



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1151

chiropractic; technical correction
(NOW: community property; spousal maintenance; documentation)

Purpose

Outlines requirements for a court to assess the value of a business interest for the purposes of determining the community share to be paid to a specified spouse after a petition for the dissolution of marriage is served.

Background

Current statute allows for either party in a marriage to initiate a proceeding for dissolution of marriage, annulment or legal separation. The dissolution of marriage, annulment or legal separation must allege that the marriage is irretrievably broken or void, that one or both of the parties desire to live separate and apart or, if the marriage is a covenant marriage that statutorily outlined requirements have been met ([A.R.S. § 25-314](#)).

In a proceeding for the dissolution of marriage, for annulment or for legal separation, the court must assign each spouse's sole and separate property to such spouse. The property acquired by either spouse outside Arizona must be deemed to be community property if the property would have been community property acquired in Arizona. When dividing the property, the court is allowed to consider all debts and obligations that are related to the property, including accrued or accruing taxes that would become due on the receipt, sale or other disposition of the property ([A.R.S. § 23-318](#)).

In a proceeding for dissolution of marriage, legal separation, maintenance or child support, the court is allowed to order either or both parents owing a duty of support to a child, born to or adopted by the parents, to pay an amount reasonable and necessary for support of the child, without regard to marital misconduct ([A.R.S. § 25-320](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires the court, when assessing the value of a business interest for the purposes of determining the community share to be paid to the spouse who will no longer maintain that spouse's interest in the business, to assess the value of the business as of the date of service of the petition for dissolution of marriage, legal separation or annulment unless the court determines another date would be more appropriate as the result of an extreme market condition or the parties agree otherwise.

2. Specifies that beginning on the date of service of the petition, the spouse who will no longer maintain that spouse's interest in the business, is not entitled to any share of the business's profits and is not responsible for any new liabilities earned or incurred by the business after that date.
3. Prohibits any compensation to the business owner that is included in the value of the business from being used for the purposes of calculating spousal maintenance or child support.
4. Prohibits the court from requiring a party to provide income documentation for the purposes of calculating child support if that party stipulates that the party's income is at or exceeds the maximum child support amount under the child support guidelines and agrees to be responsible for 100 percent of all necessary uncovered medical expenses of the common minor children unless a court determines that upward deviation for child support may be appropriate.
5. Makes technical and conforming changes.
6. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Allows a court to require a party to provide income documentation for the purposes of calculating child support, if a court determines that upward deviation for child support may be appropriate.
2. Removes the prohibition against a court that requires either party to provide further income documentation if both parties enter into an agreement that a child support order or a spousal maintenance order may not be modified.
3. Requires the court, when assessing the value of a business interest, rather than a going concern that is owned as community property to assess the value of the business as of the date of service of the petition for dissolution of marriage, legal separation or annulment.
4. Specifies that, beginning on the date of service of the petition, the spouse who will no longer maintain that spouse's interest in the business, rather than going concern, is not entitled to any share of the business's profits and is not responsible for any new liabilities incurred by the business.
5. Removes the requirement that the court include the assessed value of the going concern in determining spousal maintenance or child support.
6. Prohibits any compensation to the business owner that is included in the value of the business from being used for the purposes of calculating spousal maintenance or child support.
7. Makes technical changes.

Amendments Adopted by the House of Representatives

1. Specifies that the court, when assessing the value of a business interest to assess the value of the business as of the date of service of the petition for dissolution of marriage, legal separation or annulment unless the court determines another date would be more appropriate as the result of an extreme market condition or the parties agree otherwise.

2. Specifies that, beginning on the date of service of the petition, the spouse who will no longer maintain that spouse's interest in the business is not responsible for any new liabilities earned or incurred by the business after that date.
3. Specifies that, if a party agrees to be responsible for 100 percent of all necessary uncovered medical expenses of the common minor children when the party stipulates that their income is at or exceeds the maximum child support income level, then the court is prohibited from requiring that party to provide income documentation for the purposes of calculating guideline child support.
4. Removes the requirement that the maintenance order and decree of dissolution of marriage or of legal separation state that the maintenance terms must not be modified unless both parties agree otherwise.

Senate Action

JUD 2/16/23 DPA/SE 4-3-0
3rd Read 2/27/23 16-13-1

House Action

JUD 3/22/23 DPA 5-2-0-1
3rd Read 5/15/23 31-27-1-0-1

Prepared by Senate Research

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ZD/SB/sr