

ARIZONA STATE SENATE

RESEARCH STAFF



TO: MEMBERS OF THE SENATE
GOVERNMENT COMMITTEE

ANNA NGUYEN
LEGISLATIVE RESEARCH ANALYST
GOVERNMENT COMMITTEE
Telephone: (602) 926-3171

DATE: February 19, 2025

SUBJECT: Strike everything amendment to S.B. 1111, relating to government

Purpose

Prescribes an outlined fee to be collected from any person that initiates a foreign wire transfer for deposit into the Arizona Deportations Fund (Deportations Fund) to provide grants to law enforcement agencies for each illegal immigrant apprehended and deported. Allows a tax credit in the amount paid by the taxpayer for a foreign wire transfer during the taxable year, up to the taxpayer's income tax liability.

Background

A person may not engage in the business of money transmission or advertise, solicit or hold itself out as providing money transmission unless the person is licensed with the Department of Insurance and Financial Institutions (DIFI). A money transmitter license is required for any entity that sells or issues payment instruments, receives money for transmission, exchanges payment instruments, or receives money for obligors for the purpose of paying bills, invoices or accounts ([A.R.S. § 6-1207](#); [DIFI](#)).

Within 30 days after any transaction or series or pattern of transactions that is conducted or attempted by, at or through a business and that involves or aggregates \$5,000 or more in funds or assets, each person licensed to engage in the business of money transmission (licensee) must file a prescribed form with the Attorney General's Office. The prescribed form must report of a transaction or series of pattern of transactions if the licensee knows, suspects or has reason to suspect that the activity: 1) involves funds that are derived from illegal activities or is intended or conducted to hide or disguise funds or assets that derive from illegal activities; or 2) has no business or apparent lawful purpose or is not the sort of activity the particular customer would normally be expected to engage in ([A.R.S. § 6-1242](#)).

If establishing a tax credit for the amount of fees paid for foreign money transmissions results in a change to individual income tax collections, there may be a fiscal impact to the state General Fund.

Provisions

Foreign Wire Transmission Fee

1. Requires a licensee to charge a fee from any person that initiates a foreign wire transmission of money.
2. Sets the amount of the assessment for a foreign wire transmission of money as:
 - a) \$25, for each foreign wire transmission transaction that is less than \$500; or

- b) \$25, plus five percent of the amount that is more than \$500 for each foreign wire transmission that is \$500 or more.
3. Requires a licensee to pay the fees to the Arizona Department of Revenue (ADOR) at the same time the licensee pays the transaction privilege tax.
4. Deems that, if the licensee for any reason does not pay transaction privilege tax, the fee is due and payable to ADOR and delinquent if not paid.
5. Requires ADOR to separately account for monies paid as part of the fee and deposit the net revenues in the Deportations Fund.
6. Establishes an individual income tax credit allowed against an individual's income tax liability for the amount of fees paid by a taxpayer for foreign wire transmissions of money during the taxable year.
7. Caps the amount of the tax credit at the taxpayer's income tax liability.

Deportations Fund

8. Establishes the Deportations Fund consisting of monies from the fee charged to any person that initiates a foreign wire transmission of money by a licensee.
9. Requires the State Treasurer to administer the Deportations Fund.
10. Allows monies in the Deportations Fund to be used to provide grants to law enforcement agencies in Arizona for compensating law enforcement officers for direct involvement in apprehending an illegal immigrant.
11. Requires a law enforcement agency that receives a grant from the Deportations Fund, upon confirmation from the U.S. Immigration and Customs Enforcement or other federal agency that the apprehended illegal immigrant was deported, to compensate law enforcement officers who have direct involvement in apprehending an illegal immigrant.
12. Sets the compensation amount as \$2,500 for each illegal immigrant who is apprehended and deported.
13. Requires the law enforcement agency to equally divide the grant amount among the law enforcement officers who had direct involvement in apprehending the illegal immigrant.
14. Stipulates that monies in the Deportations Fund are subject to legislative appropriations.
15. Exempts appropriations to the Deportations Fund from lapsing

Miscellaneous

STRIKER MEMO

S.B. 1111

Page 3

16. Defines *licensee* and *law enforcement officer*.
17. Contains a purpose statement.
18. Becomes effective on the general effective date.