or its
15 articles of incorporation or bylaws.

16 H. Any person who serves as a director or officer or who serves on
17 a board or council in an advisory capacity to the cooperative or board of
18 directors of a cooperative is immune from civil liability and is not
19 subject to a suit directly or by way of contribution for any act or
20 omission that results in damage or injury if that person was acting in
21 good faith and within the scope of that person's official capacity and the
22 damage or injury was not caused by the wilful conduct or gross negligence
23 of that person. Nothing in this subsection limits or modifies in any
24 manner the duties or liabilities of a director or person who serves in any
25 advisory capacity to the cooperative or the cooperative members. For the
26 purposes of this subsection, "official capacity" means any decision, act
27 or event the cooperative undertakes in furtherance of the purposes for
28 which the cooperative is organized or operating.

29 Sec. 6. Section 10-2060, Arizona Revised Statutes, is amended to
30 read:

31 10-2060. Members in cooperative

32 Each incorporator of a cooperative shall be a member of the
33 cooperative, but no other person may become a member unless the person
34 agrees to use electric energy or other services furnished by the
35 cooperative as the cooperative establishes in its bylaws. A ~~husband and~~
36 ~~wife~~ MARRIED COUPLE may hold a joint membership in a cooperative.
37 Membership in a cooperative is not transferable, except as provided in the
38 bylaws. The bylaws may prescribe additional qualifications, limitations,
39 classifications and rights concerning membership.

40 Sec. 7. Section 11-1134, Arizona Revised Statutes, is amended to
41 read:

42 11-1134. Exemptions

43 A. The affidavit and fee required by this article do not apply to
44 the following instruments:

- 1 1. A deed that represents the payment in full or forfeiture of a
- 2 recorded contract for the sale of real property.
- 3 2. A lease or easement on real property, regardless of the length
- 4 of the term.
- 5 3. A deed, patent or contract for the sale or transfer of real
- 6 property in which an agency or representative of the United States, this
- 7 state, a county, city or town of this state or any political subdivision
- 8 of this state is the named grantor, and authorized seller, or purchaser.
- 9 4. A quitclaim deed to quiet title as described in section 12-1103,
- 10 subsection B or otherwise executed for no monetary consideration.
- 11 5. A conveyance of real property that is executed pursuant to a
- 12 court order.
- 13 6. A deed to an unpatented mining claim.
- 14 7. A deed of gift.
- 15 B. The affidavit and fee required by this article do not apply to a
- 16 transfer of title:
 - 17 1. Solely in order to provide or release security for a debt or
 - 18 obligation, including a trustee's deed pursuant to power of sale under a
 - 19 deed of trust.
 - 20 2. That confirms or corrects a deed that was previously recorded.
 - 21 3. When the transfer of title has only nominal actual consideration
 - 22 for the transfer of residential property between:
 - 23 (a) ~~Husband and wife~~ A MARRIED COUPLE or ancestor of ~~the husband~~
 - 24 ~~and wife~~ EITHER SPOUSE.
 - 25 (b) Parent and child, including natural or adopted children and
 - 26 their descendants.
 - 27 (c) Grandparent and grandchild.
 - 28 (d) Natural or adopted siblings.
 - 29 4. On a sale for delinquent taxes or assessments.
 - 30 5. On partition.
 - 31 6. Pursuant to a merger.
 - 32 7. For no consideration or nominal consideration:
 - 33 (a) By a subsidiary to its parent or from a parent to a subsidiary.
 - 34 (b) Among commonly controlled entities.
 - 35 (c) From a member to its limited liability company or from a
 - 36 limited liability company to a member.
 - 37 (d) From a partner to its partnership.
 - 38 (e) From a partnership to a partner.
 - 39 (f) From a joint venturer to its joint venture.
 - 40 (g) From a joint venture to a joint venturer.
 - 41 (h) From a trust beneficiary to its trustee.
 - 42 (i) From a trustee to its trust beneficiary.
 - 43 (j) From any of the entities in subdivisions (a) through (i) of
 - 44 this paragraph to a single purpose entity in order to obtain financing.

1 8. From a person to a trustee or from a trustee to a trust
2 beneficiary with only nominal actual consideration for the transfer.

3 9. To and from an intermediary for the purpose of creating a joint
4 tenancy estate or some other form of ownership.

5 10. From a ~~husband and wife~~ MARRIED COUPLE or one of ~~them~~ THE
6 SPOUSES to both ~~husband and wife~~ SPOUSES to create an estate in community
7 property with right of survivorship.

8 11. From two or more persons to themselves to create an estate in
9 joint tenancy with right of survivorship.

10 12. Pursuant to a beneficiary deed with only nominal actual
11 consideration for the transfer.

12 13. From an owner to itself or a related entity for no or nominal
13 consideration solely for the purpose of consolidating or splitting
14 parcels.

15 14. Due to a legal name change.

16 C. Any instrument that describes a transaction that is exempt under
17 this section shall note the exemption on the face of the instrument at the
18 time of recording, indicating the specific exemption that is claimed.

19 Sec. 8. Section 12-612, Arizona Revised Statutes, is amended to
20 read:

21 12-612. Parties plaintiff; recovery; distribution;
22 disqualification

23 A. An action for wrongful death shall be brought by and in the name
24 of the surviving ~~husband or wife~~ SPOUSE, child, parent or guardian, or
25 personal representative of the deceased person for and on behalf of the
26 surviving ~~husband or wife~~ SPOUSE, children or parents, or if none of these
27 survive, on behalf of the decedent's estate.

28 B. Either parent may maintain the action for the death of a child,
29 and the guardian may maintain the action for the death of the guardian's
30 ward.

31 C. The amount recovered in an action for wrongful death shall be
32 distributed to the parties provided for in subsection A of this section in
33 proportion to their damages, and if recovery is on behalf of the
34 decedent's estate the amount shall be an asset of the estate.

35 D. If any party listed in subsection A of this section is found
36 guilty of or guilty except insane for, or pled guilty or no contest to, a
37 violation of section 13-3623 involving the death of the child decedent or
38 a violation of section 13-1103, 13-1104 or 13-1105 involving the death of
39 the decedent, the party is deemed to have predeceased the decedent and is
40 disqualified from recovering wrongful death benefits. This subsection
41 applies to a person who is found guilty of or guilty except insane for, or
42 pled guilty or no contest to, an offense committed in another jurisdiction
43 that has the same elements of an offense listed in this subsection and
44 that if committed in this state would be a violation of any of the
45 offenses listed in this subsection.

1 E. For the purposes of subsection A of this section, "personal
2 representative" includes any person to whom letters testamentary or of
3 administration are granted by competent authority under the laws of this
4 or any other state. The personal representative may maintain the action
5 for wrongful death without the issuance of further letters or any other
6 requirement or authorization of law.

7 Sec. 9. Section 12-2231, Arizona Revised Statutes, is amended to
8 read:

9 12-2231. Spouses; antimarital fact

10 In a civil action, a ~~husband~~ SPOUSE shall not be examined for or
11 against ~~his wife~~ THE OTHER SPOUSE without ~~her~~ THE OTHER SPOUSE'S consent,
12 ~~nor a wife for or against her husband without his consent;~~ except as
13 provided in section 12-2232.

14 Sec. 10. Section 12-2232, Arizona Revised Statutes, is amended to
15 read:

16 12-2232. Spouses; privileged communications; permissible
17 examination

18 A. A ~~husband or wife~~ SPOUSE, during the marriage or afterward,
19 without the consent of the other SPOUSE, shall not be examined as to any
20 communications made by one to the other during the marriage, except:

- 21 1. In an action for divorce or a civil action by one against the
22 other.
- 23 2. In a criminal action or proceeding as provided in the criminal
24 code.
- 25 3. In an action for damages against another person for adultery
26 committed by either ~~husband or wife~~ SPOUSE.

27 B. In a hearing conducted pursuant to title 36, chapter 5, a
28 ~~husband or wife~~ SPOUSE, during the marriage or afterward, without the
29 consent of the other SPOUSE, may be examined as to any communications,
30 physical acts or behaviors made by one to the other during the marriage
31 that relate to the matters at issue in the hearing.

32 Sec. 11. Section 13-1408, Arizona Revised Statutes, is amended to
33 read:

34 13-1408. Adultery; classification; punishment; limit on
35 prosecution

36 A. A married person who has sexual intercourse with another than
37 his or her spouse, and an unmarried person who has sexual intercourse with
38 a married person not his or her spouse, commits adultery and is guilty of
39 a class 3 misdemeanor. When the act is committed between parties only one
40 of whom is married, both shall be punished.

41 B. ~~No~~ A prosecution for adultery shall NOT be commenced except ~~upon~~
42 ON THE complaint of the ~~husband or wife~~ SPOUSE.

1 Sec. 12. Section 13-3609, Arizona Revised Statutes, is amended to
2 read:

3 13-3609. Child bigamy; classification; definitions

4 A. A person commits child bigamy if the person knowingly does any
5 of the following:

6 1. Is at least eighteen years of age, has a spouse and marries a
7 child.

8 2. Is at least eighteen years of age and, either alone or in
9 association with others, directs, causes or controls the marriage of a
10 child to a person who already has a spouse.

11 3. Is at least eighteen years of age and, either alone or in
12 association with others, directs, causes or controls the marriage of a
13 child if the child already has a spouse.

14 4. Is at least eighteen years of age and marries a child if the
15 child already has a spouse.

16 5. Transports or finances the transportation of a child to promote
17 marriage between the child and a person who already has a spouse.

18 6. Transports or finances the transportation of a child who already
19 has a spouse to promote marriage between the child and another person.

20 B. This section does not apply if a person who marries a child:

21 1. Has a spouse who has been absent for at least five successive
22 years without being known to the person within that time to be living.

23 2. Has a former marriage that has been pronounced void, annulled or
24 dissolved by judgment of a competent court.

25 C. A violation of this section is a class 3 felony.

26 D. For the purposes of this section:

27 1. "Marriage" means the state of joining together as ~~husband and~~
28 ~~wife~~ A MARRIED COUPLE through an agreement, promise or ceremony regardless
29 of whether a marriage license has been issued by the appropriate
30 authority.

31 2. "Marry" means to join together as ~~husband and wife~~ A MARRIED
32 COUPLE through an agreement, promise or ceremony regardless of whether a
33 marriage license has been issued by the appropriate authority.

34 3. "Spouses" means two persons living together as ~~husband and wife~~
35 A MARRIED COUPLE, including the assumption of those marital rights, duties
36 and obligations that are usually manifested by married people, including
37 but not necessarily dependent on sexual relations.

38 Sec. 13. Section 13-4062, Arizona Revised Statutes, is amended to
39 read:

40 13-4062. Antimarital fact privilege; other privileged
41 communications

42 A person shall not be examined as a witness in the following cases:

43 1. A ~~husband~~ SPOUSE for or against ~~his wife~~ THE OTHER SPOUSE
44 without ~~her~~ THE OTHER SPOUSE'S consent, ~~nor a wife for or against her~~
45 ~~husband without his consent~~, as to events occurring during the marriage,

1 nor can either, during the marriage or afterwards, without consent of the
2 other, be examined as to any communication made by one to the other during
3 the marriage. These exceptions do not apply in a criminal action or
4 proceeding for a crime committed by ~~the husband~~ A SPOUSE against the ~~wife,~~
5 ~~or by the wife against the husband, nor~~ OTHER SPOUSE OR in a criminal
6 action or proceeding against ~~the husband~~ A SPOUSE for abandonment, failure
7 to support or provide for or failure or neglect to furnish the necessities
8 of life to the ~~wife~~ OTHER SPOUSE or the minor children. Either spouse may
9 be examined as a witness for or against the other in a prosecution for an
10 offense listed in section 13-706, subsection F, paragraph 1, for bigamy or
11 adultery, committed by either spouse, or for sexual assault ~~committed by~~
12 ~~the husband~~ if either of the following occurs:

13 (a) Before testifying, the testifying spouse makes a voluntary
14 statement to a law enforcement officer during an investigation of the
15 offense or offenses about the events that gave rise to the prosecution or
16 about any statements made to the spouse by the other spouse about those
17 events.

18 (b) Either spouse requests to testify.

19 2. An attorney, without consent of the attorney's client, as to any
20 communication made by the client to the attorney, or the attorney's advice
21 given in the course of professional employment.

22 3. A clergyman or priest, without consent of the person making the
23 confession, as to any confession made to the clergyman or priest in his
24 professional character in the course of discipline enjoined by the church
25 to which the clergyman or priest belongs.

26 4. A physician or surgeon, without consent of the physician's or
27 surgeon's patient, as to any information acquired in attending the patient
28 ~~which~~ THAT was necessary to enable the physician or surgeon to prescribe
29 or act for the patient.

30 Sec. 14. Section 14-1201, Arizona Revised Statutes, is amended to
31 read:

32 14-1201. Definitions

33 In this title, unless the context otherwise requires:

34 1. "Agent" includes an attorney-in-fact under a durable or
35 nondurable power of attorney, a person who is authorized to make decisions
36 concerning another person's health care and a person who is authorized to
37 make decisions for another person under a natural death act.

38 2. "Application" means a written request to the registrar for an
39 order of informal probate or appointment under chapter 3, article 3 of
40 this title.

41 3. "Basis for compensation" means an hourly rate, a fixed fee or a
42 contingency fee agreement and reimbursable costs.

43 4. "Beneficiary", as it relates to a trust beneficiary, includes a
44 person who has any present or future interest, vested or contingent, and
45 ~~also~~ includes the owner of an interest by assignment or other transfer.

1 As it relates to a charitable trust, beneficiary includes any person
2 entitled to enforce the trust. As it relates to a beneficiary of a
3 beneficiary designation, beneficiary refers to a beneficiary of an
4 insurance or annuity policy, an account with pay on death designation, a
5 security registered in beneficiary form or a pension, profit sharing,
6 retirement or similar benefit plan, or any other nonprobate transfer at
7 death. As it relates to a beneficiary designated in a governing
8 instrument, beneficiary includes a grantee of a deed, a devisee, a trust
9 beneficiary, a beneficiary of a beneficiary designation, a donee,
10 appointee or taker in default of a power of appointment and a person in
11 whose favor a power of attorney or a power held in any person, fiduciary
12 or representative capacity is exercised.

13 5. "Beneficiary designation" refers to a governing instrument
14 naming a beneficiary of an insurance or annuity policy, of an account with
15 pay on death designation, of a security registered in beneficiary form or
16 of a pension, profit sharing, retirement or similar benefit plan, or any
17 other nonprobate transfer at death.

18 6. "Certified paper original" means a tangible document executed
19 pursuant to section 14-2523 that contains both the text of an electronic
20 will and any self-proving affidavit concerning the electronic will.

21 7. "Child" includes a person who is entitled to take as a child
22 under this title by intestate succession from the parent whose
23 relationship is involved. Child excludes a person who is only a
24 stepchild, a foster child, a grandchild or a more remote descendant.

25 8. "Claims", in respect to estates of decedents and protected
26 persons, includes liabilities of the decedent or the protected person,
27 whether arising in contract, in tort or otherwise, and liabilities of the
28 estate that arise at or after the death of the decedent or after the
29 appointment of a conservator, including funeral expenses and expenses of
30 administration. Claims do not include estate or inheritance taxes or
31 demands or disputes regarding title of a decedent or a protected person to
32 specific assets alleged to be included in the estate.

33 9. "Community property" means that property of a ~~husband and wife~~
34 MARRIED COUPLE that is acquired during the marriage and that is community
35 property as prescribed in section 25-211.

36 10. "Conservator" means a person who is appointed by a court to
37 manage the estate of a protected person.

38 11. "Court" means the superior court.

39 12. "Dependent child" means a minor child whom the decedent was
40 obligated to support or an adult child who was in fact being supported by
41 the decedent at the time of the decedent's death.

42 13. "Descendant" means all of the decedent's descendants of all
43 generations, with the relationship of parent and child at each generation.

1 14. "Devise", when used as a noun, means a testamentary disposition
2 of real or personal property and, when used as a verb, means to dispose of
3 real or personal property by will.

4 15. "Devisee" means a person designated in a will to receive a
5 devise. For the purposes of chapter 3 of this title, in the case of a
6 devise to an existing trust or trustee, or to a trustee on trust described
7 by will, the trust or trustee is the devisee and the beneficiaries are not
8 devisees.

9 16. "Disability" means cause for a protective order as described in
10 section 14-5401.

11 17. "Distributee" means any person who has received property of a
12 decedent from that person's personal representative other than as a
13 creditor or purchaser. Distributee includes a testamentary trustee only
14 to the extent of distributed assets or increment that remains in that
15 person's hands. A beneficiary of a testamentary trust to whom the trustee
16 has distributed property received from a personal representative is a
17 distributee of the personal representative. For the purposes of this
18 paragraph, "testamentary trustee" includes a trustee to whom assets are
19 transferred by will, to the extent of the devised assets.

20 18. "Electronic medium" means a medium having electrical, digital,
21 magnetic, optical, electromagnetic or similar capabilities.

22 19. "Electronic record" means a record that is created, generated,
23 sent, communicated, received or stored by electronic means.

24 20. "Electronic signature" means an electronic method or process
25 that through the application of a security procedure allows a
26 determination that the electronic signature at the time it was executed
27 was all of the following:

28 (a) Unique to the person using it.

29 (b) Capable of verification.

30 (c) Under the sole control of the person using it.

31 (d) Linked to the electronic document to which it relates in a
32 manner so that if the document is changed the electronic signature is
33 invalidated.

34 21. "Electronic will" means a testamentary instrument that is
35 executed and maintained on an electronic medium and that is executed in
36 compliance with section 14-2518.

37 22. "Estate" includes the property of the decedent, trust or other
38 person whose affairs are subject to this title as originally constituted
39 and as it exists from time to time during administration. As it relates
40 to a spouse, the estate includes only the separate property and the share
41 of the community property belonging to the decedent or person whose
42 affairs are subject to this title.

1 23. "Exempt property" means that property of a decedent's estate
2 that is described in section 14-2403.

3 24. "Fiduciary" includes a personal representative, guardian,
4 conservator and trustee.

5 25. "Foreign personal representative" means a personal
6 representative WHO IS appointed by another jurisdiction.

7 26. "Formal proceedings" means proceedings THAT ARE conducted
8 before a judge with notice to interested persons.

9 27. "Governing instrument" means a deed, will, trust, insurance or
10 annuity policy, account with pay on death designation, security registered
11 in beneficiary form, pension, profit sharing, retirement or similar
12 benefit plan, instrument creating or exercising a power of appointment or
13 a power of attorney or a dispositive, appointive or nominative instrument
14 of any similar type.

15 28. "Guardian" means a person who has qualified as a guardian of a
16 minor or incapacitated person pursuant to testamentary or court
17 appointment but excludes a person who is merely a guardian ad litem.

18 29. "Guardian ad litem" includes a person who is appointed pursuant
19 to section 14-1408.

20 30. "Heirs", except as controlled by section 14-2711, means
21 persons, including the surviving spouse and the state, who are entitled
22 under the statutes of intestate succession to the property of a decedent.

23 31. "Incapacitated person" has the same meaning prescribed in
24 section 14-5101.

25 32. "Informal proceedings" means those proceedings conducted
26 without notice to interested persons by an officer of the court acting as
27 a registrar for probate of a will or appointment of a personal
28 representative.

29 33. "Interested person" includes any trustee, heir, devisee, child,
30 spouse, creditor, beneficiary, person holding a power of appointment and
31 other person who has a property right in or claim against a trust estate
32 or the estate of a decedent, ward or protected person. Interested person
33 also includes a person who has priority for appointment as personal
34 representative and other fiduciaries representing interested persons.
35 Interested person, as the term relates to particular persons, may vary
36 from time to time and must be determined according to the particular
37 purposes of, and matter involved in, any proceeding.

38 34. "Issue" of a person means descendant as defined in this
39 section.

40 35. "Joint tenants with the right of survivorship" and "community
41 property with the right of survivorship" includes co-owners of property
42 held under circumstances that entitle one or more to the whole of the
43 property on the death of the other or others but excludes forms of
44 co-ownership registration in which the underlying ownership of each party
45 is in proportion to that party's contribution.

- 1 36. "Lease" includes any oil, gas or other mineral lease.
- 2 37. "Letters" includes letters testamentary, letters of
3 guardianship, letters of administration and letters of conservatorship.
- 4 38. "Minor" means a person who is under eighteen years of age.
- 5 39. "Mortgage" means any conveyance, agreement or arrangement in
6 which property is encumbered or used as security. Mortgage does not
7 include leases or easements.
- 8 40. "Nonresident decedent" means a decedent who was domiciled in
9 another jurisdiction at the time of the decedent's death.
- 10 41. "Organization" means a corporation, limited liability company,
11 business trust, estate, trust, partnership, joint venture, association,
12 government or governmental subdivision or agency or any other legal or
13 commercial entity.
- 14 42. "Paper will" means a testamentary instrument that is executed
15 and maintained on a tangible medium and that is executed in compliance
16 with section 14-2502 or 14-2503.
- 17 43. "Parent" includes any person entitled to take, or who would be
18 entitled to take if the child died without a will, as a parent under this
19 title by intestate succession from the child whose relationship is in
20 question and excludes any person who is only a stepparent, foster parent
21 or grandparent.
- 22 44. "Payor" means a trustee, insurer, business entity, employer,
23 government, governmental agency or subdivision or any other person who is
24 authorized or obligated by law or a governing instrument to make payments.
- 25 45. "Person" means an individual or an organization.
- 26 46. "Personal representative" includes AN executor, AN
27 administrator, A successor personal representative, A special
28 administrator and persons who perform substantially the same function
29 under the law governing their status. A general personal representative
30 excludes a special administrator.
- 31 47. "Petition" means a written request to the court for an order
32 after notice.
- 33 48. "Proceeding" includes action at law and suit in equity.
- 34 49. "Property" has the same meaning prescribed in section 14-10103.
- 35 50. "Protected person" has the same meaning prescribed in section
36 14-5101.
- 37 51. "Protective proceeding" has the same meaning prescribed in
38 section 14-5101.
- 39 52. "Qualified custodian" means a person who fulfills the
40 requirements of section 14-2520.
- 41 53. "Registrar" means the official of the court WHO IS designated
42 to perform the functions of registrar as provided in section 14-1307.
- 43 54. "Security" includes any note, stock, treasury stock, bond,
44 debenture, evidence of indebtedness, certificate of interest or
45 participation in an oil, gas or mining title or lease or in payments out

1 of production under that title or lease, collateral trust certificate,
2 transferable share or voting trust certificate and, in general, includes
3 any interest or instrument commonly known as a security, or any
4 certificate of interest or participation, any temporary or interim
5 certificate, receipt or certificate of deposit for, or any warrant or
6 right to subscribe to or purchase, any of these securities.

7 55. "Separate property" means that property of a ~~husband or wife~~
8 SPOUSE that is the spouse's separate property as defined in section
9 25-213.

10 56. "Settlement", in reference to a decedent's estate, includes the
11 full process of administration, distribution and closing.

12 57. "Special administrator" means a personal representative as
13 described by sections 14-3614 through 14-3618.

14 58. "State" has the same meaning prescribed in section 14-10103.

15 59. "Successor personal representative" means a personal
16 representative, other than a special administrator, who is appointed to
17 succeed a previously appointed personal representative.

18 60. "Successors" means persons, other than creditors, who are
19 entitled to property of a decedent under a will or this title.

20 61. "Supervised administration" refers to the proceedings described
21 in chapter 3, article 5 of this title.

22 62. "Survive" means that a person has neither predeceased an event,
23 including the death of another person, nor is deemed to have predeceased
24 an event under section 14-2104 or 14-2702.

25 63. "Testacy proceeding" means a proceeding to establish a will or
26 determine intestacy.

27 64. "Testator" includes a person of either sex.

28 65. "Trust" includes an express trust, private or charitable, with
29 any additions, wherever and however created. Trust also includes a trust
30 created or determined by judgment or decree under which the trust is to be
31 administered in the manner of an express trust. Trust excludes other
32 constructive trusts and excludes resulting trusts, conservatorship,
33 personal representatives, trust accounts, custodial arrangements pursuant
34 to chapter 7, article 7 of this title, business trusts providing for
35 certificates to be issued to beneficiaries, common trust funds, voting
36 trusts, security arrangements, liquidation trusts and trusts for the
37 primary purpose of paying debts, dividends, interest, salaries, wages,
38 profits, pensions or employee benefits of any kind, trusts created by a
39 city or town for the payment of medical insurance, health care benefits or
40 expenses, long-term or short-term disability, self insurance reserves and
41 similar programs administered by a city or town, legal defense trusts and
42 any arrangement under which a person is nominee or escrowee for another.

43 66. "Trustee" includes an original, additional or successor
44 trustee, whether or not appointed or confirmed by the court.

45 67. "Ward" has the same meaning prescribed in section 14-5101.

1 (c) Nomination in a governing instrument that nominates a divorced
2 person's former spouse or a relative of the divorced person's former
3 spouse to serve in any fiduciary or representative capacity, including a
4 personal representative, executor, trustee, conservator, agent or
5 guardian.

6 2. Severs the interests of the former spouses in property held by
7 them at the time of the divorce or annulment as joint tenants with the
8 right of survivorship or as community property with the right of
9 survivorship and transforms the interests of the former spouses into
10 tenancies in common.

11 B. A severance under subsection A, paragraph 2 of this section does
12 not affect any ~~third party~~ THIRD-PARTY interest in property acquired for
13 value and in good faith reliance on an apparent title by survivorship in
14 the survivor of the former spouses unless a writing declaring the
15 severance has been noted, registered, filed or recorded in records
16 appropriate to the kind and location of the property that a person relied
17 on as evidence of ownership in the ordinary course of transactions
18 involving that property.

19 C. Provisions of a governing instrument are given effect as if the
20 former spouse and relatives of the former spouse disclaimed all provisions
21 revoked by this section or, in the case of a revoked nomination in a
22 fiduciary or representative capacity, as if the former spouse and
23 relatives of the former spouse died immediately before the divorce or
24 annulment.

25 D. Provisions revoked solely by this section are revived by the
26 divorced person's remarriage to the former spouse or by a nullification of
27 the divorce or annulment.

28 E. No change of circumstances other than as described in this
29 section and in section 14-2803 effects a revocation.

30 F. Any payor or other third party is not liable for making a
31 payment or transferring an item of property or any other benefit to a
32 beneficiary designated in a governing instrument affected by a divorce,
33 annulment or remarriage, or for taking any other action in good faith
34 reliance on the validity of the governing instrument, before the payor or
35 other third party receives written notice of the divorce, annulment or
36 remarriage. Any payor or other third party is liable for a payment made
37 or any other action taken after the payor or other third party receives
38 written notice of a claimed forfeiture or revocation under this section.

39 G. Written notice of the divorce, annulment or remarriage under
40 subsection F of this section must be mailed to the payor's or other third
41 party's main office or home by certified mail, return receipt requested,
42 or served on the payor or other third party in the same manner as a
43 summons in a civil action. On receipt of written notice of the divorce,
44 annulment or remarriage, a payor or any other third party may pay any
45 amount owed or transfer or deposit any item of property held by it to or

1 with the court having jurisdiction of the probate proceedings relating to
2 the decedent's estate or, if no proceedings have been commenced, to or
3 with the court having jurisdiction of probate proceedings relating to
4 decedents' estates located in the county of the decedent's residence. The
5 court shall hold the monies or item of property and, on its determination
6 under this section, shall order disbursement or transfer in accordance
7 with the determination. Payments, transfers or deposits made to or with
8 the court discharge the payor or other third party from all claims for the
9 value of amounts paid to or items of property transferred to or deposited
10 with the court.

11 H. A person who purchases property from a former spouse, a relative
12 of a former spouse or any other person for value and without notice or who
13 receives from a former spouse, a relative of a former spouse or any other
14 person a payment or other item of property in partial or full satisfaction
15 of a legally enforceable obligation is neither obligated under this
16 section to return the payment, item of property or benefit nor is liable
17 under this section for the amount of the payment or the value of the item
18 of property or benefit. However, a former spouse, a relative of a former
19 spouse or any other person who, not for value, received a payment, an item
20 of property or any other benefit to which that person is not entitled
21 under this section is obligated to return the payment, item of property or
22 benefit to the person who is entitled to it under this section or is
23 personally liable for the amount of the payment or the value of the item
24 of property or benefit.

25 I. For the ~~purpose~~ PURPOSES of this section:

26 1. "Disposition or appointment of property" includes a transfer of
27 an item of property or any other benefit to a beneficiary designated in a
28 governing instrument.

29 ~~2.~~ 2. "Divorced person" includes a person whose marriage has been
30 annulled.

31 ~~2.~~ 3. "Divorce or annulment" means any divorce or annulment or any
32 dissolution or declaration of invalidity of a marriage that would exclude
33 the spouse as a surviving spouse within the meaning of section 14-2802 but
34 does not include a decree of separation that does not terminate the status
35 of ~~husband and wife~~ THE MARRIED COUPLE.

36 4. "Governing instrument" means an instrument THAT IS executed by
37 the divorced person before the divorce or annulment of that person's
38 marriage to that person's former spouse.

39 5. "Relative of the divorced person's former spouse" means a person
40 who is related to the divorced person's former spouse by blood, adoption
41 or affinity and who, after the divorce or annulment, is not related to the
42 divorced person by blood, adoption or affinity.

43 6. "Revocable", with respect to a disposition, appointment,
44 provision or nomination, means one under which the divorced person, at the
45 time of the divorce or annulment, was alone empowered by law or under the

1 governing instrument to cancel a designation in favor of that person's
2 former spouse or former spouse's relative, whether or not the divorced
3 person was then empowered to designate himself or herself in place of that
4 person's former spouse or in place of the former spouse's relative and
5 whether or not the divorced person then had the capacity to exercise the
6 power.

7 Sec. 17. Section 14-3101, Arizona Revised Statutes, is amended to
8 read:

9 14-3101. Devolution of estate at death; administration on
10 deaths of spouses

11 A. The power of a person to leave property by will, and the rights
12 of creditors, devisees and heirs to ~~his~~ THE PERSON'S property are subject
13 to the restrictions and limitations contained in this title to facilitate
14 the prompt settlement of estates. ~~Upon~~ ON the death of a person, ~~his~~ THE
15 PERSON'S separate property and ~~his~~ share of community property ~~devolves~~
16 DEVOLVE to the persons to whom the property is devised by ~~his~~ THE PERSON'S
17 last will, or to those indicated as substitutes for them in cases
18 involving lapse, renunciation or other circumstances affecting the
19 devolution of testate estates, or in the absence of testamentary
20 disposition to ~~his~~ THE PERSON'S heirs, or to those indicated as
21 substitutes for them in cases involving renunciation or other
22 circumstances affecting the devolution of intestate estates. The
23 devolution of separate property and decedent's share of community property
24 is subject to rights to the allowance in lieu of homestead, exempt
25 property and family allowance, to rights of creditors and to
26 administration as provided in this title. In addition, the surviving
27 spouse's share of the community property is subject to administration
28 until the time for presentation of claims has expired, and thereafter only
29 to the extent necessary to pay community claims.

30 B. If ~~a husband and wife~~ both SPOUSES die, and the administration
31 of one of their estates is not completed prior to commencement of
32 administration of the other, their estates may be combined in a single
33 administration with the same personal representative, if feasible. A
34 single application or petition may be made to obtain appointment of a
35 personal representative and to determine testacy. If their estates
36 devolve as if each spouse survived the other because of application of
37 section 14-2702, and their estates are not combined, half of their
38 community property is subject to administration in each estate and
39 community claims will be charged ratably to each half of the community
40 property.

41 Sec. 18. Section 14-5426, Arizona Revised Statutes, is amended to
42 read:

43 14-5426. Enlargement or limitation of powers of conservator

44 A. Subject to the restrictions in section 14-5408, subsection A,
45 paragraph 4, the court may confer on a conservator at the time of

1 appointment or later, in addition to the powers conferred ~~on him~~ by
2 sections 14-5424 and 14-5425, any power ~~which~~ the court itself could
3 exercise under section 14-5408, subsection A, paragraphs 2 and 3. The
4 court may, at the time of appointment or later, limit the powers of a
5 conservator otherwise conferred by sections 14-5424 and 14-5425, or
6 previously conferred by the court, and may at any time relieve ~~him~~ **THE**
7 **CONSERVATOR** of any limitation. If the court limits any power conferred on
8 the conservator by section 14-5424 or 14-5425, the limitation shall be
9 endorsed ~~upon his~~ **ON THE CONSERVATOR'S** letters of appointment.

10 B. ~~Upon~~ **ON** appointment of a conservator for a protected spouse, the
11 court may determine whether the spouse's share of community property shall
12 be managed by the conservator or by the other spouse. ~~If the court~~
13 ~~determines that the community property shall be managed by the other~~
14 ~~spouse, and if the protected spouse is the husband, the wife may become~~
15 ~~the manager of the community property during the conservatorship and may~~
16 ~~dispose of community personal property in the interests of the community.~~

17 Sec. 19. Section 14-9106, Arizona Revised Statutes, is amended to
18 read:

19 14-9106. Multiple beneficiaries; separate custodial trusts;
20 survivorship

21 A. Beneficial interests in a custodial trust created for multiple
22 beneficiaries are deemed to be separate custodial trusts of equal
23 undivided interests for each beneficiary. Except in a transfer or
24 declaration for use and benefit of ~~husband and wife~~ **A MARRIED COUPLE**, for
25 whom survivorship is presumed, a right of survivorship does not exist
26 unless the instrument creating the custodial trust specifically provides
27 for survivorship or survivorship is required as to community or marital
28 property.

29 B. Custodial trust property held under this chapter by the same
30 custodial trustee for the use and benefit of the same beneficiary may be
31 administered as a single custodial trust.

32 C. A custodial trustee of custodial trust property held for more
33 than one beneficiary shall separately account to each beneficiary pursuant
34 to sections 14-9107 and 14-9115 for the administration of the custodial
35 trust.

36 Sec. 20. Section 23-805, Arizona Revised Statutes, is amended to
37 read:

38 23-805. Right of action for damages; two-year limitation

39 A. When in the course of work in any of the employments or
40 occupations enumerated in section 23-803, personal injury or death by an
41 accident arising out of and in the course of ~~such~~ **THE** labor, service and
42 employment, and due to a condition or conditions of ~~such~~ **THE** occupation or
43 employment, is caused to or suffered by a workman engaged therein, in all
44 cases in which the injury or death of the employee is not caused by the
45 negligence of the employee killed or injured, the employer is liable in

1 damages to the employee injured or, in case death ensues, to the personal
2 representative of the deceased for the benefit of the surviving ~~widow or~~
3 ~~husband~~ SPOUSE and children of the employee or, if none, then to the
4 employee's parents or, if none, then to the next of kin dependent ~~upon~~ ON
5 the employee or, if none, then to ~~his~~ THE EMPLOYEE'S personal
6 representative for the benefit of the estate of the deceased.

7 B. The action shall not be maintained unless IT IS commenced within
8 two years from the day the claim or cause of action accrued.

9 Sec. 21. Section 23-1046, Arizona Revised Statutes, is amended to
10 read:

11 23-1046. Death benefits

12 A. In case of an injury causing death, the compensation therefor
13 shall be known as a death benefit and shall be payable in the amount, for
14 the period, and to and for the benefit of the following:

15 1. Burial expenses, not to exceed ~~five thousand dollars~~ \$5,000, in
16 addition to the compensation.

17 2. To the surviving spouse, if there are no children, sixty-six and
18 two-thirds ~~per cent~~ PERCENT of the average monthly wage of the deceased,
19 to be paid until ~~such~~ THE spouse's death or remarriage, with two years'
20 compensation in one sum ~~upon~~ ON remarriage. To the surviving spouse if
21 there are surviving children, thirty-five ~~per cent~~ PERCENT of the average
22 monthly wage of the deceased, to be paid until ~~such~~ THE spouse's death or
23 remarriage with two years' compensation in one sum ~~upon~~ ON remarriage, and
24 to the surviving children, an additional thirty-one and two-thirds ~~per~~
25 ~~cent~~ PERCENT of the average monthly wage, to be divided equally among them
26 until the age of eighteen years, until the age of twenty-two years if the
27 child is enrolled as a full-time student in any accredited educational
28 institution, or if over eighteen years and incapable of self-support when
29 the child becomes capable of self-support. When all surviving children
30 are no longer eligible for benefits, the surviving spouse's benefits shall
31 be paid as if there were no children. In the event of the subsequent
32 death or remarriage of the surviving spouse, the surviving child's or
33 children's benefits shall be computed pursuant to paragraph 3 OF THIS
34 SUBSECTION.

35 3. To a single surviving child, in the case of the subsequent death
36 or remarriage of a surviving ~~husband or wife~~ SPOUSE, or if there is no
37 surviving ~~husband or wife~~ SPOUSE, sixty-six and two-thirds ~~per cent~~
38 PERCENT of the average monthly wage of the deceased, or if there is more
39 than one surviving child, sixty-six and two-thirds ~~per cent~~ PERCENT to be
40 divided equally among the surviving children. Compensation to any such
41 child shall cease ~~upon~~ ON death, ~~upon~~ ON marriage or ~~upon~~ ON reaching the
42 age of eighteen years, except, if over eighteen years and incapable of
43 self-support, when ~~he~~ THE CHILD becomes capable of self-support, or if
44 over eighteen years of age and enrolled as a full-time student in any
45 accredited educational institution, when the child reaches age twenty-two.

1 4. To a parent, if there is no surviving ~~husband, wife~~ SPOUSE or
2 child under the age of eighteen years, if wholly dependent for support
3 ~~upon~~ ON the deceased employee at the time of ~~his~~ THE EMPLOYEE'S death,
4 twenty-five ~~per cent~~ PERCENT of the average monthly wage of the deceased
5 during dependency, with an added allowance of fifteen ~~per cent~~ PERCENT if
6 two dependent parents survive, and, if neither parent is wholly dependent,
7 but one or both partly dependent, fifteen ~~per cent~~ PERCENT divided between
8 them share and share alike.

9 5. To brothers or sisters under the age of eighteen years, if there
10 is no surviving ~~husband or wife~~ SPOUSE, dependent children under the age
11 of eighteen years or dependent parent, the following shall govern:

12 (a) If one of the brothers or sisters is wholly dependent ~~upon~~ ON
13 the deceased employee for support at the time of injury causing death,
14 twenty-five ~~per cent~~ PERCENT of the average monthly wage until the age of
15 eighteen years.

16 (b) If more than one brother or sister is wholly dependent,
17 thirty-five ~~per cent~~ PERCENT of the average monthly wage at the time of
18 injury causing death, divided among ~~such~~ THE dependents share and share
19 alike.

20 (c) If none of the brothers or sisters is wholly dependent, but one
21 or more are partly dependent, fifteen ~~per cent~~ PERCENT divided among ~~such~~
22 THE dependents share and share alike.

23 B. If the deceased employee leaves dependents only partially
24 dependent ~~upon his~~ ON THE EMPLOYEE'S earnings for support at the time of
25 the injury, the monthly compensation shall be equal to ~~such~~ THAT
26 proportion of the monthly payments for the benefit of persons totally
27 dependent as the amount contributed by the employee to ~~such~~ THE partial
28 dependents bears to the average wage of the deceased at the time of the
29 injury resulting in ~~his~~ THE EMPLOYEE'S death. The duration of
30 compensation to partial dependents shall be fixed by the commission in
31 accordance with the facts shown, and in accordance with the provisions of
32 section 23-1047, but shall ~~in no case~~ NOT exceed compensation for one
33 hundred months.

34 C. In the event of death of a dependent before expiration of the
35 time named in the award, the funeral expenses of ~~such~~ THE person, not to
36 exceed ~~eight hundred dollars~~ \$800, shall be paid.

37 Sec. 22. Section 23-1064, Arizona Revised Statutes, is amended to
38 read:

39 23-1064. Presumptions of dependency; determination

40 A. The following persons are conclusively presumed to be totally
41 dependent for support ~~upon~~ ON a deceased employee:

42 1. A ~~wife upon a husband whom she has~~ SPOUSE ON THE OTHER SPOUSE
43 WHO WAS not voluntarily abandoned at the time of the injury.

1 ~~2. A husband upon a wife whom he has not voluntarily abandoned at~~
2 ~~the time of the injury.~~

3 ~~3.~~ 2. A natural, posthumous or adopted child under the age of
4 eighteen years or under the age of twenty-two years if enrolled as a
5 full-time student in any accredited educational institution, or over that
6 age if physically or mentally incapacitated from wage earning, ~~upon~~ ON the
7 injured parent. Stepparents may be regarded as parents, if dependent, and
8 a stepchild as a natural child if dependent.

9 B. Questions of dependency and the extent thereof shall be
10 determined as of the date of the injury to the employee and the
11 dependent's right to any death benefit shall become fixed as of ~~such~~ THAT
12 time irrespective of any subsequent change in conditions, and the death
13 benefits shall be directly recoverable by and payable to the dependent
14 entitled thereto.

15 Sec. 23. Section 25-101, Arizona Revised Statutes, is amended to
16 read:

17 25-101. Void and prohibited marriages

18 A. Marriage between parents and children, including grandparents
19 and grandchildren of every degree, between brothers and sisters of the
20 one-half as well as the whole blood, and between uncles and nieces, aunts
21 and nephews and between first cousins, is prohibited and void.

22 B. Notwithstanding subsection A OF THIS SECTION, first cousins may
23 marry if both are AT LEAST sixty-five years of age ~~or older~~ or if one or
24 both first cousins are under sixty-five years of age, ~~upon~~ ON approval of
25 any superior court judge in the state if proof has been presented to the
26 judge that one of the cousins is unable to reproduce.

27 ~~C. Marriage between persons of the same sex is void and prohibited.~~

28 Sec. 24. Heading change

29 The chapter heading of title 25, chapter 2, Arizona Revised
30 Statutes, is changed from "HUSBAND AND WIFE, PROPERTY AND CONTRACT RIGHTS"
31 to "PROPERTY AND CONTRACT RIGHTS OF SPOUSES".

32 Sec. 25. Section 25-211, Arizona Revised Statutes, is amended to
33 read:

34 25-211. Property acquired during marriage as community property;
35 exceptions; effect of service of a petition

36 A. All property acquired by either ~~husband or wife~~ SPOUSE during
37 the marriage is the community property of the ~~husband and wife~~ MARRIED
38 COUPLE except for property that is:

39 1. Acquired by gift, devise or descent.

40 2. Acquired after service of a petition for dissolution of
41 marriage, legal separation or annulment if the petition results in a
42 decree of dissolution of marriage, legal separation or annulment.

1 B. Notwithstanding subsection A, paragraph 2 OF THIS SECTION,
2 service of a petition for dissolution of marriage, legal separation or
3 annulment does not:

- 4 1. Alter the status of preexisting community property.
- 5 2. Change the status of community property used to acquire new
6 property or the status of that new property as community property.
- 7 3. Alter the duties and rights of either spouse with respect to the
8 management of community property except as prescribed pursuant to section
9 25-315, subsection A, paragraph 1, subdivision (a).

10 Sec. 26. Section 25-314, Arizona Revised Statutes, is amended to
11 read:

12 25-314. Pleadings; contents; defense; joinder of parties;
13 confidentiality

14 A. The verified petition in a proceeding for dissolution of
15 marriage or legal separation shall allege that the marriage is
16 irretrievably broken or that one or both of the parties desire to live
17 separate and apart, or, if the marriage is a covenant marriage, any of the
18 grounds prescribed in section 25-903 or 25-904, whichever is appropriate,
19 and shall set forth:

- 20 1. The birth date, occupation and address of each party and the
21 length of domicile in this state.
- 22 2. The date of the marriage, the place at which it was performed
23 and whether the marriage is a covenant marriage.
- 24 3. The names, birth dates and addresses of all living children,
25 natural or adopted, common to the parties and whether ~~the wife~~ EITHER
26 PARTY TO THE MARRIAGE is pregnant.
- 27 4. The details of any agreements between the parties as to support,
28 custody and parenting time of the children and maintenance of a spouse.
- 29 5. The relief sought.

30 B. Either party to the marriage may initiate the proceeding.

31 C. The only defense to a petition for the dissolution of a marriage
32 or legal separation is that the marriage is not irretrievably broken. If
33 the marriage is a covenant marriage, it is a defense that none of the
34 grounds alleged for a dissolution of marriage or legal separation
35 prescribed in section 25-903 or 25-904 are met.

36 D. The court may join additional parties necessary for the exercise
37 of its authority.

38 E. This section does not require a victim of domestic violence or a
39 resident of a domestic violence shelter as defined in section 36-3001 to
40 divulge the person's address, except that a means of communicating with
41 the resident, such as a post office box or address of the person's
42 attorney, must be disclosed.

1 Sec. 27. Section 25-1060, Arizona Revised Statutes, is amended to
2 read:

3 25-1060. Hearing and order

4 A. Unless the court issues a temporary emergency order in
5 accordance with section 25-1034, on a finding that a petitioner is
6 entitled to immediate physical custody of the child, the court shall order
7 that the petitioner may take immediate physical custody of the child
8 unless the respondent establishes that either of the following is true:

9 1. The child custody determination has not been registered and
10 confirmed under section ~~25-1053~~ 25-1055 and ~~that~~ any of the following is
11 true:

12 (a) The issuing court did not have jurisdiction under article 2 of
13 this chapter.

14 (b) The child custody determination for which enforcement is sought
15 has been vacated, stayed or modified by a court of a state having
16 jurisdiction to do so under article 2 of this chapter.

17 (c) The respondent was entitled to notice, but notice was not given
18 in accordance with section 25-1008, in the proceedings before the court
19 that issued the order for which enforcement is sought.

20 2. The child custody determination for which enforcement is sought
21 was registered and confirmed under section 25-1055 but has been vacated,
22 stayed or modified by a court of a state having jurisdiction to do so
23 under article 2 of this chapter.

24 B. The court shall award the fees, costs and expenses authorized
25 under section 25-1062, may grant additional relief, including a request
26 for the assistance of law enforcement officials, and may set a further
27 hearing to determine whether additional relief is appropriate.

28 C. If a party called to testify refuses to answer on the ground
29 that the testimony may be self-incriminating, the court may draw an
30 adverse inference from the refusal.

31 D. A privilege against disclosure of communications between spouses
32 and a defense of immunity based on THE SPOUSAL RELATIONSHIP OR the
33 relationship of ~~husband and wife or~~ parent and child shall not be invoked
34 in a proceeding under this article.

35 Sec. 28. Section 25-1256, Arizona Revised Statutes, is amended to
36 read:

37 25-1256. Special rules of evidence and procedure

38 A. The physical presence of a nonresident party who is an
39 individual in a tribunal of this state is not required for the
40 establishment, enforcement or modification of a support order or the
41 rendition of a judgment determining parentage of a child.

42 B. An affidavit, a document substantially complying with federally
43 mandated forms or a document incorporated by reference in any affidavit or
44 mandated form that would not be excluded under the hearsay rule if given

1 in person is admissible in evidence if given under penalty of perjury by a
2 party or witness residing outside this state.

3 C. A copy of the record of child support payments certified as a
4 true copy of the original by the custodian of the record may be forwarded
5 to a responding tribunal. The copy is evidence of facts asserted in it
6 and is admissible to show whether payments were made.

7 D. Copies of bills for testing for parentage of a child and for
8 prenatal and postnatal health care of the mother and child furnished to
9 the adverse party at least ten days before trial are admissible in
10 evidence to prove the amount of the charges billed and that the charges
11 were reasonable, necessary and customary.

12 E. Documentary evidence transmitted from outside this state to a
13 tribunal of this state by telephone, fax or other electronic means that do
14 not provide an original record shall not be excluded from evidence on an
15 objection based on the means of transmission.

16 F. In a proceeding under this chapter, a tribunal of this state
17 shall permit a party or witness residing outside this state to be deposed
18 or to testify under penalty of perjury by telephone, audiovisual means or
19 other electronic means at a designated tribunal or other location. A
20 tribunal of this state shall cooperate with other tribunals in designating
21 an appropriate location for the deposition or testimony.

22 G. If a party called to testify at a civil hearing refuses to
23 answer on the ground that the testimony may be self-incriminating, the
24 trier of fact may draw an adverse inference from the refusal.

25 H. A privilege against disclosure of communications between spouses
26 does not apply in a proceeding under this chapter.

27 I. The defense of immunity based on [THE SPOUSAL RELATIONSHIP OR](#) the
28 relationship of ~~husband and wife or~~ parent and child does not apply in a
29 proceeding under this chapter.

30 J. A voluntary acknowledgment of paternity, certified as a true
31 copy, is admissible to establish parentage of the child.

32 Sec. 29. Section 32-2101, Arizona Revised Statutes, is amended to
33 read:

34 [32-2101. Definitions](#)

35 In this chapter, unless the context otherwise requires:

36 1. "Acting in concert" means evidence of collaborating to pursue a
37 concerted plan.

38 2. "Advertising" means the attempt by publication, dissemination,
39 exhibition, solicitation or circulation, oral or written, or for broadcast
40 on radio or television to induce directly or indirectly any person to
41 enter into any obligation or acquire any title or interest in lands
42 subject to this chapter including the land sales contract to be used and
43 any photographs, drawings or artist's presentations of physical conditions
44 or facilities existing or to exist on the property. Advertising does not
45 include:

1 (a) Press releases or other communications delivered to newspapers,
2 periodicals or other news media for general information or public
3 relations purposes if no charge is made by the newspapers, periodicals or
4 other news media for the publication or use of any part of these
5 communications.

6 (b) Communications to stockholders as follows:

7 (i) Annual reports and interim financial reports.

8 (ii) Proxy materials.

9 (iii) Registration statements.

10 (iv) Securities prospectuses.

11 (v) Applications for listing of securities on stock exchanges.

12 (vi) Prospectuses.

13 (vii) Property reports.

14 (viii) Offering statements.

15 3. "Affiliate" means a person who, directly or indirectly through
16 one or more intermediaries, controls, is controlled by or is under common
17 control with the person specified.

18 4. "Associate broker" means a licensed broker who is employed by
19 another broker. Unless otherwise specifically provided, an associate
20 broker has the same license privileges as a salesperson.

21 5. "Barrier" means a natural or man-made geographical feature that
22 prevents parcels of land from being practicably, reasonably and
23 economically united or reunited and that was not caused or created by the
24 owner of the parcels.

25 6. "Blanket encumbrance" means any mortgage, any deed of trust or
26 any other encumbrance or lien securing or evidencing the payment of money
27 and affecting more than one lot or parcel of subdivided land, or an
28 agreement affecting more than one lot or parcel by which the subdivider
29 holds the subdivision under an option, contract to sell or trust
30 agreement. Blanket encumbrance does not include taxes and assessments
31 that are levied by public authority.

32 7. "Board" means the state real estate advisory board.

33 8. "Broker", when used without modification, means a person who is
34 licensed as a broker under this chapter or who is required to be licensed
35 as a broker under this chapter.

36 9. "Business broker" means a real estate broker who acts as an
37 intermediary or agent between sellers or buyers, or both, in the sale or
38 purchase, or both, of businesses or business opportunities where a lease
39 or sale of real property is either a direct or incidental part of the
40 transaction.

41 10. "Camping site" means a space that is designed and promoted for
42 the purpose of locating any trailer, tent, tent trailer, pickup camper or
43 other similar device used for camping.

1 11. "Cemetery" or "cemetery property" means any one, or a
2 combination of more than one, of the following in a place that is used, or
3 intended to be used, and dedicated for cemetery purposes:

4 (a) A burial park, for earth interments.

5 (b) A mausoleum, for crypt or vault entombments.

6 (c) A crematory, or a crematory and columbarium, for cinerary
7 interments.

8 (d) A cemetery plot, including interment rights, mausoleum crypts,
9 niches and burial spaces.

10 12. "Cemetery broker" means a person other than a real estate broker
11 or real estate salesperson who, for another, for compensation:

12 (a) Sells, leases or exchanges cemetery property or interment
13 services of or for another, or on the person's own account.

14 (b) Offers for another or for the person's own account to buy,
15 sell, lease or exchange cemetery property or interment services.

16 (c) Negotiates the purchase and sale, lease or exchange of cemetery
17 property or interment services.

18 (d) Negotiates the purchase or sale, lease or exchange, or lists or
19 solicits, or negotiates a loan on or leasing of cemetery property or
20 interment services.

21 13. "Cemetery salesperson" means a natural person who acts on the
22 person's own behalf or through and on behalf of a professional limited
23 liability company or a professional corporation engaged by or on behalf of
24 a licensed cemetery or real estate broker, or through and on behalf of a
25 corporation, partnership or limited liability company that is licensed as
26 a cemetery or real estate broker, to perform any act or transaction
27 included in the definition of cemetery broker.

28 14. "Commissioner" means the state real estate commissioner.

29 15. "Common promotional plan" means a plan, undertaken by a person
30 or a group of persons acting in concert, to offer lots for sale or
31 lease. If the land is offered for sale by a person or group of persons
32 acting in concert, and the land is contiguous or is known, designated or
33 advertised as a common unit or by a common name, the land is presumed,
34 without regard to the number of lots covered by each individual offering,
35 as being offered for sale or lease as part of a common promotional
36 plan. Separate subdividers selling lots or parcels in separately platted
37 subdivisions within a master planned community shall not be deemed to be
38 offering their combined lots for sale or lease as part of a common
39 promotional plan.

40 16. "Compensation" means any fee, commission, salary, money or other
41 valuable consideration for services rendered or to be rendered as well as
42 the promise of consideration whether contingent or not.

43 17. "Contiguous" means lots, parcels or fractional interests that
44 share a common boundary or point. Lots, parcels or fractional interests
45 are not contiguous if they are separated by either of the following:

1 (a) A barrier.

2 (b) A road, street or highway that has been established by this
3 state or by any agency or political subdivision of this state, that has
4 been designated by the federal government as an interstate highway or that
5 has been regularly maintained by this state or by any agency or political
6 subdivision of this state and has been used continuously by the public for
7 at least the last five years.

8 18. "Control" or "controlled" means a person who, through ownership,
9 voting rights, power of attorney, proxy, management rights, operational
10 rights or other rights, has the right to make decisions binding on an
11 entity, whether a corporation, a partnership or any other entity.

12 19. "Corporation licensee" means a lawfully organized corporation
13 that is registered with the Arizona corporation commission and that has an
14 officer licensed as the designated broker pursuant to section 32-2125.

15 20. "Department" means the state real estate department.

16 21. "Designated broker" means the natural person who is licensed as
17 a broker under this chapter and who is either:

18 (a) Designated to act on behalf of an employing real estate,
19 cemetery or membership camping entity.

20 (b) Doing business as a sole proprietor.

21 22. "Developer" means a person who offers real property in a
22 development for sale, lease or use, either immediately or in the future,
23 on the person's own behalf or on behalf of another person, under this
24 chapter. Developer does not include a person whose involvement with a
25 development is limited to the listing of property within the development
26 for sale, lease or use.

27 23. "Development" means any division, proposed division or use of
28 real property that the department has authority to regulate, including
29 subdivided and unsubdivided lands, cemeteries, condominiums, timeshares,
30 membership campgrounds and stock cooperatives.

31 24. "Employing broker" means a person who is licensed or is required
32 to be licensed as a:

33 (a) Broker entity pursuant to section 32-2125, subsection A.

34 (b) Sole proprietorship if the sole proprietor is a broker licensed
35 pursuant to this chapter.

36 25. "Fractional interest" means an undivided interest in improved or
37 unimproved land, lots or parcels of any size created for the purpose of
38 sale or lease and evidenced by any receipt, certificate, deed or other
39 document conveying the interest. Undivided interests in land, lots or
40 parcels created in the names of ~~a husband and wife~~ BOTH SPOUSES as
41 community property, joint tenants or tenants in common, or in the names of
42 other persons who, acting together as part of a single transaction,
43 acquire the interests without a purpose to divide the interests for
44 present or future sale or lease shall be deemed to constitute only one
45 fractional interest.

1 26. "Improved lot or parcel" means a lot or parcel of a subdivision
2 on which lot or parcel there is a residential, commercial or industrial
3 building or concerning which a contract has been entered into between a
4 subdivider and a purchaser that obligates the subdivider directly, or
5 indirectly through a building contractor, to complete construction of a
6 residential, commercial or industrial building on the lot or parcel within
7 two years from the date on which the contract of sale for the lot is
8 entered into.

9 27. "Inactive license" means a license that is issued pursuant to
10 article 2 of this chapter to a licensee who is on inactive status during
11 the current license period and who is not engaged by or on behalf of a
12 broker.

13 28. "Lease" or "leasing" includes any lease, whether it is the sole,
14 the principal or any incidental part of a transaction.

15 29. "License" means the whole or part of any agency permit,
16 certificate, approval, registration, public report, charter or similar
17 form of permission required by this chapter.

18 30. "Licensee" means a person to whom a license for the current
19 license period has been granted under any provision of this chapter, and,
20 for purposes of section 32-2153, subsection A, shall include original
21 license applicants.

22 31. "License period" means the two-year period beginning with the
23 date of original issue or renewal of a particular license and ending on
24 the expiration date, if any.

25 32. "Limited liability company licensee" means a lawfully organized
26 limited liability company that has a member or manager who is a natural
27 person and who is licensed as the designated broker pursuant to section
28 32-2125.

29 33. "Lot reservation" means an expression of interest by a
30 prospective purchaser in buying at some time in the future a subdivided or
31 unsubdivided lot, unit or parcel in this state. In all cases, a
32 subsequent affirmative action by the prospective purchaser must be taken
33 to create a contractual obligation to purchase.

34 34. "Master planned community" means a development that consists of
35 two or more separately platted subdivisions and that is either subject to
36 a master declaration of covenants, conditions or restrictions, is subject
37 to restrictive covenants sufficiently uniform in character to clearly
38 indicate a general scheme for improvement or development of real property
39 or is governed or administered by a master owner's association.

40 35. "Member" means a member of the real estate advisory board.

41 36. "Membership camping broker" means a person, other than a
42 salesperson, who, for compensation:

43 (a) Sells, purchases, lists, exchanges or leases membership camping
44 contracts.

1 (b) Offers to sell, purchase, exchange or lease membership camping
2 contracts.

3 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
4 purchase, exchange or lease of membership camping contracts.

5 (d) Advertises or holds himself out as being engaged in the
6 business of selling, buying, exchanging or leasing membership camping
7 contracts or counseling or advising regarding membership camping
8 contracts.

9 (e) Assists or directs in the procuring of prospects calculated or
10 intended to result in the sale, purchase, listing, exchange or lease of
11 membership camping contracts.

12 (f) Performs any of the foregoing acts as an employee or on behalf
13 of a membership camping operator or membership contract owner.

14 37. "Membership camping contract" means an agreement that is offered
15 or sold in this state evidencing a purchaser's right or license to use the
16 camping or outdoor recreation facilities of a membership camping operator
17 and includes a membership that provides for this use.

18 38. "Membership camping operator" means an enterprise, other than
19 one that is tax exempt under section 501(c)(3) of the internal revenue
20 code of 1986, as amended, that solicits membership paid for by a fee or
21 periodic payments and has as one of its purposes camping or outdoor
22 recreation, including the use of camping sites primarily by
23 members. Membership camping operator does not include camping or
24 recreational trailer parks that are open to the general public and that
25 contain camping sites rented for a per use fee or a mobile home park.

26 39. "Membership camping salesperson" means a natural person who acts
27 on the person's own behalf or through and on behalf of a professional
28 limited liability company or a professional corporation engaged by or on
29 behalf of a licensed membership camping or real estate broker, or by or on
30 behalf of a corporation, partnership or limited liability company that is
31 licensed as a membership camping or real estate broker, to perform any act
32 or participate in any transaction in a manner included in the definition
33 of membership camping broker.

34 40. "Online course" means prelicensure education that is a planned
35 learning experience with a geographic separation that may be synchronous
36 or asynchronous, that does not require real-time interaction between a
37 student and an instructor and that uses a platform with self-paced or
38 prerecorded lessons and materials that a student can access via the
39 internet to proceed at the student's own pace.

40 41. "Partnership licensee" means a partnership with a managing
41 general partner who is licensed as the designated broker pursuant to
42 section 32-2125.

43 42. "Permanent access", as required under article 4 of this chapter,
44 means permanent access from the subdivision to any federal, state or
45 county highway.

1 43. "Perpetual care" or "endowed care" means the maintenance and
2 care of all places where interments have been made of the trees, shrubs,
3 roads, streets and other improvements and embellishments contained within
4 or forming a part of the cemetery but does not include the maintenance or
5 repair of monuments, tombs, copings or other man-made ornaments as
6 associated with individual burial spaces.

7 44. "Perpetual or endowed-care cemetery" means a cemetery wherein
8 lots or other burial spaces are sold or transferred under the
9 representation that the cemetery will receive perpetual care or endowed
10 care free of further cost to the purchaser after payment of the original
11 purchase price for the lot, burial space or interment right.

12 45. "Person" means any individual, corporation, partnership or
13 company and any other form of multiple organization for carrying on
14 business, foreign or domestic.

15 46. "Private cemetery" means a cemetery or place that is not
16 licensed under article 6 of this chapter, where burials or interments of
17 human remains are made, in which sales or transfers of interment rights or
18 burial plots are not made to the public and in which not more than ten
19 interments or burials occur annually.

20 47. "Promotion" or "promotional practice" means advertising and any
21 other act, practice, device or scheme to induce directly or indirectly any
22 person to enter into any obligation or acquire any title or interest in or
23 use of real property subject to this chapter, including meetings with
24 prospective purchasers, arrangements for prospective purchasers to visit
25 real property, travel allowances and discount, exchange, refund and
26 cancellation privileges.

27 48. "Real estate" includes leasehold-interests and any estates in
28 land as defined in title 33, chapter 2, articles 1 and 2, regardless of
29 whether located in this state.

30 49. "Real estate broker" means a person, other than a salesperson,
31 who, for another and for compensation:

32 (a) Sells, exchanges, purchases, rents or leases real estate,
33 businesses and business opportunities or timeshare interests.

34 (b) Offers to sell, exchange, purchase, rent or lease real estate,
35 businesses and business opportunities or timeshare interests.

36 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
37 exchange, purchase, rental or leasing of real estate, businesses and
38 business opportunities or timeshare interests.

39 (d) Lists or offers, attempts or agrees to list real estate,
40 businesses and business opportunities or timeshare interests for sale,
41 lease or exchange.

42 (e) Auctions or offers, attempts or agrees to auction real estate,
43 businesses and business opportunities or timeshare interests.

1 (f) Buys, sells, offers to buy or sell or otherwise deals in
2 options on real estate, businesses and business opportunities or timeshare
3 interests or improvements to real estate, businesses and business
4 opportunities or timeshare interests.

5 (g) Collects or offers, attempts or agrees to collect rent for the
6 use of real estate, businesses and business opportunities or timeshare
7 interests.

8 (h) Advertises or holds himself out as being engaged in the
9 business of buying, selling, exchanging, renting or leasing real estate,
10 businesses and business opportunities or timeshare interests or counseling
11 or advising regarding real estate, businesses and business opportunities
12 or timeshare interests.

13 (i) Assists or directs in the procuring of prospects, calculated to
14 result in the sale, exchange, leasing or rental of real estate, businesses
15 and business opportunities or timeshare interests.

16 (j) Assists or directs in the negotiation of any transaction
17 calculated or intended to result in the sale, exchange, leasing or rental
18 of real estate, businesses and business opportunities or timeshare
19 interests.

20 (k) Incident to the sale of real estate, businesses and business
21 opportunities negotiates or offers, attempts or agrees to negotiate a loan
22 secured or to be secured by any mortgage or other encumbrance on or
23 transfer of real estate, businesses and business opportunities or
24 timeshare interests subject to section 32-2155, subsection C. This
25 subdivision does not apply to mortgage brokers as defined in and subject
26 to title 6, chapter 9, article 1.

27 (l) Engages in the business of assisting or offering to assist
28 another in filing an application for the purchase or lease of, or in
29 locating or entering on, lands owned by the state or federal government.

30 (m) Claims, demands, charges, receives, collects or contracts for
31 the collection of an advance fee in connection with any employment
32 enumerated in this section, including employment undertaken to promote the
33 sale or lease of real property by advance fee listing, by furnishing
34 rental information to a prospective tenant for a fee paid by the
35 prospective tenant, by advertisement or by any other offering to sell,
36 lease, exchange or rent real property or selling kits connected
37 therewith. This shall not include the activities of any communications
38 media of general circulation or coverage not primarily engaged in the
39 advertisement of real estate or any communications media activities that
40 are specifically exempt from applicability of this article under section
41 32-2121.

42 (n) Engages in any of the acts listed in subdivisions (a) through
43 (m) of this paragraph for the sale or lease of other than real property if
44 a real property sale or lease is a part of, contingent on or ancillary to
45 the transaction.

1 (o) Performs any of the acts listed in subdivisions (a) through (m)
2 of this paragraph as an employee of, or in behalf of, the owner of real
3 estate, or interest in the real estate, or improvements affixed on the
4 real estate, for compensation.

5 (p) Acts as a business broker.

6 50. "Real estate sales contract" means an agreement in which one
7 party agrees to convey title to real estate to another party on the
8 satisfaction of specified conditions set forth in the contract.

9 51. "Real estate salesperson" means a natural person who acts on the
10 person's own behalf or through and on behalf of a professional limited
11 liability company or a professional corporation engaged by or on behalf of
12 a licensed real estate broker, or by or on behalf of a limited liability
13 company, partnership or corporation that is licensed as a real estate
14 broker, to perform any act or participate in any transaction in a manner
15 included in the definition of real estate broker subject to section
16 32-2155.

17 52. "Sale" or "lease" includes every disposition, transfer, option
18 or offer or attempt to dispose of or transfer real property, or an
19 interest, use or estate in the real property, including the offering of
20 the property as a prize or gift if a monetary charge or consideration for
21 whatever purpose is required.

22 53. "Salesperson", when used without modification, means a natural
23 person who acts on the person's own behalf or through and on behalf of a
24 professional limited liability company or a professional corporation
25 licensed under this chapter or any person required to be licensed as a
26 salesperson under this chapter.

27 54. "School" means a person or entity that offers a course of study
28 towards completion of the education requirements leading to licensure or
29 renewal of licensure under this chapter.

30 55. "Stock cooperative" means a corporation to which all of the
31 following apply:

32 (a) The corporation is formed or used to hold title to improved
33 real property in fee simple or for a term of years.

34 (b) All or substantially all of the shareholders of the corporation
35 each receive a right of exclusive occupancy in a portion of the real
36 property to which the corporation holds title.

37 (c) The right of occupancy may only be transferred with the
38 concurrent transfer of the shares of stock in the corporation held by the
39 person having the right of occupancy.

40 56. "Subdivider" means any person who offers for sale or lease six
41 or more lots, parcels or fractional interests in a subdivision or who
42 causes land to be subdivided into a subdivision for the subdivider or for
43 others, or who undertakes to develop a subdivision, but does not include a
44 public agency or officer authorized by law to create subdivisions.

- 1 57. "Subdivision" or "subdivided lands":
2 (a) Means improved or unimproved land or lands divided or proposed
3 to be divided for the purpose of sale or lease, whether immediate or
4 future, into six or more lots, parcels or fractional interests.
5 (b) Includes a stock cooperative, lands divided or proposed to be
6 divided as part of a common promotional plan and residential condominiums
7 as defined in title 33, chapter 9.
8 (c) Does not include:
9 (i) Leasehold offerings of one year or less.
10 (ii) The division or proposed division of land located in this
11 state into lots or parcels each of which is or will be thirty-six acres or
12 more in area including to the centerline of dedicated roads or easements,
13 if any, contiguous to the lot or parcel.
14 (iii) The leasing of agricultural lands or apartments, offices,
15 stores, hotels, motels, pads or similar space within an apartment
16 building, industrial building, rental recreational vehicle community,
17 rental manufactured home community, rental mobile home park or commercial
18 building.
19 (iv) The subdivision into or development of parcels, plots or
20 fractional portions within the boundaries of a cemetery that has been
21 formed and approved pursuant to this chapter.
22 (v) A sale or lease of a lot, parcel or fractional interest that
23 occurs ten or more years after the sale or lease of another lot, parcel or
24 fractional interest if the other lot, parcel or fractional interest is not
25 subject to this article and is treated as an independent parcel unless, on
26 investigation by the commissioner, there is evidence of intent to
27 subdivide.
28 58. "Timeshare" or "timeshare property" means real property
29 ownership or right of occupancy in real property pursuant to article 9 of
30 this chapter. For the purposes of this chapter, a timeshare is not a
31 security unless it meets the definition of a security under section
32 44-1801.
33 59. "Trustee" means:
34 (a) A person who is designated under section 32-2194.27 to act as a
35 trustee for an endowment-care cemetery fund.
36 (b) A person holding bare legal title to real property under a
37 subdivision trust. A trustee shall not be deemed to be a developer,
38 subdivider, broker or salesperson within this chapter.
39 60. "Unimproved lot or parcel" means a lot or parcel of a
40 subdivision that is not an improved lot or parcel.
41 61. "Unsubdivided lands":
42 (a) Means land or lands divided or proposed to be divided for the
43 purpose of sale or lease, whether immediate or future, into six or more
44 lots, parcels or fractional interests and the lots or parcels are
45 thirty-six acres or more each but less than one hundred sixty acres each,

1 or that are offered, known or advertised under a common promotional plan
2 for sale or lease, except that agricultural leases shall not be included
3 in this definition.

4 (b) Includes any land that is sold that would otherwise constitute
5 the sixth lot, parcel or fractional interest if the sale occurs ten or
6 more years after the earliest of the previous five sales and if all of the
7 sales consist of property that was originally contained within the same
8 parcel that is thirty-six acres or more and less than one hundred sixty
9 acres.

10 Sec. 30. Section 33-405, Arizona Revised Statutes, is amended to
11 read:

12 33-405. Beneficiary deeds; recording; definitions

13 A. A deed that conveys an interest in real property, including any
14 debt secured by a lien on real property, to a grantee beneficiary
15 designated by the owner and that expressly states that the deed is
16 effective on the death of the owner transfers the interest to the
17 designated grantee beneficiary effective on the death of the owner subject
18 to all conveyances, assignments, contracts, mortgages, deeds of trust,
19 liens, security pledges and other encumbrances made by the owner or to
20 which the owner was subject during the owner's lifetime.

21 B. A beneficiary deed may designate multiple grantees who take
22 title as joint tenants with right of survivorship, tenants in common, a
23 ~~husband and wife~~ MARRIED COUPLE as community property or as community
24 property with right of survivorship, or any other tenancy that is valid
25 under the laws of this state.

26 C. A beneficiary deed may designate a successor grantee
27 beneficiary. If the beneficiary deed designates a successor grantee
28 beneficiary, the deed shall state the condition on which the interest of
29 the successor grantee beneficiary would vest.

30 D. If real property is owned as joint tenants with the right of
31 survivorship or as community property with the right of survivorship, a
32 deed that conveys an interest in the real property to a grantee
33 beneficiary designated by all of the then surviving owners and that
34 expressly states that the deed is effective on the death of the last
35 surviving owner transfers the interest to the designated grantee
36 beneficiary effective on the death of the last surviving owner. If a
37 beneficiary deed is executed by fewer than all of the owners of real
38 property owned as joint tenants with right of survivorship or community
39 property with right of survivorship, the beneficiary deed is valid if the
40 last surviving owner is one of the persons who executes the beneficiary
41 deed. If the last surviving owner did not execute the beneficiary deed,
42 the transfer shall lapse and the deed is void. An estate in joint tenancy
43 with right of survivorship or community property with right of
44 survivorship is not affected by the execution of a beneficiary deed that
45 is executed by fewer than all of the owners of the real property, and the

1 rights of a surviving joint tenant with right of survivorship or a
2 surviving spouse in community property with right of survivorship shall
3 prevail over a grantee beneficiary named in a beneficiary deed.

4 E. A beneficiary deed is valid only if the deed is executed and
5 recorded as provided by law in the office of the county recorder of the
6 county in which the property is located before the death of the owner or
7 the last surviving owner. A beneficiary deed may be used to transfer an
8 interest in real property to the trustee of a trust even if the trust is
9 revocable.

10 F. A beneficiary deed may be revoked at any time by the owner or,
11 if there is more than one owner, by any of the owners who executed the
12 beneficiary deed. To be effective, the revocation must be executed and
13 recorded as provided by law in the office of the county recorder of the
14 county in which the real property is located before the death of the owner
15 who executes the revocation. If the real property is owned as joint
16 tenants with right of survivorship or community property with right of
17 survivorship and if the revocation is not executed by all the owners, the
18 revocation is not effective unless executed by the last surviving owner.

19 G. If an owner executes and records more than one beneficiary deed
20 concerning the same real property, the last beneficiary deed that is
21 recorded before the owner's death is the effective beneficiary deed.

22 H. This section does not prohibit other methods of conveying
23 property that are permitted by law and that have the effect of postponing
24 enjoyment of an interest in real property until the death of the owner.
25 This section does not invalidate any deed otherwise effective by law to
26 convey title to the interests and estates provided in the deed that is not
27 recorded until after the death of the owner.

28 I. The signature, consent or agreement of or notice to a grantee
29 beneficiary of a beneficiary deed is not required for any purpose during
30 the lifetime of the owner.

31 J. A beneficiary deed that is executed, acknowledged and recorded
32 in accordance with this section is not revoked by the provisions of a
33 will.

34 K. A beneficiary deed is sufficient if it complies with other
35 applicable laws and if it is in substantially the following form:

36 Beneficiary Deed

37 I (we) _____ (owner) hereby convey
38 to _____ (grantee beneficiary) effective
39 on my (our) death the following described real property:

40 (Legal description)

41 If a grantee beneficiary predeceases the owner, the
42 conveyance to that grantee beneficiary shall either (choose
43 one):

1 title as community property or otherwise, to themselves or from either
2 ~~husband or wife~~ SPOUSE to both ~~husband and wife~~ SPOUSES.

3 D. In the case of real property owned by a ~~husband and wife~~ MARRIED
4 COUPLE as community property with right of survivorship, the right of
5 survivorship is extinguished as provided in section 14-2804 or on the
6 recordation in the office of the recorder of the county or counties where
7 the real property is located OF an affidavit entitled "affidavit
8 terminating right of survivorship" executed by either spouse under oath
9 that sets forth a stated intent by the spouse to terminate the
10 survivorship right, a description of the instrument by which the right of
11 survivorship was created including the date the instrument was recorded
12 and the county recorder's book and page or instrument reference number and
13 the legal description of the real property affected by the affidavit. The
14 recordation shall not extinguish the community interest of either spouse.

15 E. In the case of real property owned as joint tenants with right
16 of survivorship, the right of survivorship is extinguished as provided in
17 section 14-2804 or on the recordation in the office of the recorder of the
18 county or counties where the real property is located OF an affidavit
19 entitled "affidavit terminating right of survivorship" executed by any
20 joint tenant under oath that sets forth a stated intent by that joint
21 tenant to terminate the survivorship right, a description of the
22 instrument by which the right of survivorship was created including the
23 date the instrument was recorded and the county recorder's book and page
24 or instrument reference number and the legal description of the real
25 property affected by the affidavit. If there are more than two joint
26 tenants, the recordation of the affidavit shall extinguish only the joint
27 tenancy and survivorship right of the person who executes the affidavit,
28 and the joint tenancy and survivorship right shall continue among all
29 remaining joint tenants who have not executed an affidavit of termination.

30 F. With respect to a deceased joint tenant, the termination or
31 extinguishment by death of that tenant's joint tenancy with right of
32 survivorship may be evidenced by the recordation of both of the following
33 items in the office of the recorder of the county or counties where the
34 real property is located:

35 1. An affidavit executed by one or more of the surviving joint
36 tenants that includes the name of the deceased joint tenant, the date of
37 death of the deceased joint tenant, a description of the instrument by
38 which the right of survivorship was created including the date the
39 instrument was recorded and the county recorder's book and page or
40 instrument reference number, the legal description of the real property
41 affected by the affidavit, and the cause of death of the deceased joint
42 tenant.

43 2. An attached death certificate of the deceased joint tenant.

1 Sec. 32. Section 33-452, Arizona Revised Statutes, is amended to
2 read:

3 33-452. Conveyance or encumbrance of community property

4 A conveyance or ~~incumbrance~~ ENCUMBRANCE of community property is not
5 valid unless executed and acknowledged by both ~~husband and wife~~ SPOUSES,
6 except unpatented mining claims ~~which~~ THAT may be conveyed or ~~incumbered~~
7 ENCUMBERED by the spouse having the title or right of possession without
8 the other spouse joining in the conveyance or ~~incumbrance~~ ENCUMBRANCE.

9 Sec. 33. Section 33-454, Arizona Revised Statutes, is amended to
10 read:

11 33-454. Power of attorney from one spouse to the other to
12 execute instruments relating to property

13 Either ~~husband or wife~~ SPOUSE may authorize the other by power of
14 attorney, executed and acknowledged in the manner conveyances of real
15 property are executed and acknowledged, to execute, acknowledge and
16 deliver, in ~~his or her~~ THAT SPOUSE'S name and behalf, any conveyance,
17 mortgage or other instrument affecting the separate or community property
18 or any interest therein of the spouse executing the power of attorney.

19 Sec. 34. Section 33-457, Arizona Revised Statutes, is amended to
20 read:

21 33-457. Fraudulent representation by married person of
22 ability to convey realty; violation; classification

23 A married person who falsely and fraudulently represents ~~himself or~~
24 ~~herself~~ THAT PERSON as competent to sell or mortgage real estate, when the
25 validity of the sale or mortgage requires the assent or concurrence of the
26 ~~wife or husband~~ OTHER SPOUSE, and, under ~~such~~ THE representations,
27 knowingly conveys or mortgages the real estate, is guilty of a class 5
28 felony.

29 Sec. 35. Section 36-301, Arizona Revised Statutes, is amended to
30 read:

31 36-301. Definitions

32 In this chapter, unless the context otherwise requires:

33 1. "Administrative order" means a written decision issued by an
34 administrative law judge or quasi-judicial entity.

35 2. "Amend" means to make a change, other than a correction, to a
36 registered certificate by adding, deleting or substituting information on
37 that certificate.

38 3. "Birth" or "live birth" means the complete expulsion or
39 extraction of a product of human conception from its mother, irrespective
40 of the duration of the pregnancy, that shows evidence of life, with or
41 without a cut umbilical cord or an attached placenta, such as breathing,
42 heartbeat, umbilical cord pulsation or definite voluntary muscle movement
43 after expulsion or extraction of the product of human conception.

44 4. "Certificate" means a record that documents a birth or death.

- 1 5. "Certified copy" means a written reproduction of a registered
2 certificate that a local registrar, a deputy local registrar or the state
3 registrar has authenticated as a true and exact written reproduction of a
4 registered certificate.
- 5 6. "Correction" means a change made to a registered certificate
6 because of a typographical error, including misspelling and missing or
7 transposed letters or numbers.
- 8 7. "Court order" means a written decision issued by:
9 (a) The superior court, an appellate court or the supreme court or
10 an equivalent court in another state.
11 (b) A commissioner or judicial hearing officer of the superior
12 court.
13 (c) A judge of a tribal court in this state.
- 14 8. "Current care" means that a health care provider has examined,
15 treated or provided care for a person for a chronic or acute condition
16 within eighteen months preceding that person's death. Current care does
17 not include services provided in connection with a single event of
18 emergency or urgent care. For the purposes of this paragraph, "treated"
19 includes prescribing medication.
- 20 9. "Custody" means legal authority to act on behalf of a child.
- 21 10. "Department" means the department of health services.
- 22 11. "Electronic" means technology that has electrical, digital,
23 magnetic, wireless, optical or electromagnetic capabilities or technology
24 with similar capabilities.
- 25 12. "Evidentiary document" means written information used to prove
26 the fact for which ~~it~~ THE DOCUMENT is presented.
- 27 13. "Family member" means:
28 (a) A person's spouse, natural or adopted offspring, father,
29 mother, grandparent, grandchild to any degree, brother, sister, aunt,
30 uncle or first or second cousin.
31 (b) The natural or adopted offspring, father, mother, grandparent,
32 grandchild to any degree, brother, sister, aunt, uncle or first or second
33 cousin of the person's spouse.
- 34 14. "Fetal death" means the cessation of life before the complete
35 expulsion or extraction of a product of human conception from its mother
36 that is evidenced by the absence of breathing, heartbeat, umbilical cord
37 pulsation or definite voluntary muscle movement after expulsion or
38 extraction.
- 39 15. "Final disposition" means the interment, cremation, removal
40 from this state or other disposition of human remains.
- 41 16. "Foundling" means:
42 (a) A newborn infant WHO IS left with a safe haven provider
43 pursuant to section 13-3623.01.
44 (b) A child whose father ~~and~~ OR mother cannot be determined.

- 1 17. "Funeral establishment" has the same meaning prescribed in
2 section 32-1301.
- 3 18. "Health care institution" has the same meaning prescribed in
4 section 36-401.
- 5 19. "Health care provider" means:
- 6 (a) A physician WHO IS licensed pursuant to title 32, chapter 13
7 or 17.
- 8 (b) A doctor of naturopathic medicine WHO IS licensed pursuant to
9 title 32, chapter 14.
- 10 (c) A midwife WHO IS licensed pursuant to chapter 6, article 7 of
11 this title.
- 12 (d) A nurse midwife WHO IS certified pursuant to title 32,
13 chapter 15.
- 14 (e) A nurse practitioner WHO IS licensed and certified pursuant to
15 title 32, chapter 15.
- 16 (f) A physician assistant WHO IS licensed pursuant to title 32,
17 chapter 25.
- 18 (g) A health care provider who is licensed or certified by another
19 state or jurisdiction of the United States and who works in a federal
20 health care facility.
- 21 20. "Human remains" means a lifeless human body or parts of a human
22 body that permit a reasonable inference that death occurred.
- 23 21. "Issue" means:
- 24 (a) To provide a copy of a registered certificate.
- 25 (b) An action taken by a court of competent jurisdiction,
26 administrative law judge or quasi-judicial entity.
- 27 22. "Legal age" means a person who is at least eighteen years of
28 age or who is emancipated by a court order.
- 29 23. "Medical certification of death" means the opinion of the
30 health care provider who signs the certificate of probable or presumed
31 cause of death that complies with rules adopted by the state registrar of
32 vital records and that is based on any of the following that ARE IS
33 reasonably available:
- 34 (a) Personal examination.
- 35 (b) Medical history.
- 36 (c) Medical records.
- 37 (d) Other reasonable forms of evidence.
- 38 24. "Medical examiner" means a medical examiner or alternate
39 medical examiner as defined in section 11-591.
- 40 25. "Name" means a designation that identifies a person, including
41 a first name, middle name, last name or suffix.
- 42 26. "Natural causes" means those causes that are due solely or
43 nearly entirely to disease or the aging process.

1 27. "Presumptive death" means a determination by a court that a
2 death has occurred or is presumed to have occurred but the human remains
3 have not been located or recovered.

4 28. "Register" means to assign an official state number and to
5 incorporate into the state registrar's official records.

6 29. "Responsible person" means a person listed in section 36-831.

7 30. "Seal" means to bar from access.

8 31. "Submit" means to present, physically or electronically, a
9 certificate, evidentiary document or form provided for in this chapter to
10 a local registrar, a deputy local registrar or the state registrar.

11 32. "System of public health statistics" means the processes and
12 procedures for:

13 (a) Tabulating, analyzing and publishing public health information
14 derived from vital records data and other sources authorized pursuant to
15 section 36-125.05 or section 36-132, subsection A, paragraph 3.

16 (b) Performing other activities related to public health
17 information.

18 33. "System of vital records" means the statewide processes and
19 procedures for:

20 (a) Electronically or physically collecting, creating, registering,
21 maintaining, copying and preserving vital records.

22 (b) Preparing and issuing certified and noncertified copies of
23 vital records.

24 (c) Performing other activities related to vital records.

25 34. "Vital record" means a registered birth certificate or a
26 registered death certificate.

27 Sec. 36. Section 36-334, Arizona Revised Statutes, is amended to
28 read:

29 36-334. Determining maternity and paternity for birth
30 certificates

31 A. A person completing a birth certificate shall state **ON THE BIRTH**
32 **CERTIFICATE** the name of the woman who gave birth to the child ~~on the birth~~
33 ~~certificate~~ as the child's mother unless otherwise provided by law or
34 court order.

35 B. The state registrar shall not refuse to register a birth
36 certificate because the birth certificate **EITHER:**

37 1. Does not include the name of ~~the father~~ **TWO PARENTS.**

38 2. **INCLUDES THE NAMES OF TWO FATHERS OR TWO MOTHERS.**

39 C. If a ~~father's~~ **PARENT'S** name is stated on a birth certificate,
40 the ~~father's~~ **PARENT'S** name shall be stated ~~on a birth certificate~~ as
41 follows:

42 1. Except as provided in section 25-814, if the mother is married
43 at the time of birth or was married at any time in the ten months before
44 the birth, the name of the mother's ~~husband~~ **SPOUSE.**

1 2. If a mother and father who are not married to each other at the
2 time of birth and were not married to each other in the ten months before
3 the birth voluntarily acknowledge paternity pursuant to section 25-812,
4 the name of the father acknowledging paternity.

5 3. If the state registrar receives an administrative order or a
6 court order establishing paternity, the father's name in the order.

7 D. If the acknowledgement of paternity is rescinded pursuant to
8 section 25-812, the state registrar shall remove the father's name from
9 the registered birth certificate.

10 Sec. 37. Section 36-832, Arizona Revised Statutes, is amended to
11 read:

12 36-832. Authorization for postmortem examination

13 A. In addition to the provisions set forth in section 11-597,
14 whichever of the following assumes custody of the body for purposes of
15 burial may give permission to a licensed physician to conduct a
16 ~~post-mortem~~ POSTMORTEM examination:

- 17 1. Father.
- 18 2. Mother.
- 19 3. ~~Husband~~ SPOUSE.
- 20 ~~4. Wife.~~
- 21 ~~5.~~ 4. Adult child.
- 22 ~~6.~~ 5. Guardian.
- 23 ~~7.~~ 6. Next of kin.

24 B. In the absence of any of the persons named in subsection A of
25 this section, a friend or one charged with the responsibility of burial
26 may give permission to a licensed physician to conduct a ~~post-mortem~~
27 POSTMORTEM examination.

28 Sec. 38. Section 42-2079, Arizona Revised Statutes, is amended to
29 read:

30 42-2079. Suspension of liabilities by reason of disasters,
31 terroristic or military actions or states of
32 emergency; definitions

33 A. Notwithstanding sections 42-1107 and 42-1123, the director shall
34 specify a period of up to one year to extend any due date and suspend any
35 penalty or interest that would ordinarily accrue during that time for any
36 affected taxpayer in any of the following circumstances:

37 1. Section 7508A of the internal revenue code relating to disasters
38 and terroristic and military actions applies.

39 2. The governor has declared a state of emergency pursuant to
40 section 26-303, subsection D.

41 B. Notwithstanding section 42-1123, interest shall not accrue on
42 any unpaid tax during the time determined under subsection A of this
43 section for any affected taxpayer.

1 C. For the purposes of this section:

2 1. "Affected taxpayer" means:

3 (a) An individual whose principal residence is located in a covered
4 area.

5 (b) A business entity or sole proprietor whose principal place of
6 business is located in a covered area.

7 (c) An individual who is a relief worker affiliated with a
8 recognized government or philanthropic organization and who is assisting
9 in a covered area.

10 (d) An individual, business entity or sole proprietor whose records
11 necessary to meet a tax filing or paying deadline are maintained in a
12 covered area.

13 (e) The spouse of an affected taxpayer, solely with regard to a
14 joint return of the ~~husband and wife~~ MARRIED COUPLE.

15 (f) Any other person determined by the director to be affected
16 pursuant to subsection A of this section.

17 2. "Covered area" means a geographical area to which subsection A
18 of this section applies.

19 Sec. 39. Section 43-301, Arizona Revised Statutes, is amended to
20 read:

21 43-301. Individual returns; definition

22 A. An individual whose income is taxable under this title shall
23 file a return with the department if, for the taxable year, the individual
24 has any of the following:

25 1. An Arizona adjusted gross income of ~~five thousand five hundred~~
26 ~~dollars~~ \$5,500 or over, if single or married filing a separate return.

27 2. An Arizona adjusted gross income of ~~eleven thousand dollars~~
28 \$11,000 or over, if married filing a joint return pursuant to section
29 43-309.

30 3. A gross income of ~~fifteen thousand dollars~~ \$15,000 or over,
31 regardless of the amount of taxable income.

32 B. In the case of a ~~husband and wife~~ MARRIED COUPLE, the spouse who
33 controls the disposition of or who receives or spends community income as
34 well as the spouse who is taxable on such income is liable for the payment
35 of taxes imposed by this title on such income. If a joint return is
36 filed, the liability for the tax on the aggregate income is joint and
37 several.

38 C. This section applies regardless of whether an individual is
39 required to file a return under the internal revenue code or whether the
40 individual has any federal adjusted gross income for the taxable year.

41 D. For the purposes of this section, "gross income" means gross
42 income as defined in the internal revenue code minus income included in
43 gross income but excluded from taxation under this title.

1 Sec. 40. Section 43-309, Arizona Revised Statutes, is amended to
2 read:

3 43-309. Joint returns of husband and wife

4 If ~~a husband and wife~~ BOTH SPOUSES are required to file a return
5 pursuant to section 43-301, they may file a joint return under the
6 following conditions:

7 1. A joint return shall not be made if ~~husband and wife~~ THE SPOUSES
8 have different taxable years. If ~~such~~ THESE taxable years begin on the
9 same day and end on different days because of the death of either or of
10 both, the joint return may be made with respect to the taxable year of
11 each. ~~Such an~~ THIS exception does not apply if the surviving spouse
12 remarried before the close of the surviving spouse's taxable year or if
13 the taxable year of either spouse is a fractional part of a year under
14 section 43-931.

15 2. In the case of the death of one or both spouses, the joint
16 return with respect to the decedent may be made only by the decedent's
17 executor or administrator, except that in the case of the death of one
18 spouse the joint return may be made by the surviving spouse with respect
19 to both the surviving spouse and the decedent if all of the following
20 apply:

21 (a) A return for the taxable year has not been made by the
22 decedent.

23 (b) An executor or administrator has not been appointed.

24 (c) An executor or administrator is not appointed before the last
25 day prescribed by law for filing the return of the surviving spouse. If
26 an executor or administrator of the decedent is appointed after the making
27 of the joint return by the surviving spouse, the executor or administrator
28 may disaffirm the joint return by making, within one year after the last
29 day prescribed by law for filing the return of the surviving spouse, a
30 separate return for the taxable year of the decedent with respect to which
31 the joint return was made, in which case the return made by the survivor
32 shall constitute the survivor's separate return.

33 3. For the purposes of this section, the status as ~~husband and wife~~
34 A MARRIED COUPLE of two individuals having taxable years beginning on the
35 same day shall be determined:

36 (a) If both have the same taxable year, as of the close of such
37 year.

38 (b) If one dies before the close of the taxable year of the other,
39 as of the time of such death.

40 Sec. 41. Section 43-310, Arizona Revised Statutes, is amended to
41 read:

42 43-310. Separate returns after filing joint returns

43 A. If a ~~husband and wife have~~ MARRIED COUPLE HAS filed a joint
44 return for a taxable year for which separate returns could have been made
45 by them under section 43-309, and the time prescribed by this title for

1 filing the return for such taxable year has expired, the spouses may
2 nevertheless make separate returns for such taxable year. Separate
3 returns filed by the spouses in such a case shall constitute their returns
4 for such taxable year, and all payments, credits, refunds or other
5 repayments made or allowed with respect to the joint return for such
6 taxable year shall be taken into account in determining the extent to
7 which the taxes based on the separate returns have been paid.

8 B. Separate returns may be filed under subsection A of this section
9 only if there is paid in full all of the following, at or before the time
10 of filing such returns:

11 1. All amounts previously assessed with respect to both spouses for
12 such taxable year.

13 2. All amounts shown as the tax by the spouses upon their joint
14 return for such taxable year.

15 3. Any amount determined, at the time of the filing of the separate
16 returns, as a deficiency with respect to the spouses for such taxable
17 year, if, prior to such A filing, a notice of proposed deficiency under
18 section 42-1108 has been mailed.

19 C. Separate returns may not be filed under subsection A of this
20 section:

21 1. After the expiration of four years from the last date prescribed
22 by this title for filing the return for such taxable year, determined
23 without regard to any extension of time granted for the filing of the
24 joint return.

25 2. After there has been mailed to the spouses, with respect to such
26 taxable year, a notice of deficiency under section 42-1108, or if the
27 spouses, as to such notice, appeal to the department under section
28 42-1251, or appeal to the state board under section 42-1253.

29 3. After the spouses have commenced a suit in court for the
30 recovery of any part of the tax paid for the taxable year with respect to
31 the joint return.

32 4. After the spouses have entered into a closing agreement under
33 section 42-1113, with respect to such taxable year as to the tax payable
34 by the spouse under their joint return.

35 D. If separate returns are made under subsection A of this section,
36 any election, other than the election to file the joint return, made by
37 the spouses in their joint return for such taxable year with respect to
38 the treatment of any income, deduction or credit shall not be changed in
39 the making of the separate returns where such election would have been
40 irrevocable if the separate returns had not been filed.

41 E. If separate returns are made under subsection A of this section
42 after the death of either spouse, such return with respect to the decedent
43 may be made only by the decedent's personal representative.

1 F. Where the aggregate amount of the taxes shown by the spouses on
2 their separate returns filed pursuant to subsection A of this section
3 exceeds the tax shown on their joint return:

4 1. If any of such excess is attributable to negligence or
5 intentional disregard of rules ~~and regulations~~ of the department, but
6 without intent to defraud, at the time of making the joint return, ~~then~~
7 five ~~per cent~~ PERCENT of the total amount of such excess on each return
8 shall be assessed, collected and paid as if it were a deficiency.

9 2. If any part of such excess is attributable to fraud with intent
10 to evade tax at the time of the making of the joint return, ~~then~~ fifty ~~per~~
11 ~~cent~~ PERCENT of the total amount of such excess shall be so assessed,
12 collected and paid, in lieu of the fifty ~~per cent~~ PERCENT addition to the
13 tax provided in section 42-1125.

14 G. For the purposes of section 42-1104, relating to periods of
15 limitations upon assessment and collection, and for the purposes of
16 section 42-1125, subsection A, relating to delinquent returns, separate
17 returns made under this section shall be deemed to have been filed on the
18 date on which the joint return was filed.

19 H. For the purposes of section 42-1118, relating to refunds and
20 credits, separate returns made under this section shall be deemed to have
21 been filed on the last date prescribed by this title for filing the return
22 for such taxable year, determined without regard to any extension of time
23 granted for the filing of the joint return.

24 I. If separate returns are made under subsection A of this section,
25 the period of limitations provided in section 42-1104 on the making of
26 assessments and collecting taxes shall, with respect to such returns,
27 include one year immediately after the date of filing of such separate
28 returns, computed without regard to the provisions of subsection G of this
29 section.

30 J. For the purposes of section 42-1125, relating to penalties in
31 the case of fraudulent returns, ~~the term~~ "return" includes a joint return
32 filed by spouses with respect to a taxable year for which separate returns
33 are made under subsection A of this section after the filing of ~~such~~ THE
34 joint return.

35 Sec. 42. Section 43-311, Arizona Revised Statutes, is amended to
36 read:

37 43-311. Joint return after filing separate return

38 A. If an individual has filed a separate return for a taxable year
39 for which the individual and spouse could have filed a joint return under
40 section 43-309, and the time prescribed by this title for filing the
41 return for such taxable year has expired, such individual and spouse may
42 nevertheless make a joint return for such taxable year. A joint return
43 filed by the ~~husband and wife~~ MARRIED COUPLE for such taxable year, and
44 all payments, credits, refunds or other repayments made or allowed with
45 respect to the separate return of either spouse for such taxable year,

1 shall be taken into account in determining the extent to which the tax
2 based ~~upon~~ ON the joint return has been paid.

3 B. A joint return may be made under subsection A of this section
4 only if there is paid in full at or before the time of the filing of the
5 joint return:

6 1. All amounts previously assessed with respect to either spouse
7 for such taxable year.

8 2. All amounts shown as the tax by either spouse ~~upon his or her~~ ON
9 THAT SPOUSE'S separate return for such taxable year.

10 3. Any amount determined, at the time of the filing of the joint
11 return, as a proposed deficiency with respect to either spouse for such
12 taxable year if, ~~prior to~~ BEFORE such filing, a notice under section
13 42-1108 of such proposed deficiency has been mailed.

14 C. A joint return may not be made under subsection A of this
15 section:

16 1. After the expiration of four years from the last date prescribed
17 by law for filing the return for such taxable year, determined without
18 regard to any extension of time granted to either spouse.

19 2. After there has been mailed to either spouse, with respect to
20 such taxable year, a notice of deficiency under section 42-1108, if the
21 spouse, as to such notice, appeals to the department under section
22 42-1251, or appeals to the state board under section 42-1253.

23 3. After either spouse has commenced a suit in any court for the
24 recovery of any part of the tax for such taxable year.

25 4. After either spouse has entered into a closing agreement under
26 section 42-1113, with respect to such taxable year.

27 D. If a joint return is made under subsection A of this section,
28 any election, other than the election to file a separate return, made by
29 either spouse in the separate return for such taxable year with respect to
30 the treatment of any income, deduction or credit of such spouse shall not
31 be changed in the making of the joint return where such election would
32 have been irrevocable if the joint return had not been made.

33 E. If a joint return is made under subsection A of this section
34 after the death of either spouse, such return with respect to the decedent
35 may be made only by the decedent's personal representative.

36 F. Where the amount shown as the tax by the ~~husband and wife~~
37 MARRIED COUPLE on a joint return made under subsection A of this section
38 exceeds the aggregate of the amounts shown as the tax ~~upon~~ ON the separate
39 return of each spouse:

40 1. If any part of such excess is attributable to negligence or
41 intentional disregard of rules ~~and regulations~~, but without intent to
42 defraud, at the time of the making of such separate return, ~~then~~ five ~~per~~
43 ~~cent~~ PERCENT of the total amount of such excess shall be assessed,
44 collected and paid as if it were a deficiency.

1 2. If any part of such excess is attributable to fraud with intent
2 to evade tax at the time of the making of such separate return, ~~then~~ fifty
3 ~~per cent~~ PERCENT of the total amount of such excess shall be so assessed,
4 collected and paid in lieu of the fifty ~~per cent~~ PERCENT addition to the
5 tax provided in section 42-1125.

6 G. For the purposes of section 42-1104, relating to periods of
7 limitations ~~upon~~ ON assessment and collection, and for the purposes of
8 section 42-1125, subsection A, relating to delinquent returns, a joint
9 return made under this section shall be deemed to have been filed:

10 1. Where both spouses filed separate returns ~~prior to~~ BEFORE making
11 the joint return, on the date the last separate return was filed, but not
12 earlier than the last date prescribed by this title for filing the return
13 of either spouse.

14 2. Where one spouse filed a separate return ~~prior to~~ BEFORE the
15 making of the joint return, and the other spouse had less than ~~one~~
16 ~~thousand dollars~~ \$1,000 of taxable income and less than ~~five thousand~~
17 ~~dollars~~ \$5,000 of gross income for such taxable year, on the date of the
18 filing of such separate return, but not earlier than the last date
19 prescribed by law for the filing of such separate return.

20 3. Where only one spouse filed a separate return ~~prior to~~ BEFORE
21 the making of a joint return and the other spouse had a taxable income of
22 more than ~~one thousand dollars~~ \$1,000 or a gross income of more than ~~five~~
23 ~~thousand dollars~~ \$5,000 for such taxable year, on the date of the filing
24 of such joint return.

25 H. For the purposes of section 42-1118, relating to refunds and
26 credits, a joint return made under this section shall be deemed to have
27 been filed on the last date prescribed by this title for filing the return
28 for such taxable year, determined without regard to any extension of time
29 granted to either spouse.

30 I. If a joint return is made under subsection A of this section,
31 the period of limitations provided in section 42-1104 on the making of
32 assessments and collecting taxes shall with respect to such return include
33 one year immediately after the date of the filing of such joint return,
34 computed without regard to the provisions of subsection G of this section.

35 J. For the purposes of section 42-1125, relating to penalties in
36 the case of fraudulent returns, ~~the term~~ "return" includes a separate
37 return filed by a spouse with respect to a taxable year for which a joint
38 return is made under subsection A of this section after the filing of ~~such~~
39 ~~THE~~ separate return.

40 Sec. 43. Section 43-432, Arizona Revised Statutes, is amended to
41 read:

42 43-432. Refund for excess withholding

43 A. ~~When~~ IF the total amount withheld under section 43-401 exceeds
44 the amount of the tax on the employee's entire taxable income as computed
45 under this title, the department shall, after auditing the annual return

1 filed by the employee in accordance with chapter 3 of this title, and
2 without requiring a filing of a refund claim as provided in section
3 42-1106, subsection A, refund the amount of the excess withheld, subject
4 to setoff for debts pursuant to section 42-1122. Failure of the
5 department to make such A refund shall not limit the right of the taxpayer
6 to file a claim for a refund as provided in chapter 6, article 1 of this
7 title. If the excess tax withheld is less than ~~one dollar~~ \$1, ~~no~~ A refund
8 shall NOT be made unless specifically requested by the taxpayer at the
9 time such return is filed. In no event shall any excess be allowed as a
10 credit against any tax accruing on a return filed for a year subsequent to
11 the year during which such excess was withheld, the provisions of chapter
12 6 of this title notwithstanding.

13 B. The department may make separate refunds of withheld taxes ~~upon~~
14 ON request by a ~~husband or wife~~ SPOUSE who has filed a joint return, the
15 refund payable to each spouse being proportioned to the gross earnings of
16 each shown by the information returns filed by the employer or otherwise
17 shown to the satisfaction of the department. If a taxpayer entitled to a
18 refund under this subsection dies, the department OF REVENUE may certify
19 to the department of administration that the refund be made to the
20 taxpayer's duly appointed executor, administrator or personal
21 representative.

22 Sec. 44. Section 43-562, Arizona Revised Statutes, is amended to
23 read:

24 43-562. Spousal liability for tax

25 The spouse who controls the disposition of or who receives or spends
26 community income as well as the spouse who is taxable on ~~such~~ THAT
27 income is liable for the payment of the taxes imposed by this title on ~~such~~ THAT
28 income. If a joint return is filed, the liability for the tax on the
29 aggregate income is joint and several.

30 Sec. 45. Section 43-943, Arizona Revised Statutes, is amended to
31 read:

32 43-943. Allocation in the case of a married couple

33 If ~~husband and wife file~~ EACH SPOUSE FILES A separate ~~returns~~
34 RETURN, the department may distribute, apportion or allocate gross income
35 between the spouses, if it is determined that such distribution,
36 apportionment or allocation is necessary in order to reflect the proper
37 income of the spouses.

38 Sec. 46. Section 43-1022, Arizona Revised Statutes, is amended to
39 read:

40 43-1022. Subtractions from Arizona gross income

41 In computing Arizona adjusted gross income, the following amounts
42 shall be subtracted from Arizona gross income:

- 43 1. The amount of exemptions allowed by section 43-1023.

1 2. Benefits, annuities and pensions in an amount totaling not more
2 than ~~two thousand five hundred dollars~~ \$2,500 received from one or more of
3 the following:

4 (a) The United States government service retirement and disability
5 fund, the United States foreign service retirement and disability system
6 and any other retirement system or plan established by federal law.

7 (b) The Arizona state retirement system, the corrections officer
8 retirement plan, the public safety personnel retirement system, the
9 elected officials' retirement plan, an optional retirement program
10 established by the Arizona board of regents under section 15-1628, an
11 optional retirement program established by a community college district
12 board under section 15-1451 or a retirement plan established for employees
13 of a county, city or town in this state.

14 3. A beneficiary's share of the fiduciary adjustment to the extent
15 that the amount determined by section 43-1333 decreases the beneficiary's
16 Arizona gross income.

17 4. Interest income received on obligations of the United States,
18 less any interest on indebtedness, or other related expenses, and deducted
19 in arriving at Arizona gross income, which were incurred or continued to
20 purchase or carry such obligations.

21 5. The excess of a partner's share of income required to be
22 included under section 702(a)(8) of the internal revenue code over the
23 income required to be included under chapter 14, article 2 of this title.

24 6. The excess of a partner's share of partnership losses determined
25 pursuant to chapter 14, article 2 of this title over the losses allowable
26 under section 702(a)(8) of the internal revenue code.

27 7. The amount allowed by section 43-1025 for contributions during
28 the taxable year of agricultural crops to charitable organizations.

29 8. The portion of any wages or salaries paid or incurred by the
30 taxpayer for the taxable year that is equal to the amount of the federal
31 work opportunity credit, the empowerment zone employment credit, the
32 credit for employer paid social security taxes on employee cash tips and
33 the Indian employment credit that the taxpayer received under sections
34 45A, 45B, 51(a) and 1396 of the internal revenue code.

35 9. The amount of prizes or winnings less than ~~five thousand dollars~~
36 \$5,000 in a single taxable year from any of the state lotteries
37 established and operated pursuant to title 5, chapter 5.1, article 1.

38 10. The amount of exploration expenses that is determined pursuant
39 to section 617 of the internal revenue code, that has been deferred in a
40 taxable year ending before January 1, 1990 and for which a subtraction has
41 not previously been made. The subtraction shall be made on a ratable
42 basis as the units of produced ores or minerals discovered or explored as
43 a result of this exploration are sold.

1 11. The amount included in federal adjusted gross income pursuant
2 to section 86 of the internal revenue code, relating to taxation of social
3 security and railroad retirement benefits.

4 12. To the extent not already excluded from Arizona gross income
5 under the internal revenue code, compensation received for active service
6 as a member of the reserves, the national guard or the armed forces of the
7 United States, including compensation for service in a combat zone as
8 determined under section 112 of the internal revenue code.

9 13. The amount of unreimbursed medical and hospital costs, adoption
10 counseling, legal and agency fees and other nonrecurring costs of adoption
11 not to exceed ~~three thousand dollars~~ \$3,000. In the case of ~~a husband and~~
12 ~~wife~~ SPOUSES who file separate returns, the subtraction may be taken by
13 either taxpayer or may be divided between them, but the total subtractions
14 allowed both ~~husband and wife~~ SPOUSES shall not exceed ~~three thousand~~
15 ~~dollars~~ \$3,000. The subtraction under this paragraph may be taken for the
16 costs that are described in this paragraph and that are incurred in prior
17 years, but the subtraction may be taken only in the year during which the
18 final adoption order is granted.

19 14. The amount authorized by section 43-1027 for the taxable year
20 relating to qualified wood stoves, wood fireplaces or gas fired
21 fireplaces.

22 15. The amount by which a net operating loss carryover or capital
23 loss carryover allowable pursuant to section 43-1029, subsection F exceeds
24 the net operating loss carryover or capital loss carryover allowable
25 pursuant to section 1341(b)(5) of the internal revenue code.

26 16. Any amount of qualified educational expenses that is
27 distributed from a qualified state tuition program determined pursuant to
28 section 529 of the internal revenue code and that is included in income in
29 computing federal adjusted gross income.

30 17. Any item of income resulting from an installment sale that has
31 been properly subjected to income tax in another state in a previous
32 taxable year and that is included in Arizona gross income in the current
33 taxable year.

34 18. The amount authorized by section 43-1030 relating to holocaust
35 survivors.

36 19. For property placed in service:

37 (a) In taxable years beginning before December 31, 2012, an amount
38 equal to the depreciation allowable pursuant to section 167(a) of the
39 internal revenue code for the taxable year computed as if the election
40 described in section 168(k)(2)(D)(iii) of the internal revenue code had
41 been made for each applicable class of property in the year the property
42 was placed in service.

43 (b) In taxable years beginning from and after December 31, 2012
44 through December 31, 2013, an amount determined in the year the asset was
45 placed in service based on the calculation in subdivision (a) of this

1 paragraph. In the first taxable year beginning from and after December
2 31, 2013, the taxpayer may elect to subtract the amount necessary to make
3 the depreciation claimed to date for the purposes of this title the same
4 as it would have been if subdivision (c) of this paragraph had applied for
5 the entire time the asset was in service. Subdivision (c) of this
6 paragraph applies for the remainder of the asset's life. If the taxpayer
7 does not make the election under this subdivision, subdivision (a) of this
8 paragraph applies for the remainder of the asset's life.

9 (c) In taxable years beginning from and after December 31, 2013
10 through December 31, 2015, an amount equal to the depreciation allowable
11 pursuant to section 167(a) of the internal revenue code for the taxable
12 year as computed as if the additional allowance for depreciation had been
13 ten percent of the amount allowed pursuant to section 168(k) of the
14 internal revenue code.

15 (d) In taxable years beginning from and after December 31, 2015
16 through December 31, 2016, an amount equal to the depreciation allowable
17 pursuant to section 167(a) of the internal revenue code for the taxable
18 year as computed as if the additional allowance for depreciation had been
19 fifty-five percent of the amount allowed pursuant to section 168(k) of the
20 internal revenue code.

21 (e) In taxable years beginning from and after December 31, 2016, an
22 amount equal to the depreciation allowable pursuant to section 167(a) of
23 the internal revenue code for the taxable year as computed as if the
24 additional allowance for depreciation had been the full amount allowed
25 pursuant to section 168(k) of the internal revenue code.

26 20. With respect to property that is sold or otherwise disposed of
27 during the taxable year by a taxpayer that complied with section 43-1021,
28 paragraph 14 with respect to that property, the amount of depreciation
29 that has been allowed pursuant to section 167(a) of the internal revenue
30 code to the extent that the amount has not already reduced Arizona taxable
31 income in the current or prior taxable years.

32 21. The amount contributed during the taxable year to college
33 savings plans established pursuant to section 529 of the internal revenue
34 code to the extent that the contributions were not deducted in computing
35 federal adjusted gross income. The amount subtracted shall not exceed:

36 (a) ~~Two thousand dollars~~ \$2,000 for a single individual or a head
37 of household.

38 (b) ~~Four thousand dollars~~ \$4,000 for a married couple filing a
39 joint return. In the case of ~~a husband and wife~~ SPOUSES who file separate
40 returns, the subtraction may be taken by either taxpayer or may be divided
41 between them, but the total subtractions allowed both ~~husband and wife~~
42 SPOUSES shall not exceed ~~four thousand dollars~~ \$4,000.

43 22. The amount of any original issue discount that was deferred and
44 not allowed to be deducted in computing federal adjusted gross income in
45 the current taxable year pursuant to section 108(i) of the internal

1 revenue code as added by section 1231 of the American recovery and
2 reinvestment act of 2009 (P.L. 111-5).

3 23. The amount of previously deferred discharge of indebtedness
4 income that is included in the computation of federal adjusted gross
5 income in the current taxable year pursuant to section 108(i) of the
6 internal revenue code as added by section 1231 of the American recovery
7 and reinvestment act of 2009 (P.L. 111-5), to the extent that the amount
8 was previously added to Arizona gross income pursuant to section 43-1021,
9 paragraph 16.

10 24. The portion of the net operating loss carryforward that would
11 have been allowed as a deduction in the current year pursuant to section
12 172 of the internal revenue code if the election described in section
13 172(b)(1)(H) of the internal revenue code had not been made in the year of
14 the loss that exceeds the actual net operating loss carryforward that was
15 deducted in arriving at federal adjusted gross income. This subtraction
16 only applies to taxpayers who made an election under section 172(b)(1)(H)
17 of the internal revenue code as amended by section 1211 of the American
18 recovery and reinvestment act of 2009 (P.L. 111-5) or as amended by
19 section 13 of the worker, homeownership, and business assistance act of
20 2009 (P.L. 111-92).

21 25. For taxable years beginning from and after December 31, 2013,
22 the amount of any net capital gain included in federal adjusted gross
23 income for the taxable year derived from investment in a qualified small
24 business as determined by the Arizona commerce authority pursuant to
25 section 41-1518.

26 26. An amount of any net long-term capital gain included in federal
27 adjusted gross income for the taxable year that is derived from an
28 investment in an asset acquired after December 31, 2011, as follows:

29 (a) For taxable years beginning from and after December 31, 2012
30 through December 31, 2013, ten percent of the net long-term capital gain
31 included in federal adjusted gross income.

32 (b) For taxable years beginning from and after December 31, 2013
33 through December 31, 2014, twenty percent of the net long-term capital
34 gain included in federal adjusted gross income.

35 (c) For taxable years beginning from and after December 31, 2014,
36 twenty-five percent of the net long-term capital gain included in federal
37 adjusted gross income. For the purposes of this paragraph, a transferee
38 that receives an asset by gift or at the death of a transferor is
39 considered to have acquired the asset when the asset was acquired by the
40 transferor. If the date an asset is acquired cannot be verified, a
41 subtraction under this paragraph is not allowed.

42 27. If an individual is not claiming itemized deductions pursuant
43 to section 43-1042, the amount of premium costs for long-term care
44 insurance, as defined in section 20-1691.

1 28. The amount of eligible access expenditures paid or incurred
2 during the taxable year to comply with the requirements of the Americans
3 with disabilities act of 1990 (P.L. 101-336) or title 41, chapter 9,
4 article 8 as provided by section 43-1024.

5 29. For taxable years beginning from and after December 31, 2017,
6 the amount of any net capital gain included in Arizona gross income for
7 the taxable year that is derived from the exchange of one kind of legal
8 tender for another kind of legal tender. For the purposes of this
9 paragraph:

10 (a) "Legal tender" means a medium of exchange, including specie,
11 that is authorized by the United States Constitution or Congress for the
12 payment of debts, public charges, taxes and dues.

13 (b) "Specie" means coins having precious metal content.

14 30. Benefits, annuities and pensions received as retired or
15 retainer pay of the uniformed services of the United States in amounts as
16 follows:

17 (a) For taxable years through December 31, 2018, an amount totaling
18 not more than ~~two thousand five hundred dollars~~ \$2,500.

19 (b) For taxable years beginning from and after December 31, 2018,
20 an amount totaling not more than ~~three thousand five hundred dollars~~
21 \$3,500.

22 Sec. 47. Section 43-1041, Arizona Revised Statutes, is amended to
23 read:

24 43-1041. Optional standard deduction

25 A. A taxpayer may elect to take a standard deduction as follows:

26 1. In the case of a single person or a married person filing
27 separately, the standard deduction shall be ~~four thousand fifty dollars~~
28 \$4,050, subject to subsection ~~G~~ H of this section.

29 2. In the case of a married couple filing a joint return or a
30 single person who is a head of a household, the standard deduction shall
31 be ~~eight thousand one hundred dollars~~ \$8,100, subject to subsection ~~G~~ H
32 of this section.

33 B. The standard deduction provided for in subsection A of this
34 section shall be in lieu of all itemized deductions allowed by section
35 43-1042, which are to be subtracted from Arizona adjusted gross income in
36 computing taxable income, but not in lieu of the personal exemption
37 allowed by section 43-1043.

38 C. The standard deduction shall be allowed if the taxpayer so
39 elects. The election is made by the taxpayer claiming on the tax return
40 the amount provided for in this section in lieu of the itemized deductions
41 allowed under section 43-1042. Electing to file a short form return or a
42 simplified return that does not allow itemized deductions to be claimed is
43 considered to be an election to claim the standard deduction.

44 D. In the case of a ~~husband and wife~~ MARRIED COUPLE, the standard
45 deduction provided for in subsection A of this section shall not be

1 allowed to either if the taxable income of one of the spouses is
 2 determined without regard to the standard deduction.

3 E. The standard deduction provided for by subsection A of this
 4 section shall not be allowed in the case of a taxable year of less than
 5 twelve months on account of a change in the accounting period.

6 F. Except as provided in subsection G of this section, a change of
 7 an election to take, or not to take, the standard deduction for any
 8 taxable year may be made after the filing of the return for such year.

9 G. A taxpayer is not allowed to change an election to take, or not
 10 to take, the standard deduction if:

11 1. The spouse of the taxpayer filed a separate return for any
 12 taxable year corresponding, for the purposes of subsection D of this
 13 section, to the taxable year of the taxpayer unless both of the following
 14 apply:

15 (a) The spouse makes a change of election with respect to the
 16 standard deduction for the taxable year covered in the separate return
 17 consistent with the change of election sought by the taxpayer.

18 (b) The taxpayer and spouse consent in writing to the assessment,
 19 within such a period as may be agreed on with the department, of any
 20 deficiency, to the extent attributable to the change of election, even
 21 though at the time of the filing of the consent the assessment of the
 22 deficiency would otherwise be prevented by the operation of any law or
 23 rule of law.

24 2. The tax liability of the taxpayer or the taxpayer's spouse for
 25 the taxable year has been compromised.

26 H. For each taxable year beginning on or after January 1, the
 27 department shall adjust the dollar amounts prescribed by subsection A,
 28 paragraphs 1 and 2 of this section according to the average annual change
 29 in the metropolitan Phoenix consumer price index published by the United
 30 States bureau of labor statistics. The revised dollar amounts shall be
 31 raised to the nearest whole dollar. The designated dollar amounts shall
 32 not be revised below the amounts allowed by the standard deduction in the
 33 prior taxable year.

34 Sec. 48. Section 43-1043, Arizona Revised Statutes, is amended to
 35 read:

36 43-1043. Personal exemptions; annual adjustment

37 A. For taxable years before 2017, there shall be allowed as an
 38 exemption, in the case of:

39 1. A single individual, a personal exemption of ~~two thousand one~~
 40 ~~hundred dollars~~ \$2,100.

41 2. A head of a household or a married individual, a personal
 42 exemption of ~~four thousand two hundred dollars~~ \$4,200 under this
 43 paragraph. A ~~husband and wife~~ MARRIED COUPLE shall receive but one
 44 personal exemption of ~~four thousand two hundred dollars~~ \$4,200. If the

1 ~~husband and wife~~ SPOUSES make separate returns, the personal exemption may
2 be taken by either or divided between them.

3 3. A married couple who claim at least one dependent, an exemption
4 of ~~six thousand three hundred dollars~~ \$6,300. If the ~~husband and wife~~
5 SPOUSES make separate returns, the personal exemption may be taken by
6 either or divided between them. An exemption under this paragraph is in
7 lieu of the exemption under paragraph 2 of this subsection.

8 B. For taxable years beginning from and after December 31, 2016
9 through December 31, 2017, there is allowed as an exemption, in the case
10 of:

11 1. A single individual, a personal exemption of ~~two thousand one~~
12 ~~hundred fifty dollars~~ \$2,150.

13 2. A head of a household or a married individual, a personal
14 exemption of ~~four thousand three hundred dollars~~ \$4,300 under this
15 paragraph. A ~~husband and wife~~ MARRIED COUPLE shall receive but one
16 personal exemption of ~~four thousand three hundred dollars~~ \$4,300. If the
17 ~~husband and wife~~ SPOUSES make separate returns, the personal exemption may
18 be taken by either or divided between them.

19 3. A married couple who claim at least one dependent, an exemption
20 of ~~six thousand four hundred fifty dollars~~ \$6,450. If the ~~husband and~~
21 ~~wife~~ SPOUSES make separate returns, the personal exemption may be taken by
22 either or divided between them. An exemption under this paragraph is in
23 lieu of the exemption under paragraph 2 of this subsection.

24 C. For taxable years beginning from and after December 31, 2017
25 through December 31, 2018, there is allowed as an exemption, in the case
26 of:

27 1. A single individual, a personal exemption of ~~two thousand two~~
28 ~~hundred dollars~~ \$2,200.

29 2. A head of a household or a married individual, a personal
30 exemption of ~~four thousand four hundred dollars~~ \$4,400 under this
31 paragraph. A ~~husband and wife~~ MARRIED COUPLE shall receive but one
32 personal exemption of ~~four thousand four hundred dollars~~ \$4,400. If the
33 ~~husband and wife~~ SPOUSES make separate returns, the personal exemption may
34 be taken by either or divided between them.

35 3. A married couple who claim at least one dependent, an exemption
36 of ~~six thousand six hundred dollars~~ \$6,600. If the ~~husband and wife~~
37 SPOUSES make separate returns, the personal exemption may be taken by
38 either or divided between them. An exemption under this paragraph is in
39 lieu of the exemption under paragraph 2 of this subsection.

40 D. For taxable years beginning from and after December 31, 2018,
41 the department shall adjust the dollar amounts prescribed for each of the
42 exemptions in subsection C of this section according to the average annual
43 change in the metropolitan Phoenix consumer price index published by the
44 United States bureau of labor statistics. The revised dollar amounts
45 shall be raised to the nearest whole dollar. The designated dollar

1 amounts may not be revised below the amounts allowed by the personal
2 exemption in the prior taxable year.

3 Sec. 49. Section 43-1083, Arizona Revised Statutes, is amended to
4 read:

5 43-1083. Credit for solar energy devices

6 A. A credit is allowed against the taxes imposed by this title for
7 each resident who is not a dependent of another taxpayer for installing a
8 solar energy device, as defined in section 42-5001, during the taxable
9 year in the taxpayer's residence located in this state. The credit is
10 equal to twenty-five percent of the cost of the device.

11 B. The maximum credit in a taxable year may not exceed ~~one thousand~~
12 ~~dollars~~ \$1,000. The person who provides the solar energy device shall
13 furnish the taxpayer with an accounting of the cost to the taxpayer. A
14 taxpayer may claim the credit under this section only once in a tax year
15 and may not cumulate over different tax years tax credits under this
16 section exceeding, in the aggregate, ~~one thousand dollars~~ \$1,000 for the
17 same residence.

18 C. If the allowable tax credit exceeds the taxes otherwise due
19 under this title on the claimant's income, or if there are no taxes due
20 under this title, the amount of the claim not used to offset taxes under
21 this title may be carried forward for not more than five consecutive
22 taxable years as a credit against subsequent years' income tax liability.

23 D. ~~A husband and wife~~ SPOUSES who file separate returns for a
24 taxable year in which they could have filed a joint return may each claim
25 only one-half of the tax credit that would have been allowed for a joint
26 return.

27 E. The credit allowed under this section is in lieu of any
28 allowance for state tax purposes for exhaustion, wear and tear of the
29 solar energy device under section 167 of the internal revenue code.

30 F. To qualify for the credit under this section the solar energy
31 device and its installation shall meet the requirements of title 44,
32 chapter 11, article 11.

33 G. A solar hot water heater plumbing stub out that was installed by
34 the builder of a house or dwelling unit before title was conveyed to the
35 taxpayer does not qualify for a credit under this section.

36 Sec. 50. Section 43-1086, Arizona Revised Statutes, is amended to
37 read:

38 43-1086. Credit for donation to the military family relief
39 fund subaccounts

40 A. For taxable years beginning from and after December 31, 2007
41 through December 31, 2026, a credit is allowed against the taxes imposed
42 by this title for cash contributions made by a taxpayer during the taxable
43 year to the pre-9/11 veterans subaccount or post-9/11 veterans subaccount
44 of the military family relief fund established by section 41-608.04. The

1 amount of the credit is the lowest of the following amounts, as
2 applicable:

3 1. The total amount of contributions to the pre-9/11 veterans
4 subaccount or post-9/11 veterans subaccount, or both subaccounts, by the
5 taxpayer during the taxable year.

6 2. ~~Two hundred dollars~~ \$200 of contributions during the taxable
7 year by a taxpayer filing as a single individual or a head of household.

8 3. ~~Four hundred dollars~~ \$400 of contributions during the taxable
9 year by a married couple filing a joint return.

10 4. The taxpayer's tax liability for the taxable year.

11 B. ~~A husband and wife~~ SPOUSES who file separate returns for a
12 taxable year in which they could have filed a joint return may each claim
13 only one-half of the tax credit that would have been allowed on a joint
14 return.

15 Sec. 51. Section 43-1088, Arizona Revised Statutes, is amended to
16 read:

17 43-1088. Credit for contribution to qualifying charitable
18 organizations; definitions

19 A. Except as provided in subsections B and C of this section, a
20 credit is allowed against the taxes imposed by this title for voluntary
21 cash contributions by the taxpayer or on the taxpayer's behalf pursuant to
22 section 43-401, subsection G during the taxable year to a qualifying
23 charitable organization, other than a qualifying foster care charitable
24 organization, not to exceed:

25 1. ~~Four hundred dollars~~ \$400 in any taxable year for a single
26 individual or a head of household.

27 2. ~~Eight hundred dollars~~ \$800 in any taxable year for a married
28 couple filing a joint return.

29 B. A separate credit is allowed for voluntary cash contributions
30 during the taxable year to a qualifying foster care charitable
31 organization. A contribution to a qualifying foster care charitable
32 organization does not qualify for, and shall not be included in, any
33 credit amount under subsection A of this section. If the voluntary cash
34 contribution by the taxpayer or on the taxpayer's behalf pursuant to
35 section 43-401, subsection G is to a qualifying foster care charitable
36 organization, the credit shall not exceed:

37 1. ~~Five hundred dollars~~ \$500 in any taxable year for a single
38 individual or a head of household.

39 2. ~~One thousand dollars~~ \$1,000 in any taxable year for a married
40 couple filing a joint return.

41 C. Subsections A and B of this section provide separate credits
42 against taxes imposed by this title depending on the recipients of the
43 contributions. A taxpayer, including a married couple filing a joint
44 return, in the same taxable year, may either or both:

1 1. Contribute to a qualifying charitable organization, other than a
2 qualifying foster care charitable organization, and claim a credit under
3 subsection A of this section.

4 2. Contribute to a qualifying foster care charitable organization
5 and claim a credit under subsection B of this section.

6 D. ~~A husband and wife~~ SPOUSES who file separate returns for a
7 taxable year in which they could have filed a joint return may each claim
8 only one-half of the tax credit that would have been allowed for a joint
9 return.

10 E. For the purposes of this section, a contribution for which a
11 credit is claimed and that is made on or before the fifteenth day of the
12 fourth month following the close of the taxable year may be applied to
13 either the current or preceding taxable year and is considered to have
14 been made on the last day of that taxable year.

15 F. If the allowable tax credit exceeds the taxes otherwise due
16 under this title on the claimant's income, or if there are no taxes due
17 under this title, the taxpayer may carry forward the amount of the claim
18 not used to offset the taxes under this title for not more than five
19 consecutive taxable years' income tax liability.

20 G. The credit allowed by this section is in lieu of a deduction
21 pursuant to section 170 of the internal revenue code and taken for state
22 tax purposes.

23 H. Taxpayers taking a credit authorized by this section shall
24 provide the name of the qualifying charitable organization and the amount
25 of the contribution to the department of revenue on forms provided by the
26 department.

27 I. A qualifying charitable organization shall provide the
28 department of revenue with a written certification that it meets all
29 criteria to be considered a qualifying charitable organization. The
30 organization shall also notify the department of any changes that may
31 affect the qualifications under this section.

32 J. The charitable organization's written certification must be
33 signed by an officer of the organization under penalty of perjury. The
34 written certification must include the following:

35 1. Verification of the organization's status under section
36 501(c)(3) of the internal revenue code or verification that the
37 organization is a designated community action agency that receives
38 community services block grant program monies pursuant to 42 United States
39 Code section 9901.

40 2. Financial data indicating the organization's budget for the
41 organization's prior operating year and the amount of that budget spent on
42 services to residents of this state who either:

43 (a) Receive temporary assistance for needy families benefits.

44 (b) Are low-income residents ~~of this state~~.

45 (c) Are children who have a chronic illness or physical disability.

1 3. A statement that the organization plans to continue spending at
2 least fifty percent of its budget on services to residents of this state
3 who receive temporary assistance for needy families benefits, who are
4 low-income residents ~~of this state~~ or who are children who have a chronic
5 illness or physical disability.

6 4. A statement that the organization does not provide, pay for or
7 provide coverage of abortions and does not financially support any other
8 entity that provides, pays for or provides coverage of abortions.

9 K. The department shall review each written certification and
10 determine whether the organization meets all the criteria to be considered
11 a qualifying charitable organization and notify the organization of its
12 determination. The department may also periodically request
13 recertification from the organization. The department shall compile and
14 make available to the public a list of the qualifying charitable
15 organizations.

16 L. For the purposes of this section:

17 1. "Children who have a chronic illness or physical disability" has
18 the same meaning prescribed in section 36-260.

19 2. "Low-income residents" means persons whose household income is
20 less than one hundred fifty percent of the federal poverty level.

21 3. "Qualifying charitable organization" means a charitable
22 organization that is exempt from federal income taxation under section
23 501(c)(3) of the internal revenue code or is a designated community action
24 agency that receives community services block grant program monies
25 pursuant to 42 United States Code section 9901. The organization must
26 spend at least fifty percent of its budget on services to residents of
27 this state who receive temporary assistance for needy families benefits,
28 ~~or~~ **TO** low-income residents of this state and their households or to
29 children who have a chronic illness or physical disability **AND** who are
30 residents of this state. Taxpayers choosing to make donations through an
31 umbrella charitable organization that collects donations on behalf of
32 member charities shall designate that the donation be directed to a member
33 charitable organization that would qualify under this section on a
34 stand-alone basis. Qualifying charitable organization does not include
35 any entity that provides, pays for or provides coverage of abortions or
36 that financially supports any other entity that provides, pays for or
37 provides coverage of abortions.

38 4. "Qualifying foster care charitable organization" means a
39 qualifying charitable organization that each operating year provides
40 services to at least two hundred qualified individuals in this state and
41 spends at least fifty percent of its budget on services to qualified
42 individuals in this state. For the purposes of this paragraph, "qualified
43 individual" means a foster child as defined in section 8-501 or a person
44 who is under twenty-one years of age and who is participating in a
45 transitional independent living program as prescribed by section 8-521.01.

1 one or more other taxpayers to designate each taxpayer's contribution to
2 the school tuition organization for the direct benefit of the other
3 taxpayer's dependent.

4 G. For the purposes of this section, a contribution, for which a
5 credit is claimed, that is made on or before the fifteenth day of the
6 fourth month following the close of the taxable year may be applied to
7 either the current or preceding taxable year and is considered to have
8 been made on the last day of that taxable year.

9 Sec. 53. Section 43-1089.01, Arizona Revised Statutes, is amended
10 to read:

11 43-1089.01. Tax credit; public school fees and contributions;
12 definitions

13 A. A credit is allowed against the taxes imposed by this title for
14 the amount of any fees paid or cash contributions made by a taxpayer or on
15 the taxpayer's behalf pursuant to section 43-401, subsection G during the
16 taxable year to a public school located in this state for the following
17 public school purposes:

18 1. Standardized testing for college credit or readiness offered by
19 a widely recognized and accepted educational testing organization.

20 2. The career and technical education industry certification
21 assessment.

22 3. Preparation courses and materials for standardized testing.

23 4. Cardiopulmonary resuscitation training pursuant to section
24 15-718.01.

25 5. Extracurricular activities.

26 6. Character education programs.

27 B. The amount of the credit shall not exceed:

28 1. ~~Two hundred dollars~~ \$200 for a single individual or a head of
29 household.

30 2. ~~Four hundred dollars~~ \$400 for a married couple filing a joint
31 return.

32 C. ~~A husband and wife~~ SPOUSES who file separate returns for a
33 taxable year in which they could have filed a joint return may each claim
34 only one-half of the tax credit that would have been allowed for a joint
35 return.

36 D. The credit allowed by this section is in lieu of any deduction
37 pursuant to section 170 of the internal revenue code and taken for state
38 tax purposes.

39 E. If the allowable tax credit exceeds the taxes otherwise due
40 under this title on the claimant's income, or if there are no taxes due
41 under this title, the taxpayer may carry the amount of the claim not used
42 to offset the taxes under this title forward for not more than five
43 consecutive taxable years' income tax liability.

44 F. The site council of the public school that receives
45 contributions that are not designated for a specific purpose shall

1 determine how the contributions are used at the school site. If a charter
2 school does not have a site council, the principal, director or chief
3 administrator of the charter school shall determine how the contributions
4 that are not designated for a specific purpose are used at the school
5 site. If at the end of a fiscal year a public school has unspent
6 contributions that were previously designated for a specific purpose or
7 program and that purpose or program has been discontinued or has not been
8 used for two consecutive fiscal years, these contributions shall be
9 considered undesignated in the following fiscal year for the purposes of
10 this subsection.

11 G. A public school that receives fees or a cash contribution
12 pursuant to subsection A of this section shall report to the department,
13 in a form prescribed by the department, by February 28 of each year the
14 following information:

15 1. The total number of fee and cash contribution payments received
16 during the previous calendar year.

17 2. The total dollar amount of fees and contributions received
18 during the previous calendar year.

19 3. The total dollar amount of fees and contributions spent by the
20 school during the previous calendar year, categorized by specific
21 standardized testing, preparation courses and materials for standardized
22 testing, extracurricular activity or character education program.

23 H. For the purposes of this section, a contribution for which a
24 credit is claimed and that is made on or before the fifteenth day of the
25 fourth month following the close of the taxable year may be applied to
26 either the current or preceding taxable year and is considered to have
27 been made on the last day of that taxable year.

28 I. For the purposes of this section:

29 1. "Career and technical education industry certification
30 assessment" means an assessment for career and technical preparation
31 programs for pupils.

32 2. "Character education programs" means a program described in
33 section 15-719.

34 3. "Extracurricular activities" means school-sponsored activities
35 that may require enrolled students to pay a fee in order to participate,
36 including fees for:

37 (a) Band uniforms.

38 (b) Equipment or uniforms for varsity athletic activities.

39 (c) Scientific laboratory materials.

40 (d) In-state or out-of-state trips that are solely for competitive
41 events. Extracurricular activities do not include any senior trips or
42 events that are recreational, amusement or tourist activities.

43 4. "Public school" means a school that is part of a school
44 district, a career technical education district or a charter school.

1 5. "Standardized testing for college credit or readiness" includes
2 the SAT, PSAT, ACT, advanced placement and international baccalaureate
3 diploma tests and other similar tests.

4 6. "Widely recognized and accepted educational testing
5 organization" means the college board, the ACT, the international
6 baccalaureate and other organizations that are widely recognized and
7 accepted by colleges and universities in the United States and that offer
8 college credit and readiness examinations.

9 Sec. 54. Section 43-1089.02, Arizona Revised Statutes, is amended
10 to read:

11 43-1089.02. Credit for donation of school site

12 A. A credit is allowed against the taxes imposed by this title in
13 the amount of thirty ~~per cent~~ PERCENT of the value of real property and
14 improvements donated by the taxpayer to a school district or a charter
15 school for use as a school or as a site for the construction of a school.

16 B. To qualify for the credit:

17 1. The real property and improvements must be located in this
18 state.

19 2. The real property and improvements must be conveyed unencumbered
20 and in fee simple, except that:

21 (a) The conveyance must include as a deed restriction and
22 protective covenant running with title to the land the requirement that as
23 long as the donee holds title to the property the property shall only be
24 used as a school or as a site for the construction of a school, subject to
25 subsection I or J of this section.

26 (b) In the case of a donation to a charter school, the donor shall
27 record a lien on the property as provided by subsection J, paragraph 3 of
28 this section.

29 3. The conveyance shall not violate section 15-341, subsection D or
30 section 15-183, subsection U.

31 C. For the purposes of this section, the value of the donated
32 property is the property's fair market value as determined in an appraisal
33 as defined in section 32-3601 that is conducted by an independent party
34 and that is paid for by the donee.

35 D. If the property is donated by co-owners, including partners in a
36 partnership and shareholders of an S corporation, as defined in section
37 1361 of the internal revenue code, each donor may claim only the pro rata
38 share of the allowable credit under this section based on the ownership
39 interest. If the property is donated by ~~a husband and wife~~ SPOUSES who
40 file separate returns for a taxable year in which they could have filed a
41 joint return, they may determine between them the share of the credit each
42 will claim. The total of the credits allowed all co-owner donors may not
43 exceed the allowable credit.

44 E. If the allowable tax credit exceeds the taxes otherwise due
45 under this title on the claimant's income, or if there are no taxes due

1 under this title, the taxpayer may carry the amount of the claim not used
2 to offset the taxes under this title forward for not more than five
3 consecutive taxable years' income tax liability.

4 F. The credit under this section is in lieu of any deduction
5 pursuant to section 170 of the internal revenue code taken for state tax
6 purposes.

7 G. On written request by the donee, the donor shall disclose in
8 writing to the donee the amount of the credit allowed pursuant to this
9 section with respect to the property received by the donee.

10 H. A school district or charter school may refuse the donation of
11 any property for purposes of this section.

12 I. If the donee is a school district:

13 1. The district shall notify the school facilities board
14 established by section 15-2001 and furnish the board with any information
15 the board requests regarding the donation. A school district shall not
16 accept a donation pursuant to this section unless the school facilities
17 board has reviewed the proposed donation and has issued a written
18 determination that the real property and improvements are suitable as a
19 school site or as a school. The school facilities board shall issue a
20 determination that the real property and improvements are not suitable as
21 a school site or as a school if the expenses that would be necessary to
22 make the property suitable as a school site or as a school exceed the
23 value of the proposed donation.

24 2. The district may sell any donated property pursuant to section
25 15-342, but the proceeds from the sale shall only be used for capital
26 projects. The school facilities board shall withhold an amount that
27 corresponds to the amount of the proceeds from any monies that would
28 otherwise be due the school district from the school facilities board
29 pursuant to section 15-2041.

30 J. If the donee is a charter school:

31 1. The charter school shall:

32 (a) Immediately notify the sponsor of the charter school by
33 certified mail and shall furnish the sponsor with any information
34 requested by the sponsor regarding the donation during the ~~ten-year~~
35 **TEN-YEAR** period after the conveyance is recorded.

36 (b) Notify the sponsor by certified mail, and the sponsor shall
37 notify the state treasurer, in the event of the charter school's financial
38 failure or if the charter school:

39 (i) Fails to establish a charter school on the property within
40 forty-eight months after the conveyance is recorded.

41 (ii) Fails to provide instruction to pupils on the property within
42 forty-eight months after the conveyance is recorded.

43 (iii) Establishes a charter school on the property but subsequently
44 ceases to operate the charter school on the property for twenty-four

1 consecutive months or fails to provide instruction to pupils on the
2 property for twenty-four consecutive months.

3 2. The charter school, or a successor in interest, shall pay to the
4 state treasurer the amount of the credit allowed under this section, or if
5 that amount is unknown, the amount of the allowable credit under this
6 section, if any of the circumstances listed in paragraph 1, subdivision
7 (b) of this subsection occurs. If the amount is not paid within one year
8 after the treasurer receives notice under paragraph 1, subdivision (b) of
9 this subsection, a penalty and interest shall be added, determined
10 pursuant to title 42, chapter 1, article 3.

11 3. A tax credit under this section constitutes a lien on the
12 property, which the donor must record along with the title to the property
13 to qualify for the credit. The amount of the lien is the amount of the
14 allowable credit under this section, adjusted according to the average
15 change in the GDP price deflator, as defined in section 41-563, for each
16 calendar year since the donation, but not exceeding twelve and one-half
17 ~~per cent~~ PERCENT more than the allowable credit. The lien is subordinate
18 to any liens securing the financing of the school construction. The lien
19 is extinguished on the earliest of the following:

20 (a) Ten years after the lien is recorded. After that date, the
21 charter school, or a successor in interest, may request the state
22 treasurer to release the lien.

23 (b) On payment to the state treasurer by the donee charter school,
24 or by a successor in interest, of the amount of the allowable credit under
25 this section, either voluntarily or as required by paragraph 2 of this
26 subsection. After the required amount is paid, the charter school or
27 successor in interest may request the state treasurer to release the lien.

28 (c) On conveyance of fee simple title to the property to a school
29 district.

30 (d) On enforcement and satisfaction of the lien pursuant to
31 paragraph 4 of this subsection.

32 4. The state treasurer shall enforce the lien by foreclosure within
33 one year after receiving notice of any of the circumstances described in
34 paragraph 1, subdivision (b) of this subsection.

35 5. Subject to paragraphs 3 and 4 of this subsection, the charter
36 school may sell any donated property.

37 Sec. 55. Section 43-1089.03, Arizona Revised Statutes, is amended
38 to read:

39 43-1089.03. Credit for contributions to certified school
40 tuition organization

41 A. A credit is allowed against the taxes imposed by this title for
42 the amount of voluntary cash contributions by the taxpayer or on the
43 taxpayer's behalf pursuant to section 43-401, subsection ~~F~~ G during the
44 taxable year to a school tuition organization that is certified pursuant
45 to chapter 16 of this title at the time of donation. Except as provided

1 by subsection C of this section, the amount of the credit shall not
2 exceed:

3 1. ~~Five hundred dollars~~ \$500 in any taxable year for a single
4 individual or a head of household.

5 2. ~~One thousand dollars~~ \$1,000 in any taxable year for a married
6 couple filing a joint return.

7 B. ~~A husband and wife~~ SPOUSES who file separate returns for a
8 taxable year in which they could have filed a joint return may each claim
9 only one-half of the tax credit that would have been allowed for a joint
10 return.

11 C. For each taxable year beginning on or after January 1, the
12 department shall adjust the dollar amounts prescribed by subsection A,
13 paragraphs 1 and 2 of this section according to the average annual change
14 in the metropolitan phoenix consumer price index published by the United
15 States bureau of labor statistics, except that the dollar amounts shall
16 not be revised downward below the amounts allowed in the prior taxable
17 year. The revised dollar amounts shall be raised to the nearest whole
18 dollar.

19 D. If the allowable tax credit exceeds the taxes otherwise due
20 under this title on the claimant's income, or if there are no taxes due
21 under this title, the taxpayer may carry the amount of the claim not used
22 to offset the taxes under this title forward for not more than five
23 consecutive taxable years' income tax liability.

24 E. The credit allowed by this section is in lieu of any deduction
25 pursuant to section 170 of the internal revenue code and taken for state
26 tax purposes.

27 F. The tax credit is not allowed if the taxpayer designates the
28 taxpayer's contribution to the school tuition organization for the direct
29 benefit of any dependent of the taxpayer or if the taxpayer designates a
30 student beneficiary as a condition of the taxpayer's contribution to the
31 school tuition organization. The tax credit is not allowed if the
32 taxpayer, with the intent to benefit the taxpayer's dependent, agrees with
33 one or more other taxpayers to designate each taxpayer's contribution to
34 the school tuition organization for the direct benefit of the other
35 taxpayer's dependent.

36 G. For the purposes of this section, a contribution, for which a
37 credit is claimed, that is made on or before the fifteenth day of the
38 fourth month following the close of the taxable year may be applied to
39 either the current or preceding taxable year and is considered to have
40 been made on the last day of that taxable year.

41 H. A taxpayer may not claim a credit under this section and also
42 under section 43-1089 with respect to the same contribution. If a
43 taxpayer's contribution to a school tuition organization exceeds the
44 amount of the credit allowed under section 43-1089, a taxpayer may claim a
45 credit under this section and also under section 43-1089. If a taxpayer's

1 contribution to a school tuition organization does not exceed the amount
2 of the credit allowed by section 43-1089, the contribution is considered
3 to have been made pursuant to section 43-1089.

4 Sec. 56. Section 46-453, Arizona Revised Statutes, is amended to
5 read:

6 46-453. Immunity of participants; nonprivileged communication

7 A. Any person making a complaint, furnishing a report, information
8 or records required or authorized by this chapter or otherwise
9 participating in the program authorized by this chapter or in a judicial
10 or administrative proceeding or investigation resulting from reports,
11 information or records submitted or obtained pursuant to this chapter is
12 immune from any civil or criminal liability by reason of such action,
13 unless the person acted with malice or unless such person has been charged
14 with or is suspected of abusing, exploiting or neglecting the vulnerable
15 adult in question. Except as provided in subsection B of this section the
16 physician-patient privilege, ~~husband-wife~~ THE SPOUSAL privilege or any
17 privilege except the attorney-client privilege, provided for by
18 professions such as the practice of social work or nursing covered by law
19 or a code of ethics regarding practitioner-client confidences, both as
20 they relate to the competency of the witness and to the exclusion of
21 confidential communications, shall not pertain in any civil or criminal
22 litigation in which a vulnerable adult's exploitation, abuse or neglect is
23 an issue, ~~nor~~ in any judicial or administrative proceeding resulting from
24 a report, information or records submitted or obtained pursuant to section
25 46-454 ~~nor~~ OR in any investigation of a vulnerable adult's exploitation,
26 abuse or neglect conducted by a peace officer or a protective services
27 worker.

28 B. In any civil or criminal litigation in which incapacitation,
29 abuse, exploitation or neglect of a vulnerable adult is an issue, a
30 clergyman or priest shall not, without his consent, be examined as a
31 witness concerning any confession made to him in his role as a clergyman
32 or a priest in the course of the discipline enjoined by the church to
33 which he belongs.

34 Sec. 57. Legislative intent

35 This act replaces the term "husband and wife" or similar terminology
36 in each of the statutes in which it appears in the Arizona Revised
37 Statutes. It is the intent of the legislature that agencies, boards,
38 commissions, departments, officers and other administrative units of this
39 state make similar changes in their respective administrative rules.