PREFILED DEC 19 2025

REFERENCE TITLE: state agencies; payments; cryptocurrency

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1043

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)

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

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

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

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

B. THE AGREEMENT SHALL:

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

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

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

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

E. A PERSON THAT PAYS WITH CRYPTOCURRENCY IS LIABLE FOR THE PAYMENT AND ALL INTEREST AND PENALTIES UNTIL THE STATE AGENCY HAS RECEIVED FINAL AND UNCONDITIONAL PAYMENT OF THE FULL AMOUNT DUE FROM THE CRYPTOCURRENCY SERVICE PROVIDER FOR THE CRYPTOCURRENCY TRANSACTION.

F. FOR THE PURPOSES OF THIS SECTION:

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

2. "CRYPTOCURRENCY SERVICE PROVIDER" MEANS A PERSON OR ENTITY WITH DEMONSTRATED EXPERIENCE CONVERTING ANY FORM OF CRYPTOCURRENCY, INCLUDING BITCOIN, ETHEREUM, LITECOIN AND BITCOIN CASH, TO LEGAL TENDER.

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

42-5018. Method of payment

A. All remittances of taxes imposed by this article shall be made by bank draft, check, cashier's check, money order, cash or electronic funds transfer to the department, which shall issue receipts therefor to the taxpayers, but no remittance other than cash shall be final discharge of liability for the tax levied by this article until it has been paid in cash to the department.

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

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

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

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

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

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

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

Sec. 4. Effective date

This act is effective from and after December 31, 2026.