

REFERENCE TITLE: state agencies; payments; cryptocurrency

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1239

Introduced by
Senator Rogers

AN ACT

AMENDING TITLE 35, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY
ADDING SECTION 35-156; AMENDING SECTIONS 42-5018 AND 43-505, ARIZONA
REVISED STATUTES; RELATING TO THE CONTROL OF RECEIPTS AND EXPENDITURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 35, chapter 1, article 3, Arizona Revised
3 Statutes, is amended by adding section 35-156, to read:

4 35-156. Method of payment; cryptocurrency; agreement;
5 definitions

6 A. A STATE AGENCY MAY ENTER INTO AN AGREEMENT WITH A CRYPTOCURRENCY
7 ISSUER TO PROVIDE A METHOD TO ACCEPT CRYPTOCURRENCY AS A PAYMENT METHOD OF
8 FINES, CIVIL PENALTIES OR OTHER PENALTIES, RENT, RATES, TAXES, FEES,
9 CHARGES, REVENUE, FINANCIAL OBLIGATIONS AND SPECIAL ASSESSMENTS TO PAY ANY
10 AMOUNT DUE TO THAT AGENCY OR THIS STATE.

11 B. THE AGREEMENT SHALL:

12 1. GOVERN THE TERMS AND CONDITIONS ON WHICH CRYPTOCURRENCY AS A
13 MEANS OF PAYMENT CAN BE ACCEPTED OR DECLINED.

14 2. PROVIDE THE MANNER IN AND CONDITIONS ON WHICH A CRYPTOCURRENCY
15 ISSUER SHALL PAY THIS STATE BY MEANS OF CRYPTOCURRENCY OR UNITED STATES
16 DOLLARS PURSUANT TO THE AGREEMENT.

17 C. A STATE AGENCY THAT HAS ENTERED INTO AN AGREEMENT WITH A
18 CRYPTOCURRENCY ISSUER AS PROVIDED BY THIS SECTION MAY ACCEPT
19 CRYPTOCURRENCY AS A METHOD OF PAYMENT FOR FINES, CIVIL PENALTIES OR OTHER
20 PENALTIES, RENT, RATES, TAXES, FEES, CHARGES, REVENUE, FINANCIAL
21 OBLIGATIONS AND SPECIAL ASSESSMENTS TO PAY ANY AMOUNT DUE TO THAT AGENCY
22 OR THIS STATE.

23 D. A STATE AGENCY MAY PAY ANY SERVICE FEES SPECIFIED IN THE
24 AGREEMENT FOR THE CRYPTOCURRENCY TRANSACTION OR MAY REQUIRE A PERSON THAT
25 PAYS WITH CRYPTOCURRENCY TO PAY THE SERVICE FEES ASSOCIATED WITH THE
26 CRYPTOCURRENCY TRANSACTION.

27 E. THE PERSON THAT PAYS WITH CRYPTOCURRENCY IS LIABLE FOR THE
28 PAYMENT AND ALL INTEREST AND PENALTIES UNTIL THE STATE AGENCY HAS RECEIVED
29 FINAL AND UNCONDITIONAL PAYMENT OF THE FULL AMOUNT DUE FROM THE
30 CRYPTOCURRENCY ISSUER FOR THE CRYPTOCURRENCY TRANSACTION.

31 F. FOR THE PURPOSES OF THIS SECTION

32 1. "CRYPTOCURRENCY" MEANS ANY FORM OF DIGITAL CURRENCY IN WHICH
33 ENCRYPTION TECHNIQUES ARE USED TO REGULATE THE GENERATION OF UNITS OF
34 CURRENCY AND VERIFY THE TRANSFER OF MONIES, OPERATING INDEPENDENTLY OF A
35 CENTRAL BANK, INCLUDING BITCOIN, ETHEREUM, LITECOIN AND BITCOIN CASH.

36 2. "CRYPTOCURRENCY ISSUER" MEANS AN ISSUER OF ANY FORM OF
37 CRYPTOCURRENCY, INCLUDING BITCOIN, ETHEREUM, LITECOIN AND BITCOIN CASH.

38 Sec. 2. Section 42-5018, Arizona Revised Statutes, is amended to
39 read:

40 42-5018. Method of payment

41 A. All remittances of taxes imposed by this article shall be made
42 by bank draft, check, cashier's check, money order, cash or electronic
43 funds transfer to the department, which shall issue receipts therefor to
44 the taxpayers, but no remittance other than cash shall be final discharge

1 of liability for the tax levied by this article until it has been paid in
2 cash to the department.

3 B. IN ADDITION TO THE METHODS DESCRIBED IN SUBSECTION A OF THIS
4 SECTION, THE DEPARTMENT MAY ENTER INTO AN AGREEMENT PURSUANT TO SECTION
5 35-156 TO ACCEPT CRYPTOCURRENCY FOR REMITTANCES OF TAXES IMPOSED BY THIS
6 ARTICLE.

7 Sec. 3. Section 43-505, Arizona Revised Statutes, is amended to
8 read:

9 43-505. Tax payments made to department; order of crediting

10 A. The tax and any interest and penalties shall be paid to the
11 department. Remittances may be in the form of EITHER:

12 1. A check payable to the department during such A time and under
13 such regulations as the director may prescribe. If a check is not paid by
14 the bank on which it is drawn, the taxpayer tendering the check ~~shall~~
15 ~~remain~~ IS liable for the payment of the tax and all interest and penalties
16 as if ~~he had~~ THE CHECK WERE not tendered ~~the check~~.

17 2. IF THE DEPARTMENT ENTERS INTO AN AGREEMENT PURSUANT TO SECTION
18 35-156, CRYPTOCURRENCY.

19 B. The department shall credit payments against a taxpayer's unpaid
20 tax liability before crediting payments against any interest or penalties.

21 Sec. 4. Effective date

22 This act is effective from and after December 31, 2023.