

Senate Engrossed

State of Arizona  
Senate  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 41

**SENATE BILL 1069**

AN ACT

AMENDING SECTIONS 11-644 AND 33-1476.03, ARIZONA REVISED STATUTES; AMENDING SECTION 42-18118, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 18, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-18121.01; AMENDING SECTIONS 42-18124 AND 42-18201, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 18, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-18208; AMENDING SECTIONS 42-18352 AND 42-19108, ARIZONA REVISED STATUTES; RELATING TO COUNTY TREASURERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



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

2 Section 1. Section 11-644, Arizona Revised Statutes, is amended to  
3 read:

4 11-644. Failure to present county check or warrant for payment

5 A. A check that is drawn by the county treasurer in the treasurer's  
6 official capacity or a warrant that is drawn on the county general fund and  
7 that is not presented for payment within one year after the date of issuance  
8 is void, is deemed to have been paid and is not subject to section 44-302. A  
9 CHECK OR WARRANT THAT IS NOT PRESENTED FOR PAYMENT WITHIN ONE YEAR HAS NO  
10 FURTHER FORCE OR EFFECT AND ANY MONIES SHALL BE TRANSFERRED OR REVERT TO THE  
11 FUND ON WHICH THE CHECK OR WARRANT WAS DRAWN.

12 ~~B. The entity drawing the check or warrant shall:~~

13 ~~1. Notify the payee that the check or warrant is void. If the check~~  
14 ~~is for less than fifty dollars, the notice shall be given by first class~~  
15 ~~mail. If the check is for fifty dollars or more, the notice shall be given~~  
16 ~~by certified mail.~~

17 ~~2. Deposit the monies in the county general fund or other appropriate~~  
18 ~~fund.~~

19 ~~C. At any time within one year after an unrepresented check or warrant~~  
20 ~~has been voided as provided in subsection A, the person in whose favor the~~  
21 ~~check or warrant was drawn, or the person's personal representative,~~  
22 ~~successors or assignees, may present a claim for the amount of the check or~~  
23 ~~warrant to the board of supervisors. If the board finds that the claim is~~  
24 ~~legitimate and that there is good and sufficient reason for failure to~~  
25 ~~present the original check or warrant, the board may allow the claim and~~  
26 ~~order it to be paid from the county general fund or other appropriate fund.~~

27 Sec. 2. Section 33-1476.03, Arizona Revised Statutes, is amended to  
28 read:

29 33-1476.03. Assessments for mobile home relocation fund; waiver

30 A. IN ORDER TO PROVIDE MONIES FOR THE MOBILE HOME RELOCATION FUND,  
31 each owner of a mobile home who does not own the land upon which the mobile  
32 home is located shall pay each year to the state an assessment equal to a  
33 rate of fifty cents per one hundred dollars of the taxable assessed  
34 valuation, derived by applying the applicable percentage specified in title  
35 42, chapter 15, article 1 to the limited property value, for each mobile home  
36 the person owns, ~~for the purpose of providing monies for the mobile home~~  
37 ~~relocation fund. The county treasurer shall collect the assessment imposed~~  
38 ~~by this subsection at the same time and in the same manner as unsecured~~  
39 ~~personal property taxes. , THE COUNTY TREASURER SHALL separately listed LIST~~  
40 ~~THE ASSESSMENT on the tax roll, AND shall transfer the revenues collected~~  
41 ~~to the state treasurer for deposit in the mobile home relocation fund. and~~  
42 ~~THE COUNTY TREASURER shall send to the state treasurer a written notice of~~  
43 ~~the total taxable assessed valuation, derived by applying the applicable~~  
44 ~~percentage specified in title 42, chapter 15, article 1 to the limited~~  
45 ~~property value, of all mobile homes in the county on which the assessment~~

1 prescribed by this section is assessed. The assessment constitutes a lien  
2 on the mobile home.

3 B. The director shall notify all county assessors to waive the  
4 assessment for any year if the monies in the fund exceed four million  
5 dollars. THE DIRECTOR SHALL SEND A COPY OF THE NOTICE TO THE COUNTY  
6 TREASURERS.

7 C. If at the end of a fiscal year the amount of monies in the  
8 relocation fund is less than two million five hundred thousand dollars, the  
9 director may NOTIFY THE COUNTY ASSESSORS TO reinstate the assessment  
10 prescribed by this section. IF THE DIRECTOR NOTIFIES THE COUNTY ASSESSORS,  
11 THE DIRECTOR SHALL SEND A COPY OF THE NOTICE TO THE COUNTY TREASURERS.

12 Sec. 3. Section 42-18118, Arizona Revised Statutes, is amended to  
13 read:

14 42-18118. Certificate of purchase or registered certificate;  
15 form; assignment; fee

16 A. The county treasurer shall make, execute and deliver a certificate  
17 of purchase to each purchaser at the sale for delinquent taxes or to each  
18 assignee. The treasurer may provide for a registered certificate in the  
19 treasurer's records in lieu of delivering a physical certificate.

20 B. The certificate of purchase or registered certificate shall:

21 1. Describe the real property on which a tax lien is sold as it is  
22 described in the record of tax lien sales.

23 2. Recite the date of the sale.

24 3. State the name of the purchaser.

25 4. Recite the tax year or years for which the tax lien was sold.

26 5. Recite the amount of all taxes, interest, penalties and charges for  
27 which the tax lien was sold and the rate of interest payable in order to  
28 redeem.

29 C. The certificate of purchase, whether registered or paper or whether  
30 issued to this state or to a person, is assignable by endorsement OR AS  
31 PROVIDED BY SECTION 42-18121.01. An assignment, when noted on the record of  
32 tax lien sales in the office of the county treasurer vests in the assignee  
33 all the right and title of the original purchaser.

34 D. The county treasurer shall collect from the purchaser or assignee  
35 a fee of ten dollars for each certificate.

36 Sec. 4. Title 42, chapter 18, article 3, Arizona Revised Statutes, is  
37 amended by adding section 42-18121.01, to read:

38 42-18121.01. Subsequent purchaser; assignment

39 A. IF A PERSON WHO HOLDS A CERTIFICATE OF PURCHASE DOES NOT EXERCISE  
40 THE OPTION TO PAY SUBSEQUENT TAXES, ACCRUED INTEREST AND RELATED FEES DUE ON  
41 THE PROPERTY PURSUANT TO SECTION 42-18121, THE COUNTY TREASURER MAY REQUIRE  
42 A PERSON WHO DESIRES TO PURCHASE A SUBSEQUENT CERTIFICATE OF PURCHASE ON THE  
43 PROPERTY TO ACQUIRE BY ASSIGNMENT ALL CURRENTLY OUTSTANDING CERTIFICATES OF  
44 PURCHASE PREVIOUSLY ISSUED ON THE PROPERTY. THE COUNTY TREASURER SHALL

1 PROCESS THE SALE AS AN ASSIGNMENT ON BEHALF OF THE PREVIOUS HOLDER OF THE  
2 CERTIFICATE OF PURCHASE.

3 B. AN ASSIGNMENT MADE PURSUANT TO THIS SECTION VESTS IN THE PERSON ALL  
4 THE RIGHT AND TITLE OF THE ORIGINAL PURCHASER WITH THE LIEN DATE EFFECTIVE  
5 FROM THE ORIGINAL LIEN SALE DATE.

6 Sec. 5. Section 42-18124, Arizona Revised Statutes, is amended to  
7 read:

8 42-18124. Compromising taxes, interest and penalties; omission  
9 of tax or fund from action for collection

10 A. If it appears to the board of supervisors that any property is not  
11 worth the amount of taxes, interest, costs and penalties due or that the tax  
12 lien on the property would not sell for that amount, the board may compromise  
13 the taxes, interest and penalties with the owner OR WITH THE HOLDER OF A  
14 CERTIFICATE OF PURCHASE THAT WAS ISSUED PURSUANT TO SECTION 42-18118.

15 B. On payment to the county treasurer of the amount agreed on the  
16 treasurer shall:

17 1. Issue a certificate of redemption releasing the property from the  
18 tax lien.

19 2. Distribute the monies paid to the various funds to which the taxes  
20 are due in the proportion the amount received bears to the whole amount  
21 charged against the property for the current tax year.

22 C. The board may:

23 1. Order that no action be brought on any specified property if in its  
24 judgment the property is not worth or will not bring an amount equal to the  
25 taxes, interest and costs.

26 2. Direct that any tax or fund, the validity of which is being  
27 contested in the courts, be omitted from any action brought under this  
28 article. The judgment rendered in an action in which the tax is omitted does  
29 not bar or affect a subsequent action for the tax so omitted.

30 3. CONDITION THE RELIEF UNDER THIS SECTION BY REQUIRING THE HOLDER OF  
31 A CERTIFICATE OF PURCHASE TO COMPLETE A JUDICIAL FORECLOSURE UNDER ARTICLE  
32 5 OF THIS CHAPTER.

33 D. If the board of supervisors determines that property described in  
34 subsection A of this section is also substantially contaminated with  
35 hazardous substances or petroleum, the board may reduce the lien for the  
36 delinquent taxes, interest, costs and penalties as follows:

37 1. The delinquent taxes, interest, costs and penalties may be reduced  
38 in an amount not to exceed the actual expenses to mitigate conditions at the  
39 property for:

40 (a) Removal actions as defined by 42 United States Code section  
41 ~~9601(23)~~ 9601.

42 (b) Preparation and implementation of a remedial investigation and  
43 feasibility study pursuant to section 49-287.03.

44 (c) Preparation and implementation of a remedial action plan pursuant  
45 to section 49-287.04.

1 (d) Preparation and implementation of an agreement for work pursuant  
2 to section 49-282.05.

3 (e) Preparation and implementation of a corrective action plan  
4 pursuant to section 49-1005.

5 (f) Preparation and implementation of a work plan approved pursuant  
6 to section 49-177.

7 2. For property acquired after December 31, 2001, the expenses must  
8 have been incurred by or on behalf of the property owner within five years  
9 after acquiring title to the property.

10 3. For property acquired on or before December 31, 2001, the expenses  
11 must be incurred by or on behalf of the property owner on or before December  
12 31, 2006.

13 4. Only expenses that are reasonable and necessary to remediate  
14 contamination at the property may be considered for purposes of this section.

15 5. Expenses that were inconsistent with or in violation of  
16 requirements imposed by the department of environmental quality may not be  
17 used to reduce taxes, interest, costs and penalties under this section.

18 6. A person that is a responsible party pursuant to section 49-283,  
19 or that person's partner, officer, employee or relative, is not eligible to  
20 redeem the property from the reduced tax lien. For the purposes of this  
21 paragraph, "relative" means:

22 (a) Spouse.

23 (b) Parent or ancestor of a parent.

24 (c) Child or descendant of a child.

25 (d) Sibling.

26 (e) Cousin, aunt, uncle, niece or nephew of the first degree.

27 (f) The spouse of a relative listed in subdivisions (b) through (e).

28 (g) A relative listed in subdivisions (b) through (e) by the  
29 half-blood or by adoption.

30 7. A person seeking a reduction under this subsection shall submit TO  
31 THE BOARD OF SUPERVISORS an affidavit attesting that:

32 (a) The expenses were reasonable and necessary to address  
33 contamination at the property.

34 (b) The person is not a responsible party pursuant to section 49-283  
35 or a relative as described in this section.

36 8. The county treasurer shall apply the reduction in delinquent taxes,  
37 interest, costs and penalties pro rata among the jurisdictions imposing the  
38 taxes on the property and shall note the reduction in the delinquent tax  
39 record under section 42-18102.

40 E. Subsection D of this section does not affect the personal liability  
41 of a property owner for acts or omissions that caused or contributed to the  
42 contamination.

1           Sec. 6. Section 42-18201, Arizona Revised Statutes, is amended to  
2 read:

3           42-18201. Action to foreclose right to redeem; applicability

4           A. At any time beginning three years after the sale of a tax lien but  
5 not later than ten years after the last day of the month in which the lien  
6 was acquired pursuant to section 42-18114, if the lien is not redeemed, the  
7 purchaser or the purchaser's heirs or assigns, or the state if it is the  
8 assignee, may bring an action ~~in superior court in the county in which the~~  
9 ~~real property is located~~ to foreclose the right to redeem. THE ACTION TO  
10 FORECLOSE THE RIGHT TO REDEEM SHALL BE FILED IN THE SUPERIOR COURT IN THE  
11 COUNTY IN WHICH THE REAL PROPERTY IS LOCATED. If any applicable law or court  
12 order prohibits bringing an action to foreclose the right to redeem, the  
13 limitation provided herein shall be extended twelve months following the  
14 termination of such prohibition.

15           B. This section applies to liens purchased from and after the  
16 effective date of this act AUGUST 22, 2002.

17           Sec. 7. Title 42, chapter 18, article 5, Arizona Revised Statutes, is  
18 amended by adding section 42-18208, to read:

19           42-18208. Expiration of lien and certificate; notice

20           A. IF A TAX LIEN THAT WAS PURCHASED ON OR BEFORE AUGUST 31, 2002 IS  
21 NOT REDEEMED AND THE PURCHASER OR THE PURCHASER'S HEIRS OR ASSIGNS FAIL TO  
22 COMMENCE AN ACTION TO FORECLOSE THE RIGHT OF REDEMPTION ON OR BEFORE TEN  
23 YEARS FROM THE DATE THAT THE LIEN WAS PURCHASED, THE CERTIFICATE OF PURCHASE  
24 OR REGISTERED CERTIFICATE EXPIRES AND THE LIEN IS VOID.

25           B. AT LEAST SIX MONTHS BEFORE THE CERTIFICATE OF PURCHASE OR  
26 REGISTERED CERTIFICATE EXPIRES, THE COUNTY TREASURER SHALL:

27           1. NOTIFY EACH PURCHASER BY CERTIFIED MAIL OF THE PENDING EXPIRATION.

28           2. POST THE NAMES OF PURCHASERS WHO HOLD LIENS THAT ARE SUBJECT TO  
29 PENDING EXPIRATION:

30           (a) NEAR THE OUTER DOOR OF THE OFFICE OF THE COUNTY TREASURER.

31           (b) ON THE COUNTY TREASURER'S WEB SITE.

32           3. PUBLISH THE NAMES OF PURCHASERS WHO HOLD LIENS THAT ARE SUBJECT TO  
33 PENDING EXPIRATION AT LEAST ONE TIME IN A NEWSPAPER OF GENERAL CIRCULATION  
34 IN THE COUNTY.

35           C. SUBSECTION A DOES NOT APPLY IF, AT THE TIME OF EXPIRATION, THE  
36 PARCEL FOR WHICH THE TAX LIEN WAS PURCHASED IS SUBJECT TO A JUDICIAL  
37 PROCEEDING.

38           Sec. 8. Section 42-18352, Arizona Revised Statutes, is amended to  
39 read:

40           42-18352. Determining existence of circumstances for abating  
41 tax and removing lien; action to recover illegally  
42 collected tax

43           A. The county treasurer may, on the treasurer's own motion, and shall  
44 on the application of a property owner OR A HOLDER OF A CERTIFICATE OF  
45 PURCHASE THAT WAS ISSUED PURSUANT TO SECTION 42-18118, determine the

1 existence, in any prior year or years, with respect to real property located  
2 in the county, of any of the situations described in section 42-18351.

3 B. If proceeding on the treasurer's own motion under this section, the  
4 county treasurer shall conduct an investigation that the treasurer considers  
5 to be necessary to determine the existence or nonexistence of any of the  
6 situations described in section 42-18351.

7 C. If a property owner OR HOLDER OF A CERTIFICATE OF PURCHASE applies  
8 under this section, the property owner OR HOLDER OF A CERTIFICATE OF PURCHASE  
9 shall submit to the county treasurer sufficient evidence to permit the county  
10 treasurer to determine the existence or nonexistence of one of the situations  
11 described in section 42-18351.

12 D. If the county treasurer determines that any of the situations  
13 described in section 42-18351 exists in a prior year or years, the treasurer  
14 shall grant appropriate relief, subject to the approval of the board of  
15 supervisors and the department. The relief may include removing all or part  
16 of the lien or abating all or part of the tax.

17 E. A property owner who is aggrieved by an adverse determination on  
18 an application pursuant to this section and who pays the tax may maintain an  
19 action to recover the tax alleged to be illegally collected. If the tax due  
20 is determined to be less than the amount paid, the excess shall be refunded  
21 in the manner provided by this title.

22 Sec. 9. Section 42-19108, Arizona Revised Statutes, is amended to  
23 read:

24 42-19108. Issuance of tax bill

25 A. After personal property tax becomes delinquent, the county  
26 treasurer shall make and deliver to the sheriff a tax bill directing the  
27 sheriff to seize and sell as much of the personal property as is necessary  
28 to pay the taxes, interest and costs of seizure and sale. The treasurer:

29 1. May issue the tax bill within thirty days after the first  
30 installment authorized by section 42-18052 becomes delinquent.

31 2. Shall issue the tax bill within thirty days after the second  
32 installment becomes delinquent or after the entire amount is delinquent under  
33 section 42-18052, subsection C.

34 B. The tax bill shall MAY be in the following form:

35 Tax bill  
36 \_\_\_\_\_ county, Arizona

37 In the matter of the delinquent  
38 personal property tax assessed  
39 against \_\_\_\_\_.

40 To the sheriff of \_\_\_\_\_ county, Arizona:  
41 You are commanded to seize and sell the following personal  
42 property:



1  
2  
3  
4  
5  
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9  
10  
11  
12

(Description)

Or as much of it as is necessary to pay the amount of \$\_\_\_\_\_, constituting delinquent taxes assessed against the property, plus \_\_\_% interest on that amount from (Date), as prescribed by law, and the cost of sale.

This tax bill is your warrant of authority to seize the property, make the sale and make and deliver a bill of sale to the purchaser of the property. You are authorized to seize and sell the property in any county where the property may be found.

\_\_\_\_\_  
County treasurer  
(Date)

APPROVED BY THE GOVERNOR APRIL 7, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 7, 2003.



Passed the House April 1, 2003

by the following vote: 56 Ayes,

3 Nays, 1 Not Voting

Jake Elabe  
Speaker of the House  
Norman L. Fyore  
Chief Clerk of the House

Passed the Senate February 26, 2003

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

Ken Bennett  
President of the Senate  
Charmine Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

2 day of April, 2003

at 12:30 o'clock P M.

Landra Ramirez  
Secretary to the Governor

Approved this 7 day of

April, 2003,

at 2:15 o'clock P M.

Jan Noyes  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 7 day of April, 2003,

at 4:27 o'clock P M.

Janice K. Brewer  
Secretary of State

S.B. 1069