

REFERENCE TITLE: central bank digital currency; ban

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

# **SB 1497**

Introduced by  
Senators Mesnard: Rogers

AN ACT

AMENDING TITLE 1, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 9; AMENDING SECTIONS 6-843, 6-851, 9-1443, 11-1943, 43-1021, 43-1022, 43-1121, 43-1122 AND 47-1201, ARIZONA REVISED STATUTES; RELATING TO CURRENCY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 1, Arizona Revised Statutes, is amended by adding  
3 chapter 9, to read:

4 CHAPTER 9  
5 LEGAL TENDER

6 ARTICLE 1. GENERAL PROVISIONS

7 1-901. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "LEGAL TENDER" MEANS ANY MEDIUM OF EXCHANGE, INCLUDING SPECIE,  
10 THAT IS AUTHORIZED BY THE UNITED STATES CONSTITUTION OR CONGRESS FOR THE  
11 PAYMENT OF DEBTS, PUBLIC CHARGES, TAXES AND DUES, EXCEPT FOR FEDERALLY  
12 RECOGNIZED CENTRAL BANK DIGITAL CURRENCY.

13 2. "SPECIE" MEANS COINS THAT HAVE PRECIOUS METAL CONTENT.

14 1-902. Central bank digital currency: prohibition;  
15 applicability

16 A. FEDERALLY RECOGNIZED CENTRAL BANK DIGITAL CURRENCY MAY NOT BE  
17 USED AS LEGAL TENDER OR BE THE SUBJECT OR MEDIUM OF PAYMENT OF ANY  
18 CONTRACT, SECURITY OR OTHER SIMILAR INSTRUMENT IN THIS STATE.

19 B. NOTWITHSTANDING TITLE 47, THIS SECTION APPLIES TO ALL CONTRACTS,  
20 SECURITIES AND OTHER SIMILAR INSTRUMENTS, INCLUDING CONTRACTS RELATING TO  
21 COMMERCIAL TRANSACTIONS.

22 Sec. 2. Section 6-843, Arizona Revised Statutes, is amended to  
23 read:

24 6-843. Disbursements; applicability

25 A. Except as provided by subsection B of this section, an escrow  
26 agent may only disburse money out of an escrow account if deposits are  
27 previously made that are at least equal to the disbursements and the  
28 deposits relate directly to the transaction for which the money is being  
29 disbursed. The deposits shall be in at least one of the following forms:

30 1. Wire transfers so that the monies are received by the escrow  
31 agent or the agent's depository.

32 2. Except as provided in paragraphs 1, 4 and 5 of this subsection,  
33 checks, drafts, negotiable orders of withdrawal, money orders or any other  
34 item that has become available for withdrawal in accordance with the  
35 federal expedited funds availability act (P.L. 100-86; 101 Stat. 635; 12  
36 United States Code section 4001).

37 3. Credit transfers through the automated clearing house that are  
38 deemed available by the depository institution receiving the credits. The  
39 credits must conform to the operating rules set forth by a national  
40 automated clearing house association.

41 4. Cashier's checks, certified checks or teller's checks that have  
42 been deposited in the escrow agent's depository account.

43 5. Checks made by an affiliate of a state or federally regulated  
44 depository institution where the check is drawn on the affiliated

1 depository institution so that the monies are deposited in the escrow  
2 agent's depository account.

3 6. Distributed ledger technology transfers within or among a secure  
4 network of federally insured depository institutions where disbursements  
5 are recorded on a ledger and securely deposited in an escrow agent's  
6 depository account. A depository institution shall settle transfers by  
7 using an established national clearing house network, except that  
8 transfers may not be settled or backed by a central bank digital currency.  
9 Distributed ledger technology transfers shall be fully settled,  
10 irrevocably credited and transferred in United States dollars. For the  
11 purposes of this paragraph, "distributed ledger technology" means a  
12 decentralized, shared and immutable ledger, which may be public or  
13 private, permissioned or permissionless, or driven by tokenized crypto  
14 economics or tokenless. The ledger must be tamper resistant and protected  
15 with cryptography to preserve the data. For the purposes of this  
16 paragraph, a transfer, whether tokenized or tokenless, must maintain price  
17 stability by backing the value of the transferred digital asset to United  
18 States dollars that is redeemable on a one-to-one basis.

19 B. An escrow agent may disburse up to \$500 per transaction or any  
20 funds that are available as cash without complying with subsection A of  
21 this section.

22 C. TRANSFERS MADE PURSUANT TO THIS SECTION MAY NOT BE SETTLED OR  
23 BACKED BY FEDERALLY RECOGNIZED CENTRAL BANK DIGITAL CURRENCY.

24 ~~C.~~ D. Subsection A of this section does not apply to account  
25 servicing.

26 Sec. 3. Section 6-851, Arizona Revised Statutes, is amended to  
27 read:

28 6-851. Definitions

29 A. In this chapter, unless the context otherwise requires:

30 1. "Trust business" means the holding out by a person to the public  
31 at large by advertising, solicitation or other means that the person is  
32 available to act as a fiduciary in this state and accepting and  
33 undertaking to perform the duties as such a fiduciary in the regular  
34 course of business.

35 2. "Trust company" means a corporation holding a certificate issued  
36 under this article.

37 B. In this article, unless the context otherwise requires:

38 1. "Agent" means a person who receives compensation to regularly  
39 perform services specifically related to the conduct of the trust  
40 business.

41 2. "Asset" means any property or property right held by a licensee  
42 for the benefit of another.

43 3. "Capital" means the total of outstanding common stock, preferred  
44 stock and surplus and undivided profits.

1 4. "Certificate" means a certificate of authority issued under this  
2 chapter to engage in trust business.

3 5. "Contingency plan" means a document stating a trust company's  
4 means of conducting business and preserving records in the event of any  
5 power outage, flood or other physical emergency.

6 6. "Discretionary assets" means those assets in which the trust  
7 company has the unilateral authority to determine investment strategies  
8 and execute investment transactions without seeking the concurrence,  
9 approval or authority from the customer or any other external party.

10 7. "Fiduciary" means a personal representative, administrator,  
11 guardian, conservator, trustee, agent or other person who acts in a  
12 fiduciary capacity and who is not exempt by section 6-852.

13 8. "Impaired" or "insolvent" means the trust company does not  
14 possess assets that are at least equal to liabilities, required reserves  
15 and total issued and outstanding capital.

16 9. "Legal tender" ~~means a medium of exchange, including specie,~~  
17 ~~that is authorized by the United States Constitution or Congress for the~~  
18 ~~payment of debts, public charges, taxes and dues~~ HAS THE SAME MEANING  
19 PRESCRIBED IN SECTION 1-901.

20 10. "Liquid capital" means legal tender, capital in the form of  
21 certificates of deposit issued by banks, savings banks or savings and loan  
22 associations doing business in this state and insured by the federal  
23 deposit insurance corporation or any successor institution, including  
24 deposits to a single depository where excess deposit insurance is provided  
25 through a reciprocal deposit arrangement by participating banks, or direct  
26 obligations of the United States government with maturity of not more than  
27 five years.

28 11. "Nondiscretionary assets" means those assets for which the  
29 trust company must obtain from the customer, broker or investment advisor  
30 specific direction and instructions regarding both investment strategies  
31 and investment executions.

32 ~~12. "Specie" means coins having precious metal content.~~

33 ~~13.~~ 12. "Surplus" means the total amount paid by shareholders in  
34 excess of the par or stated value of the shares of capital stock of a  
35 trust business in consideration for the shares.

36 Sec. 4. Section 9-1443, Arizona Revised Statutes, is amended to  
37 read:

38 9-1443. License fee; requirements, conditions and  
39 limitations; pass through to subscribers

40 A. For the privilege of a video service provider to occupy or use,  
41 in whole or in part, any highway within the boundaries of a local  
42 government to provide video service through a video service network, the  
43 local government may require a video service provider to pay a license fee  
44 to the local government based on the gross revenue that the video service

1 provider receives from its subscribers located within the boundaries of  
2 the local government. The license fee both:

3 1. Is subject to the limit prescribed in section 9-1442, subsection  
4 B and to offset, including amounts collected from subscribers, as  
5 prescribed by section 9-1442, subsections A and I and subsection D of this  
6 section.

7 2. Shall be due ~~no~~ NOT more often than quarterly.

8 B. If the local government requires a license fee pursuant to  
9 subsection A of this section, the local government shall adopt a local law  
10 that imposes the license fee equally and uniformly on all of the following  
11 that are operating within the boundaries of the local government:

12 1. Video service providers.

13 2. Holdover cable operators.

14 C. A video service provider shall pay the entire amount of the  
15 license fee directly to the local government in a check, draft or note or  
16 automated clearinghouse transaction that is payable in legal tender as  
17 defined in section ~~43-1021~~ 1-901.

18 D. A video service provider may do all of the following:

19 1. Pass the license fee through to and collect the license fee from  
20 its subscribers within the boundaries of the local government, including  
21 for an incumbent cable operator any change in license fees that results  
22 from a change in the applicable definition of gross revenue.

23 2. Designate the amount of the license fee collected from each  
24 subscriber as a separate line item on the subscriber's bill.

25 Sec. 5. Section 11-1943, Arizona Revised Statutes, is amended to  
26 read:

27 11-1943. License fee; requirements; conditions and  
28 limitations; pass through to subscribers

29 A. For the privilege of a video service provider to occupy or use,  
30 in whole or in part, any highway within the boundaries of a county to  
31 provide video service through a video service network, the county may  
32 require a video service provider to pay a license fee to the county based  
33 on the gross revenue that the video service provider receives from its  
34 subscribers located within the boundaries of the county. The license fee  
35 both:

36 1. Is subject to the limit prescribed by section 11-1942,  
37 subsection B and to offset, including amounts collected from subscribers,  
38 as prescribed by section 11-1942, subsections A and I and subsection D of  
39 this section.

40 2. Shall be due ~~no~~ NOT more often than quarterly.

41 B. If the county requires a license fee pursuant to subsection A of  
42 this section, the county shall adopt a local law that imposes the license  
43 fee equally and uniformly on all of the following that are operating  
44 within the boundaries of the county:

45 1. Video service providers.

1           2. Holdover cable operators.

2           C. A video service provider shall pay the entire amount of the  
3 license fee directly to the county in a check, draft or note or automated  
4 clearinghouse transaction that is payable in legal tender as defined in  
5 section ~~43-1021~~ 1-901.

6           D. A video service provider may do all of the following:

7           1. Pass the license fee through to and collect the license fee from  
8 its subscribers within the boundaries of the county, including for an  
9 incumbent cable operator any change in license fees that results from a  
10 change in the applicable definition of gross revenue.

11           2. Designate the amount of the license fee collected from each  
12 subscriber as a separate line item on the subscriber's bill.

13           Sec. 6. Section 43-1021, Arizona Revised Statutes, is amended to  
14 read:

15           43-1021. Addition to Arizona gross income

16           In computing Arizona adjusted gross income, the following amounts  
17 shall be added to Arizona gross income:

18           1. A beneficiary's share of the fiduciary adjustment to the extent  
19 that the amount determined by section 43-1333 increases the beneficiary's  
20 Arizona gross income.

21           2. An amount equal to the ordinary income portion of a lump sum  
22 distribution that was excluded from federal adjusted gross income pursuant  
23 to the special rule for individuals who attained fifty years of age before  
24 January 1, 1986 under Public Law 99-514, section 1122(h)(3).

25           3. The amount of interest income received on obligations of any  
26 state, territory or possession of the United States, or any political  
27 subdivision thereof, located outside of this state, reduced, for taxable  
28 years beginning from and after December 31, 1996, by the amount of any  
29 interest on indebtedness and other related expenses that were incurred or  
30 continued to purchase or carry those obligations and that are not  
31 otherwise deducted or subtracted in arriving at Arizona gross income.

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

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

39           6. Any amount of agricultural water conservation expenses that were  
40 deducted pursuant to the internal revenue code for which a credit is  
41 claimed under section 43-1084.

42           7. The amount by which the depreciation or amortization computed  
43 under the internal revenue code with respect to property for which a  
44 credit was taken under section 43-1081.01 or that is pollution control  
45 equipment for which a credit was taken before taxable year 2022 exceeds

1 the amount of depreciation or amortization computed pursuant to the  
2 internal revenue code on the Arizona adjusted basis of the property.

3 8. The amount by which the adjusted basis computed under the  
4 internal revenue code with respect to property for which a credit was  
5 claimed under section 43-1074.02 or 43-1081.01 or that is pollution  
6 control equipment for which a credit was taken before taxable year 2022  
7 and that is sold or otherwise disposed of during the taxable year exceeds  
8 the adjusted basis of the property computed under section 43-1074.02 or  
9 43-1081.01 or for pollution control equipment, the section in which the  
10 credit was taken, as applicable.

11 9. The deduction referred to in section 1341(a)(4) of the internal  
12 revenue code for restoration of a substantial amount held under a claim of  
13 right.

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

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

21 12. The amount of a nonqualified withdrawal, as defined in section  
22 15-1871, from a college savings plan established pursuant to section 529  
23 of the internal revenue code that is made to a distributee to the extent  
24 the amount is not included in computing federal adjusted gross income,  
25 except that the amount added under this paragraph shall not exceed the  
26 difference between the amount subtracted under section 43-1022 in prior  
27 taxable years and the amount added under this section in any prior taxable  
28 years.

29 13. If a subtraction is or has been taken by the taxpayer under  
30 section 43-1024, in the current or a prior taxable year for the full  
31 amount of eligible access expenditures paid or incurred to comply with the  
32 requirements of the Americans with disabilities act of 1990 (P.L. 101-336)  
33 or title 41, chapter 9, article 8, any amount of eligible access  
34 expenditures that is recognized under the internal revenue code, including  
35 any amount that is amortized according to federal amortization schedules,  
36 and that is included in computing taxable income for the current taxable  
37 year.

38 14. For taxable years beginning from and after December 31, 2017,  
39 the amount of any net capital loss included in Arizona gross income for  
40 the taxable year that is derived from the exchange of one kind of legal  
41 tender for another kind of legal tender. For the purposes of this  
42 paragraph, ~~:-~~

43 ~~(a) "legal tender" means a medium of exchange, including specie,~~  
44 ~~that is authorized by the United States Constitution or Congress to pay~~

1 ~~debts, public charges, taxes and dues~~ HAS THE SAME MEANING PRESCRIBED IN  
2 SECTION 1-901.

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

4 15. For taxable years beginning from and after December 31, 2021,  
5 the amount deducted by the partnership or S corporation pursuant to the  
6 internal revenue code for the amount paid to this state under section  
7 43-1014 and for taxes that the department determines are substantially  
8 similar to the tax imposed under section 43-1014. This amount shall be  
9 reflected in the partner's or shareholder's Arizona gross income and the  
10 partnership's or S corporation's Arizona taxable income.

11 16. The amount of any motion picture production costs that was  
12 deducted pursuant to the internal revenue code for which a tax credit is  
13 claimed under section 43-1082.

14 Sec. 7. Section 43-1022, Arizona Revised Statutes, is amended to  
15 read:

16 43-1022. Subtractions from Arizona gross income

17 In computing Arizona adjusted gross income, the following amounts  
18 shall be subtracted from Arizona gross income:

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

20 2. Benefits, annuities and pensions in an amount totaling not more  
21 than \$2,500 received from one or more of the following:

22 (a) The United States government service retirement and disability  
23 fund, the United States foreign service retirement and disability system  
24 and any other retirement system or plan established by federal law, except  
25 retired or retainer pay of the uniformed services of the United States  
26 that qualifies for a subtraction under paragraph 26 of this section.

27 (b) The Arizona state retirement system, the corrections officer  
28 retirement plan, the public safety personnel retirement system, the  
29 elected officials' retirement plan, an optional retirement program  
30 established by the Arizona board of regents under section 15-1628, an  
31 optional retirement program established by a community college district  
32 board under section 15-1451 or a retirement plan established for employees  
33 of a county, city or town in this state.

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

37 4. Interest income received on obligations of the United States,  
38 minus any interest on indebtedness, or other related expenses, and  
39 deducted in arriving at Arizona gross income, that were incurred or  
40 continued to purchase or carry such obligations.

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

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

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

6           8. The portion of any wages or salaries paid or incurred by the  
7 taxpayer for the taxable year that is equal to the amount of the federal  
8 work opportunity credit, the empowerment zone employment credit, the  
9 credit for employer paid social security taxes on employee cash tips and  
10 the Indian employment credit that the taxpayer received under sections  
11 45A, 45B, 51(a) and 1396 of the internal revenue code.

12           9. The amount of exploration expenses that is determined pursuant  
13 to section 617 of the internal revenue code, that has been deferred in a  
14 taxable year ending before January 1, 1990 and for which a subtraction has  
15 not previously been made. The subtraction shall be made on a ratable  
16 basis as the units of produced ores or minerals discovered or explored as  
17 a result of this exploration are sold.

18           10. The amount included in federal adjusted gross income pursuant  
19 to section 86 of the internal revenue code, relating to taxation of social  
20 security and railroad retirement benefits.

21           11. To the extent not already excluded from Arizona gross income  
22 under the internal revenue code, compensation received for active service  
23 as a member of the reserves, the national guard or the armed forces of the  
24 United States, including compensation for service in a combat zone as  
25 determined under section 112 of the internal revenue code.

26           12. The amount of unreimbursed medical and hospital costs, adoption  
27 counseling, legal and agency fees and other nonrecurring costs of adoption  
28 not to exceed \$3,000. In the case of a husband and wife who file separate  
29 returns, the subtraction may be taken by either taxpayer or may be divided  
30 between them, but the total subtractions allowed both husband and wife may  
31 not exceed \$3,000. The subtraction under this paragraph may be taken for  
32 the costs that are described in this paragraph and that are incurred in  
33 prior years, but the subtraction may be taken only in the year during  
34 which the final adoption order is granted.

35           13. The amount authorized by section 43-1027 for the taxable year  
36 relating to qualified wood stoves, wood fireplaces or gas fired  
37 fireplaces.

38           14. The amount by which a net operating loss carryover or capital  
39 loss carryover allowable pursuant to section 43-1029, subsection F exceeds  
40 the net operating loss carryover or capital loss carryover allowable  
41 pursuant to section 1341(b)(5) of the internal revenue code.

42           15. Any amount of qualified educational expenses that is  
43 distributed from a qualified state tuition program determined pursuant to  
44 section 529 of the internal revenue code and that is included in income in  
45 computing federal adjusted gross income.

1           16. Any item of income resulting from an installment sale that has  
2 been properly subjected to income tax in another state in a previous  
3 taxable year and that is included in Arizona gross income in the current  
4 taxable year.

5           17. For property placed in service:

6           (a) In taxable years beginning before December 31, 2012, an amount  
7 equal to the depreciation allowable pursuant to section 167(a) of the  
8 internal revenue code for the taxable year computed as if the election  
9 described in section 168(k) of the internal revenue code had been made for  
10 each applicable class of property in the year the property was placed in  
11 service.

12           (b) In taxable years beginning from and after December 31, 2012  
13 through December 31, 2013, an amount determined in the year the asset was  
14 placed in service based on the calculation in subdivision (a) of this  
15 paragraph. In the first taxable year beginning from and after  
16 December 31, 2013, the taxpayer may elect to subtract the amount necessary  
17 to make the depreciation claimed to date for the purposes of this title  
18 the same as it would have been if subdivision (c) of this paragraph had  
19 applied for the entire time the asset was in service. Subdivision (c) of  
20 this paragraph applies for the remainder of the asset's life. If the  
21 taxpayer does not make the election under this subdivision, subdivision  
22 (a) of this paragraph applies for the remainder of the asset's life.

23           (c) In taxable years beginning from and after December 31, 2013  
24 through December 31, 2015, an amount equal to the depreciation allowable  
25 pursuant to section 167(a) of the internal revenue code for the taxable  
26 year as computed as if the additional allowance for depreciation had been  
27 ten percent of the amount allowed pursuant to section 168(k) of the  
28 internal revenue code.

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

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

40           18. With respect to property that is sold or otherwise disposed of  
41 during the taxable year by a taxpayer that complied with section 43-1021,  
42 paragraph 11 with respect to that property, the amount of depreciation  
43 that has been allowed pursuant to section 167(a) of the internal revenue  
44 code to the extent that the amount has not already reduced Arizona taxable  
45 income in the current or prior taxable years.

1           19. The amount contributed during the taxable year to college  
2 savings plans established pursuant to section 529 of the internal revenue  
3 code on behalf of the designated beneficiary to the extent that the  
4 contributions were not deducted in computing federal adjusted gross  
5 income. The amount subtracted may not exceed:

6           (a) \$2,000 per beneficiary for a single individual or a head of  
7 household.

8           (b) \$4,000 per beneficiary for a married couple filing a joint  
9 return. In the case of a husband and wife who file separate returns, the  
10 subtraction may be taken by either taxpayer or may be divided between  
11 them, but the total subtractions allowed both husband and wife may not  
12 exceed \$4,000 per beneficiary.

13           20. The portion of the net operating loss carryforward that would  
14 have been allowed as a deduction in the current year pursuant to section  
15 172 of the internal revenue code if the election described in section  
16 172(b)(1)(H) of the internal revenue code had not been made in the year of  
17 the loss that exceeds the actual net operating loss carryforward that was  
18 deducted in arriving at federal adjusted gross income. This subtraction  
19 only applies to taxpayers who made an election under section 172(b)(1)(H)  
20 of the internal revenue code as amended by section 1211 of the American  
21 recovery and reinvestment act of 2009 (P.L. 111-5) or as amended by  
22 section 13 of the worker, homeownership, and business assistance act of  
23 2009 (P.L. 111-92).

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

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

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

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

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

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

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

8           25. For taxable years beginning from and after December 31, 2017,  
9 the amount of any net capital gain included in Arizona gross income for  
10 the taxable year that is derived from the exchange of one kind of legal  
11 tender for another kind of legal tender. For the purposes of this  
12 paragraph, ~~—~~

13           ~~(a) "legal tender" means a medium of exchange, including specie,~~  
14 ~~that is authorized by the United States Constitution or Congress to pay~~  
15 ~~debts, public charges, taxes and dues~~ HAS THE SAME MEANING PRESCRIBED IN  
16 SECTION 1-901.

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

18           26. Benefits, annuities and pensions received as retired or  
19 retiree pay of the uniformed services of the United States in amounts as  
20 follows:

21           (a) For taxable years through December 31, 2018, an amount totaling  
22 not more than \$2,500.

23           (b) For taxable years beginning from and after December 31, 2018  
24 through December 31, 2020, an amount totaling not more than \$3,500.

25           (c) For taxable years beginning from and after December 31, 2020,  
26 the full amount received.

27           27. For taxable years beginning from and after December 31, 2020,  
28 the amount contributed during the taxable year to an achieving a better  
29 life experience account established pursuant to section 529A of the  
30 internal revenue code on behalf of the designated beneficiary to the  
31 extent that the contributions were not deducted in computing federal  
32 adjusted gross income. The amount subtracted may not exceed:

33           (a) \$2,000 per beneficiary for a single individual or a head of  
34 household.

35           (b) \$4,000 per beneficiary for a married couple filing a joint  
36 return. In the case of a husband and wife who file separate returns, the  
37 subtraction may be taken by either taxpayer or may be divided between  
38 them, but the total subtractions allowed both husband and wife may not  
39 exceed \$4,000 per beneficiary.

40           28. For taxable years beginning from and after December 31, 2020,  
41 Arizona small business gross income but only if an individual taxpayer has  
42 elected to separately report and pay tax on the taxpayer's Arizona small  
43 business adjusted gross income on the Arizona small business income tax  
44 return.

1           29. To the extent not already excluded from Arizona gross income  
2 under the internal revenue code, the value of virtual currency and  
3 non-fungible tokens the taxpayer received pursuant to an airdrop at the  
4 time of the airdrop. This paragraph may not be interpreted as providing a  
5 subtraction for any appreciation in value that occurs from holding the  
6 virtual currency after the initial receipt of the airdrop. For the  
7 purposes of this paragraph:

8           (a) "Airdrop" means the receipt of virtual currency through a means  
9 of distribution of virtual currency to the distributed ledger addresses of  
10 multiple taxpayers.

11           (b) "Non-fungible token" has the same meaning prescribed in section  
12 43-1028.

13           (c) "Virtual currency" has the same meaning prescribed in section  
14 43-1028.

15           30. The amount allowed as a subtraction by section 43-1028 for gas  
16 fees not already included in the taxpayer's virtual currency or  
17 non-fungible token basis.

18           Sec. 8. Section 43-1121, Arizona Revised Statutes, is amended to  
19 read:

20           43-1121. Additions to Arizona gross income; corporations

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

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

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

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

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

40           5. The amount of dividend income received from corporations and  
41 allowed as a deduction pursuant to sections 243, 245, 245A and  
42 250(a)(1)(B) of the internal revenue code.

43           6. Taxes that are based on income paid to states, local governments  
44 or foreign governments and that were deducted in computing federal taxable  
45 income.

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

6           8. Commissions, rentals and other amounts paid or accrued to a  
7 domestic international sales corporation controlled by the payor  
8 corporation if the domestic international sales corporation is not  
9 required to report its taxable income to this state because its income is  
10 not derived from or attributable to sources within this state. If the  
11 domestic international sales corporation is subject to article 4 of this  
12 chapter, the department shall prescribe by rule the method of determining  
13 the portion of the commissions, rentals and other amounts that are paid or  
14 accrued to the controlled domestic international sales corporation and  
15 that shall be deducted by the payor. For the purposes of this paragraph,  
16 "control" means direct or indirect ownership or control of fifty percent  
17 or more of the voting stock of the domestic international sales  
18 corporation by the payor corporation.

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

21           10. The amount of exploration expenses determined pursuant to  
22 section 617 of the internal revenue code to the extent that they exceed  
23 \$75,000 and to the extent that the election is made to defer those  
24 expenses not in excess of \$75,000.

25           11. Amortization of costs incurred to install pollution control  
26 devices and deducted pursuant to the internal revenue code or the amount  
27 of deduction for depreciation taken pursuant to the internal revenue code  
28 on pollution control devices for which an election is made pursuant to  
29 section 43-1129.

30           12. The amount of depreciation or amortization of costs of child  
31 care facilities deducted pursuant to section 167 or 188 of the internal  
32 revenue code for which an election is made to amortize pursuant to section  
33 43-1130.

34           13. The loss of an insurance company that is exempt under section  
35 43-1201 to the extent that it is included in computing Arizona gross  
36 income on a consolidated return pursuant to section 43-947.

37           14. The amount by which the depreciation or amortization computed  
38 under the internal revenue code with respect to property for which a  
39 credit was taken under section 43-1170 exceeds the amount of depreciation  
40 or amortization computed pursuant to the internal revenue code on the  
41 Arizona adjusted basis of the property.

42           15. The amount by which the adjusted basis computed under the  
43 internal revenue code with respect to property for which a credit was  
44 claimed under section 43-1170 and that is sold or otherwise disposed of

1 during the taxable year exceeds the adjusted basis of the property  
2 computed under section 43-1170.

3 16. The deduction referred to in section 1341(a)(4) of the internal  
4 revenue code for restoration of a substantial amount held under a claim of  
5 right.

6 17. The amount by which a capital loss carryover allowable pursuant  
7 to section 1341(b)(5) of the internal revenue code exceeds the capital  
8 loss carryover allowable pursuant to section 43-1130.01, subsection F.

9 18. Any wage expenses deducted pursuant to the internal revenue  
10 code for which a credit is claimed under section 43-1175 and representing  
11 net increases in qualified employment positions for employment of  
12 temporary assistance for needy families recipients.

13 19. Any amount of expenses that were deducted pursuant to the  
14 internal revenue code and for which a credit is claimed under section  
15 43-1178.

16 20. Any amount deducted pursuant to section 170 of the internal  
17 revenue code representing contributions to a school tuition organization  
18 for which a credit is claimed under section 43-1183 or 43-1184.

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

28 22. For taxable years beginning from and after December 31, 2017,  
29 the amount of any net capital loss included in Arizona gross income for  
30 the taxable year that is derived from the exchange of one kind of legal  
31 tender for another kind of legal tender. For the purposes of this  
32 paragraph, ~~:-~~

33 ~~(a) "legal tender" means a medium of exchange, including specie,~~  
34 ~~that is authorized by the United States Constitution or Congress to pay~~  
35 ~~debts, public charges, taxes and dues~~ HAS THE SAME MEANING PRESCRIBED IN  
36 SECTION 1-901.

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

38 23. The amount of any deduction that is claimed in computing  
39 Arizona gross income and that represents a donation of a school site for  
40 which a credit is claimed under section 43-1181.

41 24. The amount of any motion picture production costs that was  
42 deducted pursuant to the internal revenue code for which a tax credit is  
43 claimed under section 43-1165.

1           Sec. 9. Section 43-1122, Arizona Revised Statutes, is amended to  
2 read:

3           43-1122. Subtractions from Arizona gross income; corporations

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

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

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

12           3. The amount allowed by section 43-1025 for contributions during  
13 the taxable year of agricultural crops to charitable organizations.

14           4. The portion of any wages or salaries paid or incurred by the  
15 taxpayer for the taxable year that is equal to the amount of the federal  
16 work opportunity credit, the empowerment zone employment credit, the  
17 credit for employer paid social security taxes on employee cash tips and  
18 the Indian employment credit that the taxpayer received under sections  
19 45A, 45B, 51(a) and 1396 of the internal revenue code.

20           5. With respect to property that is sold or otherwise disposed of  
21 during the taxable year by a taxpayer that complied with section 43-1121,  
22 paragraph 4 with respect to that property, the amount of depreciation that  
23 has been allowed pursuant to section 167(a) of the internal revenue code  
24 to the extent that the amount has not already reduced Arizona taxable  
25 income in the current taxable year or prior taxable years.

26           6. With respect to a financial institution as defined in section  
27 6-101, expenses and interest relating to tax-exempt income disallowed  
28 pursuant to section 265 of the internal revenue code.

29           7. Dividends received from another corporation owned or controlled  
30 directly or indirectly by a recipient corporation. For the purposes of  
31 this paragraph, "control" means direct or indirect ownership or control of  
32 fifty percent or more of the voting stock of the payor corporation by the  
33 recipient corporation. Dividends shall have the meaning provided in  
34 section 316 of the internal revenue code. This subtraction shall apply  
35 without regard to section 43-961, paragraph 2 and article 4 of this  
36 chapter.

37           8. Interest income received on obligations of the United States.

38           9. The amount of dividend income from foreign corporations. For  
39 the purposes of this paragraph, gross up income as described in section 78  
40 of the internal revenue code, global intangible low-taxed income as  
41 defined in section 951A of the internal revenue code and subpart F income  
42 as defined in section 952 of the internal revenue code shall be considered  
43 foreign dividends.

44           10. The amount of net operating loss allowed by section 43-1123.

1           11. The amount of any state income tax refunds received that were  
2 included as income in computing federal taxable income.

3           12. The amount of expense recapture included in income pursuant to  
4 section 617 of the internal revenue code for mine exploration expenses.

5           13. The amount of deferred exploration expenses allowed by section  
6 43-1127.

7           14. The amount of exploration expenses related to the exploration  
8 of oil, gas or geothermal resources, computed in the same manner and on  
9 the same basis as a deduction for mine exploration pursuant to section 617  
10 of the internal revenue code. This computation is subject to the  
11 adjustments contained in section 43-1121, paragraph 10 and paragraphs 12  
12 and 13 of this section relating to exploration expenses.

13           15. The amortization of pollution control devices allowed by  
14 section 43-1129.

15           16. The amount of amortization of the cost of child care facilities  
16 pursuant to section 43-1130.

17           17. The amount of income from a domestic international sales  
18 corporation required to be included in the income of its shareholders  
19 pursuant to section 995 of the internal revenue code.

20           18. The income of an insurance company that is exempt under section  
21 43-1201 to the extent that it is included in computing Arizona gross  
22 income on a consolidated return pursuant to section 43-947.

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

26           20. An amount equal to the depreciation allowable pursuant to  
27 section 167(a) of the internal revenue code for the taxable year computed  
28 as if the election described in section 168(k)(7) of the internal revenue  
29 code had been made for each applicable class of property in the year the  
30 property was placed in service.

31           21. The amount of eligible access expenditures paid or incurred  
32 during the taxable year to comply with the requirements of the Americans  
33 with disabilities act of 1990 (P.L. 101-336) or title 41, chapter 9,  
34 article 8 as provided by section 43-1124.

35           22. For taxable years beginning from and after December 31, 2017,  
36 the amount of any net capital gain included in Arizona gross income for  
37 the taxable year that is derived from the exchange of one kind of legal  
38 tender for another kind of legal tender. For the purposes of this  
39 paragraph, ~~—~~

40           ~~(a) "legal tender" means a medium of exchange, including specie,~~  
41 ~~that is authorized by the United States Constitution or Congress to pay~~  
42 ~~debts, public charges, taxes and dues~~ HAS THE SAME MEANING PRESCRIBED IN  
43 SECTION 1-901.

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

1           23. With respect to a public service corporation operating a water  
2 system or sewage disposal facility, the amount of monies or property  
3 received as a contribution in aid of construction. For the purposes of  
4 this paragraph:

5           (a) "Contribution in aid of construction" means any amount of  
6 monies or other property contributed to a public service corporation that  
7 provides water or sewage disposal services to the extent that the purpose  
8 of the contribution is to provide for expanding, improving or replacing  
9 the public service corporation's water system or sewage disposal  
10 facilities, including any amount of monies or other property contributed  
11 to a public service corporation for a water system or sewage disposal  
12 facility subject to a contingent obligation to repay the amount, in whole  
13 or in part, to the contributor.

14           (b) "Public service corporation" means a public service corporation  
15 as defined in article XV, section 2, Constitution of Arizona, that is  
16 regulated by the corporation commission.

17           Sec. 10. Section 47-1201, Arizona Revised Statutes, is amended to  
18 read:

19           47-1201. General definitions

20           A. Unless the context otherwise requires, words or phrases defined  
21 in this section, or in the additional definitions contained in other  
22 chapters of this title that apply to particular chapters or parts ~~thereof~~  
23 **OF CHAPTERS**, have the meanings stated.

24           B. Subject to definitions contained in other chapters of this title  
25 that apply to particular chapters or parts ~~thereof~~ **OF CHAPTERS**:

26           1. "Action", in the sense of a judicial proceeding, includes  
27 recoupment, counterclaim, set-off, suit in equity and any other proceeding  
28 in which rights are determined.

29           2. "Aggrieved party" means a party entitled to pursue a remedy.

30           3. "Agreement", as distinguished from "contract", means the bargain  
31 of the parties in fact, as found in their language or inferred from other  
32 circumstances, including course of performance, course of dealing or usage  
33 of trade as provided in section 47-1303.

34           4. "Bank":

35           (a) Means a person engaged in the business of banking. ~~and~~

36           (b) Includes a savings bank, savings and loan association, credit  
37 union and trust company.

38           5. "Bearer" means a person in control of a negotiable electronic  
39 document of title or a person in possession of a negotiable instrument,  
40 negotiable tangible document of title or certificated security that is  
41 payable to bearer or indorsed in blank.

42           6. "Bill of lading":

43           (a) Means a document of title evidencing the receipt of goods for  
44 shipment issued by a person engaged in the business of directly or  
45 indirectly transporting or forwarding goods. ~~The term~~

1 (b) Does not include a warehouse receipt.

2 7. "Branch" includes a separately incorporated foreign branch of a  
3 bank.

4 8. "Burden of establishing" a fact means the burden of persuading  
5 the trier of fact that the existence of the fact is more probable than its  
6 nonexistence.

7 9. "Buyer in ordinary course of business":

8 (a) Means a person that buys goods in good faith, without knowledge  
9 that the sale violates the rights of another person in the goods, and in  
10 the ordinary course from a person, other than a pawnbroker, in the  
11 business of selling goods of that kind. A person buys goods in the  
12 ordinary course if the sale to the person comports with the usual or  
13 customary practices in the kind of business in which the seller is engaged  
14 or with the seller's own usual or customary practices. A person that  
15 sells oil, gas or other minerals at the wellhead or minehead is a person  
16 in the business of selling goods of that kind. A buyer in ordinary course  
17 of business may buy for cash, by exchange of other property or on secured  
18 or unsecured credit, and may acquire goods or documents of title under a  
19 preexisting contract for sale. Only a buyer that takes possession of the  
20 goods or has a right to recover the goods from the seller under chapter 2  
21 of this title may be a buyer in ordinary course of business. ~~Buyer in  
22 ordinary course of business~~

23 (b) Does not include a person that acquires goods in a transfer in  
24 bulk or as security for or in total or partial satisfaction of a money  
25 debt.

26 10. "Conspicuous", with reference to a term, means so written,  
27 displayed or presented that a reasonable person against which it is to  
28 operate ought to have noticed it. Whether a term is conspicuous or not is  
29 a decision for the court. Conspicuous terms include ANY OF the following:

30 (a) A heading in capitals equal to or greater in size than the  
31 surrounding text, or in contrasting type, font or color to the surrounding  
32 text of the same or lesser size. ~~; and~~

33 (b) Language in the body of a record or display in larger type than  
34 the surrounding text, or in contrasting type, font or color to the  
35 surrounding text of the same size, or set off from surrounding text of the  
36 same size by symbols or other marks that call attention to the language.

37 11. "Consumer" means an individual who enters into a transaction  
38 primarily for personal, family or household purposes.

39 12. "Contract", as distinguished from "agreement", means the total  
40 legal obligation that results from the parties' agreement as determined by  
41 this title as supplemented by any other applicable laws.

42 13. "Creditor" includes a general creditor, a secured creditor, a  
43 lien creditor and any representative of creditors, including an assignee  
44 for the benefit of creditors, a trustee in bankruptcy, a receiver in

1 equity and an executor or administrator of an insolvent debtor's or  
2 assignor's estate.

3 14. "Defendant" includes a person in the position of defendant in a  
4 counterclaim, cross-claim or third-party claim.

5 15. "Delivery", with respect to an electronic document of title,  
6 means voluntary transfer of control, and with respect to an instrument, a  
7 tangible document of title or chattel paper means voluntary transfer of  
8 possession.

9 16. "Document of title" means a record:

10 (a) That in the regular course of business or financing is treated  
11 as adequately evidencing that the person in possession or control of the  
12 record is entitled to receive, control, hold and dispose of the record and  
13 the goods the record covers; and

14 (b) That purports to be issued by or addressed to a bailee and to  
15 cover goods in the bailee's possession that are either identified or are  
16 fungible portions of an identified mass. The term includes a bill of  
17 lading, transport document, dock warrant, dock receipt, warehouse receipt  
18 and order for delivery of goods. An electronic document of title means a  
19 document of title evidenced by a record consisting of information stored  
20 in an electronic medium. A tangible document of title means a document of  
21 title evidenced by a record consisting of information that is inscribed on  
22 a tangible medium.

23 17. "Fault" means a default, breach or wrongful act or omission.

24 18. "Fungible goods" means:

25 (a) Goods of which any unit, by nature or usage of trade, is the  
26 equivalent of any other like unit; or

27 (b) Goods that by agreement are treated as equivalent.

28 19. "Genuine" means free of forgery or counterfeiting.

29 20. "Good faith" means honesty in fact in the conduct or  
30 transaction concerned.

31 21. "Holder" means:

32 (a) The person in possession of a negotiable instrument that is  
33 payable either to bearer or to an identified person that is the person in  
34 possession;

35 (b) The person in possession of a negotiable tangible document of  
36 title if the goods are deliverable either to bearer or to the order of the  
37 person in possession; or

38 (c) The person in control of a negotiable electronic document of  
39 title.

40 22. "Insolvency proceeding" includes an assignment for the benefit  
41 of creditors or other proceeding intended to liquidate or rehabilitate the  
42 estate of the person involved.

43 23. "Insolvent" means **ANY OF THE FOLLOWING:**

44 (a) Having generally ceased to pay debts in the ordinary course of  
45 business other than as a result of bona fide dispute. ;

- 1 (b) Being unable to pay debts as they become due. ~~;~~ ~~or~~  
2 (c) Being insolvent within the meaning of federal bankruptcy law.  
3 24. "Money":  
4 (a) Means a medium of exchange currently authorized or adopted by a  
5 domestic or foreign government. ~~The term~~  
6 (b) Includes a monetary unit of account established by an  
7 intergovernmental organization or by agreement between two or more  
8 countries.  
9 (c) DOES NOT INCLUDE FEDERALLY RECOGNIZED CENTRAL BANK DIGITAL  
10 CURRENCY.  
11 25. "Organization" means a person other than an individual.  
12 26. "Party", as distinguished from "third party", means a person  
13 that has engaged in a transaction or made an agreement subject to this  
14 title.  
15 27. "Person" means an individual, corporation, business trust,  
16 estate, trust, partnership, limited liability company, association, joint  
17 venture, government, governmental subdivision, agency or instrumentality,  
18 public corporation or any other legal or commercial entity.  
19 28. "Present value" means the amount as of a date certain of one or  
20 more sums payable in the future, discounted to the date certain by use of  
21 either an interest rate specified by the parties if that rate is not  
22 manifestly unreasonable at the time the transaction is entered into or, if  
23 an interest rate is not so specified, a commercially reasonable rate that  
24 takes into account the facts and circumstances at the time the transaction  
25 is entered into.  
26 29. "Purchase" means taking by sale, lease, discount, negotiation,  
27 mortgage, pledge, lien, security interest, issue or reissue, gift or any  
28 other voluntary transaction creating an interest in property.  
29 30. "Purchaser" means a person that takes by purchase.  
30 31. "Record" means information that is inscribed on a tangible  
31 medium or that is stored in an electronic or other medium and is  
32 retrievable in perceivable form.  
33 32. "Remedy" means any remedial right to which an aggrieved party  
34 is entitled with or without resort to a tribunal.  
35 33. "Representative" means a person empowered to act for another,  
36 including an agent, an officer of a corporation or association and a  
37 trustee, executor or administrator of an estate.  
38 34. "Right" includes remedy.  
39 35. "Security interest" means an interest in personal property or  
40 fixtures that secures payment or performance of an obligation. Security  
41 interest includes any interest of a consignor and a buyer of accounts,  
42 chattel paper, a payment intangible or a promissory note in a transaction  
43 that is subject to chapter 9 of this title. Security interest does not  
44 include the special property interest of a buyer of goods on  
45 identification of those goods to a contract for sale under section

1 47-2401, but a buyer may also acquire a security interest by complying  
2 with chapter 9 of this title. Except as otherwise provided in section  
3 47-2505, the right of a seller or lessor of goods under chapter 2 or 2A of  
4 this title to retain or acquire possession of the goods is not a security  
5 interest, but a seller or lessor may also acquire a security interest by  
6 complying with chapter 9 of this title. The retention or reservation of  
7 title by a seller of goods notwithstanding shipment or delivery to the  
8 buyer under section 47-2401 is limited in effect to a reservation of a  
9 security interest. Whether a transaction in the form of a lease creates a  
10 security interest is determined pursuant to section 47-1203.

11 36. "Send" in connection with a writing, record or notice means  
12 EITHER OF THE FOLLOWING:

13 (a) To deposit in the mail or deliver for transmission by any other  
14 usual means of communication with postage or cost of transmission provided  
15 for and properly addressed and, in the case of an instrument, to an  
16 address specified thereon or otherwise agreed, or if there is none to any  
17 address reasonable under the circumstances. ~~;~~ ~~OR~~

18 (b) In any other way to cause to be received any record or notice  
19 within the time it would have arrived if properly sent.

20 37. "Signed" includes using any symbol executed or adopted with  
21 present intention to adopt or accept a writing.

22 38. "State" means a state of the United States, the District of  
23 Columbia, Puerto Rico, the United States Virgin Islands or any territory  
24 or insular possession subject to the jurisdiction of the United States.

25 39. "Surety" includes a guarantor or other secondary obligor.

26 40. "Term" means a portion of an agreement that relates to a  
27 particular matter.

28 41. "Unauthorized signature":

29 (a) Means a signature made without actual, implied or apparent  
30 authority. ~~The term~~

31 (b) Includes a forgery.

32 42. "Warehouse receipt" means a document of title issued by a person  
33 engaged in the business of storing goods for hire.

34 43. "Writing" includes printing, typewriting or any other  
35 intentional reduction to tangible form. "Written" has a corresponding  
36 meaning.