

House Engrossed

~~false claims, agriculture, technical correction~~  
(now: credit for donation)

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
First Regular Session  
2021

# HOUSE BILL 2001

## AN ACT

AMENDING SECTIONS 43-222, 43-1089.02 AND 43-1121, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1181; RELATING TO INCOME TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 43-222, Arizona Revised Statutes, is amended to  
3 read:

4       43-222. Income tax credit review schedule

5       The joint legislative income tax credit review committee shall  
6 review the following income tax credits:

7       1. For years ending in 0 and 5, sections 43-1079.01, 43-1087,  
8 43-1088, 43-1089.04, 43-1167.01 and 43-1175.

9       2. For years ending in 1 and 6, sections 43-1072.02, 43-1074.02,  
10 43-1083, 43-1083.02, 43-1164.03 and 43-1183.

11       3. For years ending in 2 and 7, sections 43-1073, 43-1085, 43-1086,  
12 43-1089, 43-1089.01, 43-1089.02, 43-1089.03, 43-1164, ~~and~~ 43-1169 **AND**  
13 **43-1181.**

14       4. For years ending in 3 and 8, sections 43-1074.01, 43-1081,  
15 43-1168, 43-1170 and 43-1178.

16       5. For years ending in 4 and 9, sections 43-1073.01, 43-1076,  
17 43-1081.01, 43-1083.03, 43-1084, 43-1164.04, 43-1164.05~~5~~ and 43-1184.

18       Sec. 2. Section 43-1089.02, Arizona Revised Statutes, is amended to  
19 read:

20       43-1089.02. Credit for donation of school site

21       A. A credit is allowed against the taxes imposed by this title in  
22 the amount of thirty percent of the value of real property and  
23 improvements donated by the taxpayer to a school district or a charter  
24 school for use as a school or as a site for the construction of a school.

25       B. To qualify for the credit:

26       1. The real property and improvements must be located in this  
27 state.

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

30       (a) The conveyance must include as a deed restriction and  
31 protective covenant running with title to the land the requirement that as  
32 long as the donee holds title to the property the property shall ~~only~~ be  
33 used **ONLY** as a school or as a site for the construction of a school,  
34 subject to subsection I or J of this section.

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

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

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

44       D. If the property is donated by co-owners, including ~~individual~~  
45 partners in a partnership **AND SHAREHOLDERS OF AN S CORPORATION AS DEFINED**

1       IN SECTION 1361 OF THE INTERNAL REVENUE CODE, each donor may claim only  
2       the pro rata share of the allowable credit under this section based on the  
3       ownership interest. If the property is donated by a husband and wife who  
4       file separate returns for a taxable year in which they could have filed a  
5       joint return, they may determine between them the share of the credit each  
6       will claim. The total of the credits allowed all co-owner donors may not  
7       exceed the allowable credit.

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

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

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

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

21       I. If the donee is a school district:

22       1. The district shall notify the school facilities board  
23       established by section 15-2001 and furnish the board with any information  
24       the board requests regarding the donation. A school district shall not  
25       accept a donation pursuant to this section unless the school facilities  
26       board has reviewed the proposed donation and has issued a written  
27       determination that the real property and improvements are suitable as a  
28       school site or as a school. The school facilities board shall issue a  
29       determination that the real property and improvements are not suitable as  
30       a school site or as a school if the expenses that would be necessary to  
31       make the property suitable as a school site or as a school exceed the  
32       value of the proposed donation.

33       2. The district may sell any donated property pursuant to section  
34       15-342, but the proceeds from the sale shall ~~only~~ be used **ONLY** for capital  
35       projects. The school facilities board shall withhold an amount that  
36       corresponds to the amount of the proceeds from any monies that would  
37       otherwise be due the school district from the school facilities board  
38       pursuant to section 15-2041.

39       J. If the donee is a charter school:

40       1. The charter school shall:

41       (a) Immediately notify the sponsor of the charter school by  
42       certified mail and shall furnish the sponsor with any information  
43       requested by the sponsor regarding the donation during the ~~ten-year~~  
44       TEN-YEAR period after the conveyance is recorded.

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

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

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

8           (iii) Establishes a charter school on the property but subsequently  
9 ceases to operate the charter school on the property for twenty-four  
10 consecutive months or fails to provide instruction to pupils on the  
11 property for twenty-four consecutive months.

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

20       3. A tax credit under this section constitutes a lien on the  
21 property, which the donor must record along with the title to the property  
22 to qualify for the credit. The amount of the lien is the amount of the  
23 allowable credit under this section, adjusted according to the average  
24 change in the GDP price deflator, as defined in section 41-563, for each  
25 calendar year since the donation, but not exceeding twelve and one-half  
26 percent more than the allowable credit. The lien is subordinate to any  
27 liens securing the financing of the school construction. The lien is  
28 extinguished on the earliest of the following:

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

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

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

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

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

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

1        Sec. 3. Section 43-1121, Arizona Revised Statutes, is amended to  
2 read:

3        **43-1121. Additions to Arizona gross income; corporations**

4        In computing Arizona taxable income for a corporation, the following  
5 amounts shall be added to Arizona gross income:

6        1. The amount of interest income received on obligations of any  
7 state, territory or possession of the United States, or any political  
8 subdivision thereof, located outside this state, reduced, for taxable  
9 years beginning from and after December 31, 1996, by the amount of any  
10 interest on indebtedness and other related expenses that were incurred or  
11 continued to purchase or carry those obligations and that are not  
12 otherwise deducted or subtracted in arriving at Arizona gross income.

13        2. The excess of a partner's share of partnership taxable income  
14 required to be included under chapter 14, article 2 of this title over the  
15 income required to be reported under section 702(a)(8) of the internal  
16 revenue code.

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

20        4. The amount of any depreciation allowance allowed pursuant to  
21 section 167(a) of the internal revenue code to the extent not previously  
22 added.

23        5. The amount of dividend income received from corporations and  
24 allowed as a deduction pursuant to sections 243, 245, 245A and  
25 250(a)(1)(B) of the internal revenue code.

26        6. Taxes that are based on income paid to states, local governments  
27 or foreign governments and that were deducted in computing federal taxable  
28 income.

29        7. Expenses and interest relating to tax-exempt income on  
30 indebtedness incurred or continued to purchase or carry obligations the  
31 interest on which is wholly exempt from the tax imposed by this title.  
32 Financial institutions, as defined in section 6-101, shall be governed by  
33 section 43-961, paragraph 2.

34        8. Commissions, rentals and other amounts paid or accrued to a  
35 domestic international sales corporation controlled by the payor  
36 corporation if the domestic international sales corporation is not  
37 required to report its taxable income to this state because its income is  
38 not derived from or attributable to sources within this state. If the  
39 domestic international sales corporation is subject to article 4 of this  
40 chapter, the department shall prescribe by rule the method of determining  
41 the portion of the commissions, rentals and other amounts that are paid or  
42 accrued to the controlled domestic international sales corporation and  
43 that shall be deducted by the payor. For the purposes of this paragraph,  
44 "control" means direct or indirect ownership or control of fifty percent

1 or more of the voting stock of the domestic international sales  
2 corporation by the payor corporation.

3 9. The amount of net operating loss taken pursuant to section 172  
4 of the internal revenue code.

5 10. The amount of exploration expenses determined pursuant to  
6 section 617 of the internal revenue code to the extent that they exceed  
7 \$75,000 and to the extent that the election is made to defer those  
8 expenses not in excess of \$75,000.

9 11. Amortization of costs incurred to install pollution control  
10 devices and deducted pursuant to the internal revenue code or the amount  
11 of deduction for depreciation taken pursuant to the internal revenue code  
12 on pollution control devices for which an election is made pursuant to  
13 section 43-1129.

14 12. The amount of depreciation or amortization of costs of child  
15 care facilities deducted pursuant to section 167 or 188 of the internal  
16 revenue code for which an election is made to amortize pursuant to section  
17 43-1130.

18 13. The loss of an insurance company that is exempt under section  
19 43-1201 to the extent that it is included in computing Arizona gross  
20 income on a consolidated return pursuant to section 43-947.

21 14. The amount by which the depreciation or amortization computed  
22 under the internal revenue code with respect to property for which a  
23 credit was taken under section 43-1169 exceeds the amount of depreciation  
24 or amortization computed pursuant to the internal revenue code on the  
25 Arizona adjusted basis of the property.

26 15. The amount by which the adjusted basis computed under the  
27 internal revenue code with respect to property for which a credit was  
28 claimed under section 43-1169 and that is sold or otherwise disposed of  
29 during the taxable year exceeds the adjusted basis of the property  
30 computed under section 43-1169.

31 16. The amount by which the depreciation or amortization computed  
32 under the internal revenue code with respect to property for which a  
33 credit was taken under section 43-1170 exceeds the amount of depreciation  
34 or amortization computed pursuant to the internal revenue code on the  
35 Arizona adjusted basis of the property.

36 17. The amount by which the adjusted basis computed under the  
37 internal revenue code with respect to property for which a credit was  
38 claimed under section 43-1170 and that is sold or otherwise disposed of  
39 during the taxable year exceeds the adjusted basis of the property  
40 computed under section 43-1170.

41 18. The deduction referred to in section 1341(a)(4) of the internal  
42 revenue code for restoration of a substantial amount held under a claim of  
43 right.

1       19. The amount by which a capital loss carryover allowable pursuant  
2 to section 1341(b)(5) of the internal revenue code exceeds the capital  
3 loss carryover allowable pursuant to section 43-1130.01, subsection F.

4       20. Any wage expenses deducted pursuant to the internal revenue  
5 code for which a credit is claimed under section 43-1175 and representing  
6 net increases in qualified employment positions for employment of  
7 temporary assistance for needy families recipients.

8       21. Any amount of expenses that were deducted pursuant to the  
9 internal revenue code and for which a credit is claimed under section  
10 43-1178.

11       22. Any amount deducted pursuant to section 170 of the internal  
12 revenue code representing contributions to a school tuition organization  
13 for which a credit is claimed under section 43-1183 or 43-1184.

14       23. If a subtraction is or has been taken by the taxpayer under  
15 section 43-1124, in the current or a prior taxable year for the full  
16 amount of eligible access expenditures paid or incurred to comply with the  
17 requirements of the Americans with disabilities act of 1990 (P.L. 101-336)  
18 or title 41, chapter 9, article 8, any amount of eligible access  
19 expenditures that is recognized under the internal revenue code, including  
20 any amount that is amortized according to federal amortization schedules,  
21 and that is included in computing Arizona taxable income for the current  
22 taxable year.

23       24. For taxable years beginning from and after December 31, 2017,  
24 the amount of any net capital loss included in Arizona gross income for  
25 the taxable year that is derived from the exchange of one kind of legal  
26 tender for another kind of legal tender. For the purposes of this  
27 paragraph:

28       (a) "Legal tender" means a medium of exchange, including specie,  
29 that is authorized by the United States Constitution or Congress to pay  
30 debts, public charges, taxes and dues.

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

32       25. THE AMOUNT OF ANY DEDUCTION THAT IS CLAIMED IN COMPUTING  
33 ARIZONA GROSS INCOME AND THAT REPRESENTS A DONATION OF A SCHOOL SITE FOR  
34 WHICH A CREDIT IS CLAIMED UNDER SECTION 43-1181.

35       Sec. 4. Title 43, chapter 11, article 6, Arizona Revised Statutes,  
36 is amended by adding section 43-1181, to read:

37       43-1181. Credit for donation of school site

38       A. A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE IN  
39 THE AMOUNT OF THIRTY PERCENT OF THE VALUE OF REAL PROPERTY AND  
40 IMPROVEMENTS DONATED BY THE TAXPAYER TO A SCHOOL DISTRICT OR A CHARTER  
41 SCHOOL FOR USE AS A SCHOOL OR AS A SITE FOR THE CONSTRUCTION OF A SCHOOL.

42       B. TO QUALIFY FOR THE CREDIT:

43       1. THE REAL PROPERTY AND IMPROVEMENTS MUST BE LOCATED IN THIS  
44 STATE.

1       2. THE REAL PROPERTY AND IMPROVEMENTS MUST BE CONVEYED UNENCUMBERED  
2 AND IN FEE SIMPLE, EXCEPT THAT:

3       (a) THE CONVEYANCE MUST INCLUDE AS A DEED RESTRICTION AND  
4 PROTECTIVE COVENANT RUNNING WITH TITLE TO THE LAND THE REQUIREMENT THAT AS  
5 LONG AS THE DONEE HOLDS TITLE TO THE PROPERTY THE PROPERTY SHALL BE USED  
6 ONLY AS A SCHOOL OR AS A SITE FOR THE CONSTRUCTION OF A SCHOOL, SUBJECT TO  
7 SUBSECTION I OR J OF THIS SECTION.

8       (b) IN THE CASE OF A DONATION TO A CHARTER SCHOOL, THE DONOR SHALL  
9 RECORD A LIEN ON THE PROPERTY AS PROVIDED BY SUBSECTION J, PARAGRAPH 3 OF  
10 THIS SECTION.

11      3. THE CONVEYANCE SHALL NOT VIOLATE SECTION 15-341, SUBSECTION D OR  
12 SECTION 15-183, SUBSECTION U.

13      C. FOR THE PURPOSES OF THIS SECTION, THE VALUE OF THE DONATED  
14 PROPERTY IS THE PROPERTY'S FAIR MARKET VALUE AS DETERMINED IN AN APPRAISAL  
15 AS DEFINED IN SECTION 32-3601 THAT IS CONDUCTED BY AN INDEPENDENT PARTY  
16 AND THAT IS PAID FOR BY THE DONEE.

17      D. IF THE PROPERTY IS DONATED BY CO-OWNERS, INCLUDING CORPORATE  
18 PARTNERS IN A PARTNERSHIP, EACH DONOR MAY CLAIM ONLY THE PRO RATA SHARE OF  
19 THE ALLOWABLE CREDIT UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST.  
20 THE TOTAL OF THE CREDITS ALLOWED ALL CO-OWNER DONORS MAY NOT EXCEED THE  
21 ALLOWABLE CREDIT.

22      E. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE  
23 UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE  
24 UNDER THIS TITLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CLAIM NOT USED  
25 TO OFFSET THE TAXES UNDER THIS TITLE FORWARD FOR NOT MORE THAN FIVE  
26 CONSECUTIVE TAXABLE YEARS' INCOME TAX LIABILITY.

27      F. THE CREDIT UNDER THIS SECTION IS IN LIEU OF ANY DEDUCTION  
28 PURSUANT TO SECTION 170 OF THE INTERNAL REVENUE CODE TAKEN FOR STATE TAX  
29 PURPOSES.

30      G. ON WRITTEN REQUEST BY THE DONEE, THE DONOR SHALL DISCLOSE IN  
31 WRITING TO THE DONEE THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS  
32 SECTION WITH RESPECT TO THE PROPERTY RECEIVED BY THE DONEE.

33      H. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY REFUSE THE DONATION OF  
34 ANY PROPERTY FOR PURPOSES OF THIS SECTION.

35      I. IF THE DONEE IS A SCHOOL DISTRICT:

36       1. THE DISTRICT SHALL NOTIFY THE SCHOOL FACILITIES BOARD  
37 ESTABLISHED BY SECTION 15-2001 AND FURNISH THE BOARD WITH ANY INFORMATION  
38 THE BOARD REQUESTS REGARDING THE DONATION. A SCHOOL DISTRICT SHALL NOT  
39 ACCEPT A DONATION PURSUANT TO THIS SECTION UNLESS THE SCHOOL FACILITIES  
40 BOARD HAS REVIEWED THE PROPOSED DONATION AND HAS ISSUED A WRITTEN  
41 DETERMINATION THAT THE REAL PROPERTY AND IMPROVEMENTS ARE SUITABLE AS A  
42 SCHOOL SITE OR AS A SCHOOL. THE SCHOOL FACILITIES BOARD SHALL ISSUE A  
43 DETERMINATION THAT THE REAL PROPERTY AND IMPROVEMENTS ARE NOT SUITABLE AS  
44 A SCHOOL SITE OR AS A SCHOOL IF THE EXPENSES THAT WOULD BE NECESSARY TO

1 MAKE THE PROPERTY SUITABLE AS A SCHOOL SITE OR AS A SCHOOL EXCEED THE  
2 VALUE OF THE PROPOSED DONATION.

3 2. THE DISTRICT MAY SELL ANY DONATED PROPERTY PURSUANT TO SECTION  
4 15-342, BUT THE PROCEEDS FROM THE SALE SHALL BE USED ONLY FOR CAPITAL  
5 PROJECTS. THE SCHOOL FACILITIES BOARD SHALL WITHHOLD AN AMOUNT THAT  
6 CORRESPONDS TO THE AMOUNT OF THE PROCEEDS FROM ANY MONIES THAT WOULD  
7 OTHERWISE BE DUE THE SCHOOL DISTRICT FROM THE SCHOOL FACILITIES BOARD  
8 PURSUANT TO SECTION 15-2041.

9 J. IF THE DONEE IS A CHARTER SCHOOL:

10 1. THE CHARTER SCHOOL SHALL:

11 (a) IMMEDIATELY NOTIFY THE SPONSOR OF THE CHARTER SCHOOL BY  
12 CERTIFIED MAIL AND SHALL FURNISH THE SPONSOR WITH ANY INFORMATION  
13 REQUESTED BY THE SPONSOR REGARDING THE DONATION DURING THE TEN-YEAR PERIOD  
14 AFTER THE CONVEYANCE IS RECORDED.

15 (b) NOTIFY THE SPONSOR BY CERTIFIED MAIL, AND THE SPONSOR SHALL  
16 NOTIFY THE STATE TREASURER, IN THE EVENT OF THE CHARTER SCHOOL'S FINANCIAL  
17 FAILURE OR IF THE CHARTER SCHOOL:

18 (i) FAILS TO ESTABLISH A CHARTER SCHOOL ON THE PROPERTY WITHIN  
19 FORTY-EIGHT MONTHS AFTER THE CONVEYANCE IS RECORDED.

20 (ii) FAILS TO PROVIDE INSTRUCTION TO PUPILS ON THE PROPERTY WITHIN  
21 FORTY-EIGHT MONTHS AFTER THE CONVEYANCE IS RECORDED.

22 (iii) ESTABLISHES A CHARTER SCHOOL ON THE PROPERTY BUT SUBSEQUENTLY  
23 CEASES TO OPERATE THE CHARTER SCHOOL ON THE PROPERTY FOR TWENTY-FOUR  
24 CONSECUTIVE MONTHS OR FAILS TO PROVIDE INSTRUCTION TO PUPILS ON THE  
25 PROPERTY FOR TWENTY-FOUR CONSECUTIVE MONTHS.

26 2. THE CHARTER SCHOOL, OR A SUCCESSOR IN INTEREST, SHALL PAY TO THE  
27 STATE TREASURER THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION, OR IF  
28 THAT AMOUNT IS UNKNOWN, THE AMOUNT OF THE ALLOWABLE CREDIT UNDER THIS  
29 SECTION, IF ANY OF THE CIRCUMSTANCES LISTED IN PARAGRAPH 1, SUBDIVISION  
30 (b) OF THIS SUBSECTION OCCURS. IF THE AMOUNT IS NOT PAID WITHIN ONE YEAR  
31 AFTER THE TREASURER RECEIVES NOTICE UNDER PARAGRAPH 1, SUBDIVISION (b) OF  
32 THIS SUBSECTION, A PENALTY AND INTEREST SHALL BE ADDED, DETERMINED  
33 PURSUANT TO TITLE 42, CHAPTER 1, ARTICLE 3.

34 3. A TAX CREDIT UNDER THIS SECTION CONSTITUTES A LIEN ON THE  
35 PROPERTY, WHICH THE DONOR MUST RECORD ALONG WITH THE TITLE TO THE PROPERTY  
36 TO QUALIFY FOR THE CREDIT. THE AMOUNT OF THE LIEN IS THE AMOUNT OF THE  
37 ALLOWABLE CREDIT UNDER THIS SECTION, ADJUSTED ACCORDING TO THE AVERAGE  
38 CHANGE IN THE GDP PRICE DEFULATOR, AS DEFINED IN SECTION 41-563, FOR EACH  
39 CALENDAR YEAR SINCE THE DONATION, BUT NOT EXCEEDING TWELVE AND ONE-HALF  
40 PERCENT MORE THAN THE ALLOWABLE CREDIT. THE LIEN IS SUBORDINATE TO ANY  
41 LIENS SECURING THE FINANCING OF THE SCHOOL CONSTRUCTION. THE LIEN IS  
42 EXTINGUISHED ON THE EARLIEST OF THE FOLLOWING:

43 (a) TEN YEARS AFTER THE LIEN IS RECORDED. AFTER THAT DATE, THE  
44 CHARTER SCHOOL, OR A SUCCESSOR IN INTEREST, MAY REQUEST THE STATE  
45 TREASURER TO RELEASE THE LIEN.

(b) ON PAYMENT TO THE STATE TREASURER BY THE DONEE CHARTER SCHOOL, OR BY A SUCCESSOR IN INTEREST, OF THE AMOUNT OF THE ALLOWABLE CREDIT UNDER THIS SECTION, EITHER VOLUNTARILY OR AS REQUIRED BY PARAGRAPH 2 OF THIS SUBSECTION. AFTER THE REQUIRED AMOUNT IS PAID, THE CHARTER SCHOOL OR SUCCESSOR IN INTEREST MAY REQUEST THE STATE TREASURER TO RELEASE THE LIEN.

(c) ON CONVEYANCE OF FEE SIMPLE TITLE TO THE PROPERTY TO A SCHOOL DISTRICT.

(d) ON ENFORCEMENT AND SATISFACTION OF THE LIEN PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION.

4. THE STATE TREASURER SHALL ENFORCE THE LIEN BY FORECLOSURE WITHIN ONE YEAR AFTER RECEIVING NOTICE OF ANY OF THE CIRCUMSTANCES DESCRIBED IN PARAGRAPH 1, SUBDIVISION (b) OF THIS SUBSECTION.

5. SUBJECT TO PARAGRAPHS 3 AND 4 OF THIS SUBSECTION, THE CHARTER SCHOOL MAY SELL ANY DONATED PROPERTY.

## Sec. 5. Purpose

Pursuant to section 43-223, Arizona Revised Statutes, the legislature enacts section 43-1181, Arizona Revised Statutes, as added by this act, to encourage taxpayers to donate school sites to a school district or a charter school.

## Sec. 6. Retroactivity

This act applies retroactively to taxable years beginning from and after December 31, 2019.