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House Engrossed Senate Bill

State of Arizona
Senate
Forty-fifth Legislature
Second Regular Session
2002

SENATE BILL 1041

AN ACT

AMENDING SECTIONS 11-644, 28-5808, 42-15053 AND 42-18061, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 18, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-18127; AMENDING SECTIONS 42-18155, 42-18201 AND 42-18202, ARIZONA REVISED STATUTES; RELATING TO COUNTY TREASURERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1

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 notice; claim

6 A. A check that is drawn by the county treasurer in the treasurer's
7 official capacity or a warrant that is drawn on the county general fund and
8 that is not presented for payment within one year after the date of issuance
9 is void, ~~and~~ is deemed to have been paid **AND IS NOT SUBJECT TO SECTION**
10 **44-302.**

11 B. The entity drawing the check or warrant shall:

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

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

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

27 Sec. 2. Section 28-5808, Arizona Revised Statutes, is amended to read:

28 28-5808. Vehicle license tax distribution

29 A. The director shall distribute monies collected by the director
30 pursuant to section 28-5801, except monies deposited in the state general
31 fund, on the first and fifteenth calendar day of each month as follows:

32 1. On the first calendar day, the director shall deposit, pursuant to
33 sections 35-146 and 35-147, all of the Arizona highway user revenue fund
34 monies received from the first to the fifteenth calendar day of the preceding
35 month to the Arizona highway user revenue fund.

36 2. On the fifteenth calendar day, the director shall deposit, pursuant
37 to sections 35-146 and 35-147, all of the Arizona highway user revenue fund
38 monies received from the sixteenth through the last day of the preceding
39 month in the Arizona highway user revenue fund and distribute or deposit all
40 other monies received during the entire preceding month as follows:

41 (a) The county general fund monies to the county general fund.

42 (b) The county highway monies to the state treasurer to be apportioned
43 among the counties for the same use as highway user revenue fund monies on
44 the basis that the population of the unincorporated area of each county bears

1 to the population of the unincorporated areas of all counties in this state
2 as shown by the most recent United States decennial census.

3 (c) The incorporated cities and towns monies to the ~~county treasurer~~
4 ~~to be distributed to the~~ incorporated cities and towns of the county
5 ~~apportioned~~ in proportion to the population of each as shown by the most
6 recent United States census.

7 B. The director shall distribute monies collected by the director
8 pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810, except monies
9 deposited in the state general fund, on the first and fifteenth calendar day
10 of each month as follows:

11 1. On the first calendar day, the director shall deposit, pursuant to
12 sections 35-146 and 35-147, 37.61 per cent of all monies received from the
13 first through the fifteenth calendar day of the preceding month in the
14 highway user revenue fund.

15 2. On the fifteenth calendar day, the director shall deposit, pursuant
16 to sections 35-146 and 35-147, 37.61 per cent of all monies received from the
17 sixteenth through the last day of the preceding month in the highway user
18 revenue fund and distribute or deposit the following amounts as a percentage
19 of all monies received pursuant to sections 28-5804, 28-5805, 28-5806 and
20 28-5810 during the entire preceding month as follows:

21 (a) 20.45 per cent to the county general fund.

22 (b) 4.91 per cent to the state treasurer to be apportioned among the
23 counties for the same use as highway user revenue fund monies on the basis
24 that the population of the unincorporated area of each county bears to the
25 population of the unincorporated areas of all counties in this state as shown
26 by the most recent United States decennial census.

27 (c) 20.45 per cent to the ~~county treasurer to be distributed to the~~
28 incorporated cities and towns of the county ~~apportioned~~ in proportion to the
29 population of each as shown by the most recent United States census.

30 (d) Except as provided in subsection C of this section, 1.64 per cent
31 shall be deposited, pursuant to sections 35-146 and 35-147, in the state
32 highway fund established by section 28-6991.

33 (e) 4.09 per cent in the state highway fund established by section
34 28-6991.

35 (f) 10.85 per cent shall be deposited, pursuant to sections 35-146 and
36 35-147, in the state general fund to aid school financial assistance.

37 C. Through September 30, 2003, if the department's authorized share of
38 federal surface transportation program monies in each year is more than
39 forty-two million dollars, the director shall deposit each year in equal
40 installments during the year an annual amount equal to the difference between
41 this state's authorized share of federal surface transportation program
42 monies and forty-two million dollars from the amount prescribed in subsection
43 B, paragraph 2, subdivision (d) of this section in the local transportation
44 assistance fund established by section 28-8101. Monies deposited in the
45 local transportation assistance fund pursuant to this subsection shall be

1 distributed to eligible cities, towns and counties as provided in section
2 28-8103. The amount distributed pursuant to this subsection shall not exceed
3 the amount prescribed in subsection B, paragraph 2, subdivision (d) of this
4 section.

5 D. If an incorporated city or town has had no federal enumeration, the
6 supervisors shall both:

7 1. Appoint a qualified person to take an accurate census of the
8 incorporated city or town.

9 2. Certify the results to the county treasurer, and the incorporated
10 city or town shall share in the distribution as provided by this section.

11 Sec. 3. Section 42-15053, Arizona Revised Statutes, is amended to
12 read:

13 42-15053. Duty to report personal property; confidentiality

14 A. On or before February 1 of each year, the assessor shall mail a
15 form, notice or demand to each person who owns or has charge or control of
16 taxable personal property in the state. Each person shall prepare and
17 deliver to the assessor a correct report of property on or before April 1 of
18 each year, except for property that is not required to be reported as
19 provided by subsection C of this section. On written request and for good
20 cause shown, the assessor may extend for up to thirty days the time for
21 filing the report.

22 B. The duty to report taxable property pursuant to this section
23 applies regardless of whether the person or entity that owns or has charge or
24 control of the personal property also owns real property in the county with a
25 value of two hundred dollars or more.

26 C. The assessor shall not require a report of:

27 1. The breed, number, age or location of livestock on hand from
28 individuals, corporations, partnerships or any other business if the
29 livestock is exempt from taxation pursuant to article IX, section 13,
30 Constitution of Arizona.

31 2. The personal property that is class four property used for
32 agricultural purposes or that is class three property used in a trade or
33 business that is exempt from taxation pursuant to article IX, section 2,
34 subsection (6), Constitution of Arizona.

35 D. Every assessment made against property subject to taxation is valid
36 whether or not the form, notice or demand was sent or received.

37 E. The department shall prescribe in detail the contents of property
38 reports including the specific wording to be used by county assessors and the
39 method of reporting property. The report shall not include any question that
40 is not germane to the valuation function.

41 F. A report that is furnished under this section:

42 1. Is not open to public inspection, but the report may be used as
43 evidence in any prosecution brought under section 42-15055.

1 2. May be subject to audit. On completing an audit or on discovering
2 property that has not been reported, any property that was found to have
3 escaped taxation is liable for the amount of taxes due determined under
4 chapter 16, article 6 of this title, plus a penalty equal to ten per cent of
5 that amount. ~~THE COUNTY TREASURER SHALL CREDIT MONIES RECEIVED AS PENALTIES~~
6 ~~UNDER THIS PARAGRAPH TO THE COUNTY GENERAL FUND.~~

7 Sec. 4. Section 42-18061, Arizona Revised Statutes, is amended to
8 read:

9 42-18061. Refund of overpayment due to change in tax roll;
10 reversion of unclaimed refund

11 A. If a change is made in the tax roll pursuant to law, the county
12 treasurer shall refund any taxes that have been overpaid as a result of the
13 change as follows:

14 1. If monies are available, the county treasurer shall pay the refunds
15 out of those monies in the current year.

16 2. If monies are not available, the board of supervisors shall budget
17 for the refund in the next fiscal year.

18 3. The county treasurer is entitled to credit for the refunds in the
19 next accounting after the repayment with each of the political subdivisions
20 and this state to which the overpayment of tax was distributed.

21 4. The state and any affected political subdivision shall include in
22 their budgets for the fiscal year the proportional amount of the refund for
23 which each is liable.

24 B. If a refund that is authorized by this section is unpaid and
25 unclaimed two years after the ~~original due date of the tax~~ FISCAL YEAR IN
26 WHICH IT WAS BUDGETED, the monies that were budgeted for the refund revert to
27 the ~~county general~~ APPROPRIATE fund OF THE POLITICAL SUBDIVISION THAT LEVIED
28 THE TAX.

29 Sec. 5. Title 42, chapter 18, article 3, Arizona Revised Statutes, is
30 amended by adding section 42-18127, to read:

31 42-18127. Expiration of lien and certificate; notice;
32 applicability

33 A. IF THE TAX LIEN IS NOT REDEEMED AND THE PURCHASER OR THE
34 PURCHASER'S HEIRS OR ASSIGNS FAIL TO COMMENCE AN ACTION TO FORECLOSE THE
35 RIGHT OF REDEMPTION AS PROVIDED BY THIS CHAPTER WITHIN TEN YEARS AFTER THE
36 LAST DAY OF THE MONTH IN WHICH THE LIEN WAS ACQUIRED PURSUANT TO SECTION
37 42-18114, THE CERTIFICATE OF PURCHASE OR REGISTERED CERTIFICATE EXPIRES AND
38 THE LIEN IS VOID.

39 B. AT LEAST THIRTY BUT NOT MORE THAN SIXTY DAYS BEFORE THE EXPIRATION
40 DATE, THE TREASURER SHALL NOTIFY THE PURCHASER BY CERTIFIED MAIL OF THE
41 PENDING EXPIRATION. WITHIN SEVEN DAYS AFTER EXPIRATION, THE TREASURER SHALL
42 NOTIFY THE PURCHASER BY CERTIFIED MAIL THAT THE LIEN AND CERTIFICATE OF
43 PURCHASE OR REGISTERED CERTIFICATE HAVE EXPIRED.

44 C. THIS SECTION APPLIES TO LIENS PURCHASED FROM AND AFTER THE
45 EFFECTIVE DATE OF THIS ACT.

1 D. THIS SECTION DOES NOT APPLY IF, AT THE TIME OF EXPIRATION:
2 1. THE PARCEL FOR WHICH THE LIEN WAS PURCHASED IS SUBJECT TO A
3 JUDICIAL PROCEEDING OR A THIRTY DAY NOTICE PURSUANT TO SECTION 42-18202.
4 2. OTHER APPLICABLE LAW OR COURT ORDER PROHIBITS THE COMMENCEMENT OF
5 AN ACTION TO FORECLOSE THE RIGHT TO REDEEM. THE EXPIRATION DATE OF THE TAX
6 LIEN SHALL BE EXTENDED TO TWELVE MONTHS FOLLOWING THE TERMINATION OF SUCH
7 PROHIBITION.

8 Sec. 6. Section 42-18155, Arizona Revised Statutes, is amended to
9 read:

10 42-18155. Payment of redemption money to holder of certificate
11 of purchase or registered certificate

12 A. On demand of any person who is entitled to redemption money held by
13 the county treasurer, the treasurer shall pay the money to that person on the
14 surrender of the certificate of purchase OR ON THE REDEMPTION OF THE
15 REGISTERED CERTIFICATE for the redeemed tax lien.

16 B. If only a portion of the tax lien on the property described in the
17 certificate of purchase OR THE REGISTERED CERTIFICATE has been redeemed, the
18 treasurer shall endorse on the certificate OR ANNOTATE THE RECORD OF THE
19 REGISTERED CERTIFICATE the portion redeemed and the amount of money paid to
20 the person holding the certificate and shall take a receipt for the money
21 paid.

22 Sec. 7. Section 42-18201, Arizona Revised Statutes, is amended to
23 read:

24 42-18201. Action to foreclose right to redeem

25 A. At any time beginning three years after the sale of a tax lien BUT
26 NOT LATER THAN TEN YEARS AFTER THE LAST DAY OF THE MONTH IN WHICH THE LIEN
27 WAS ACQUIRED PURSUANT TO SECTION 42-18114, if the lien is not redeemed, the
28 purchaser or the purchaser's heirs or assigns, or the state if it is the
29 assignee, may bring an action in superior court in the county in which the
30 real property is located to foreclose the right to redeem. IF ANY APPLICABLE
31 LAW OR COURT ORDER PROHIBITS BRINGING AN ACTION TO FORECLOSE THE RIGHT TO
32 REDEEM, THE LIMITATION PROVIDED HEREIN SHALL BE EXTENDED TWELVE MONTHS
33 FOLLOWING THE TERMINATION OF SUCH PROHIBITION.

34 B. THIS SECTION APPLIES TO LIENS PURCHASED FROM AND AFTER THE
35 EFFECTIVE DATE OF THIS ACT.

36 Sec. 8. Section 42-18202, Arizona Revised Statutes, is amended to
37 read:

38 42-18202. Notice

39 A. At least thirty days before filing an action to foreclose the right
40 to redeem under this article, BUT NOT MORE THAN ONE HUNDRED EIGHTY DAYS
41 BEFORE SUCH AN ACTION MAY BE COMMENCED UNDER SECTION 42-18101 the purchaser
42 shall send notice of intent to file the foreclosure action by certified mail
43 to:

1 1. The property owner of record according to the records of the county
2 recorder in the county in which the property is located or to all of the
3 following:

4 (a) The property owner according to the records of the county assessor
5 in the county in which the property is located as determined by section
6 42-13051.

7 (b) The situs address of the property, if shown on the tax roll and if
8 different from the owner's address under subdivision (a).

9 (c) The tax bill mailing address according to the records of the
10 county treasurer in the county in which the property is located, if that
11 address is different from the addresses under subdivisions (a) and (b).

12 2. The treasurer of the county in which the real property is located.

13 B. The notice shall include:

14 1. The property owner's name.

15 2. The real property tax parcel identification number.

16 3. The legal description of the real property.

17 4. The certificate of purchase number.

18 5. The proposed date of filing the action.

19 Sec. 9. Vehicle license tax monies; Pinal county distribution

20 Notwithstanding section 28-5808, subsection A, paragraph 2, subdivision
21 (c) and subsection B, paragraph 2, subdivision (c), Arizona Revised Statutes,
22 as amended by this act, the director of the department of transportation
23 shall distribute vehicle license tax monies collected pursuant to section
24 28-5801, Arizona Revised Statutes, to the Pinal county treasurer for the
25 incorporated cities and towns in Pinal county. The Pinal county treasurer
26 shall distribute the monies to the incorporated cities and towns in Pinal
27 county pursuant to the court order that requires such distribution. The
28 director shall continue to distribute the monies to the Pinal county
29 treasurer until the court order is satisfied. Once the court order is
30 satisfied, the Pinal county treasurer shall notify the director of the
31 department of transportation and the director shall directly distribute the
32 monies to the incorporated cities and towns in Pinal county in proportion to
33 the population of each pursuant to section 28-5808, subsection A, paragraph
34 2, subdivision (c) and subsection B, paragraph 2, subdivision (c), Arizona
35 Revised Statutes, as amended by this act.