

REFERENCE TITLE: mobile home parks; operations; purchase

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

## **HB 2778**

Introduced by  
Representatives Aguilar: Austin, Bravo, Hernandez L, Hernandez M, Ortiz,  
Sandoval

### AN ACT

AMENDING SECTION 33-1413.01, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 11, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 33-1420 AND 33-1420.01; AMENDING TITLE 33, CHAPTER 11, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1439; AMENDING SECTIONS 33-1476, 33-1481, 43-1022 AND 43-1122, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA MOBILE HOME PARKS RESIDENTIAL LANDLORD AND TENANT ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 33-1413.01, Arizona Revised Statutes, is amended  
3 to read:

4 33-1413.01. Utility charges; waste, garbage and rubbish  
5 removal charges

6 A. ~~if~~ A landlord ~~charges separately for gas, water or electricity~~  
7 ~~there~~ shall ~~be~~ PROVIDE a separate meter for every user FOR GAS, WATER AND  
8 ELECTRICITY. For each billing period the cost of the charges for the  
9 period shall be separately stated, along with the opening and the closing  
10 meter readings and the dates of the meter readings. Each bill shall show  
11 the computation of the charge generally in accordance with the serving  
12 utility company billing format for individual service supplied through a  
13 single service meter.

14 B. ~~if the landlord separately charges for utilities,~~ The landlord  
15 shall not charge more than the prevailing basic service ~~single family~~  
16 SINGLE-FAMILY residential rate charged by the serving utility or provider.

17 C. For the purpose of regulating mobile home parks as public or  
18 consecutive water systems, the state shall not adopt rules pursuant to  
19 title 49, chapter 2, article 9, ~~that are more stringent than authorized~~  
20 by the federal government. Submetering solely to determine the charges  
21 for individual water use by park tenants for the purpose of water  
22 conservation, without other evidence indicating a transaction subject to  
23 regulation under title 49, chapter 2, article 9, shall not be used as a  
24 basis for treating any mobile home park as a public or consecutive water  
25 system.

26 D. A landlord may charge separately for removal of waste, garbage,  
27 rubbish, refuse and trash and for sewer services. Any charges for removal  
28 or sewer services may not exceed the prevailing ~~single family~~  
29 SINGLE-FAMILY residential charge, fee or rate for these services levied by  
30 the political subdivision or provider.

31 Sec. 2. Title 33, chapter 11, article 1, Arizona Revised Statutes,  
32 is amended by adding sections 33-1420 and 33-1420.01, to read:

33 33-1420. Mobile home park opportunity to purchase; offers;  
34 exemption

35 A. A MOBILE HOME PARK OWNER MAY NOT MAKE A FINAL UNCONDITIONAL  
36 ACCEPTANCE OF ANY OFFER FOR THE SALE OR OTHER TRANSFER OF OWNERSHIP OF THE  
37 MOBILE HOME PARK WITHOUT FIRST GIVING NINETY DAYS' NOTICE OF THE FOLLOWING  
38 TO EACH TENANT:

39 1. THAT THE MOBILE HOME PARK OWNER INTENDS TO SELL THE MOBILE HOME  
40 PARK.

41 2. THE PRICE, TERMS AND CONDITIONS OF AN ACCEPTABLE OFFER THAT THE  
42 MOBILE HOME PARK OWNER HAS RECEIVED TO SELL THE MOBILE HOME PARK OR THE  
43 PRICE, TERMS AND CONDITIONS FOR WHICH THE MOBILE HOME PARK OWNER INTENDS  
44 TO SELL THE MOBILE HOME PARK. ON REQUEST, THE MOBILE HOME PARK OWNER  
45 SHALL PROVIDE TO THE TENANTS A COPY OF THE SIGNED WRITTEN OFFER.

1           3. THAT THE RESIDENTS HAVE THE OPPORTUNITY TO PURCHASE THE MOBILE  
2 HOME PARK AS PRESCRIBED BY THIS SECTION.

3           B. THE MOBILE HOME PARK OWNER SHALL PROVIDE THE NOTICE REQUIRED BY  
4 SUBSECTION A OF THIS SECTION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED,  
5 TO EACH TENANT AT THE TENANT'S PERMANENT ADDRESS, TO THE CITY OR TOWN IN  
6 WHICH THE MOBILE HOME PARK IS LOCATED OR, IF NONE, THE COUNTY IN WHICH THE  
7 MOBILE HOME PARK IS LOCATED AND TO THE ARIZONA DEPARTMENT OF HOUSING AT  
8 ITS MAIN OFFICE. THE ARIZONA DEPARTMENT OF HOUSING, WITHIN FIVE DAYS  
9 AFTER RECEIVING THE NOTICE, SHALL PROVIDE A COPY OF THE NOTICE TO ANY  
10 GOVERNMENTAL BODY OR NONPROFIT ORGANIZATION THAT HAS REGISTERED WITH THE  
11 DEPARTMENT TO RECEIVE COPIES OF THOSE NOTICES.

12           C. A GROUP OR ASSOCIATION OF TENANTS OF THE MOBILE HOME PARK OR  
13 THEIR ASSIGNEES MAY SUBMIT TO THE MOBILE HOME PARK OWNER A PROPOSED  
14 PURCHASE AND SALE AGREEMENT WITHIN NINETY DAYS AFTER THE DATE THAT THE  
15 MOBILE HOME PARK OWNER MAILED A NOTICE PRESCRIBED BY SUBSECTION A OF THIS  
16 SECTION. ON SUBMITTAL OF THE PROPOSED PURCHASE AND SALE AGREEMENT, THE  
17 GROUP OR ASSOCIATION OF TENANTS OR THEIR ASSIGNEES HAVE AN ADDITIONAL  
18 NINETY DAYS FROM THE DATE OF THE PROPOSED PURCHASE AND SALE AGREEMENT TO  
19 OBTAIN A BINDING COMMITMENT FOR ANY NECESSARY FINANCING OR GUARANTEES.  
20 THE GROUP OR ASSOCIATION OF TENANTS OR THEIR ASSIGNEES MUST SUBMIT TO THE  
21 MOBILE HOME PARK OWNER REASONABLE EVIDENCE THAT THE OWNERS OF AT LEAST  
22 FIFTY-ONE PERCENT OF THE OWNER-OCCUPIED MOBILE HOMES IN THE MOBILE HOME  
23 PARK HAVE APPROVED THE GROUP OR ASSOCIATION PURCHASING THE PARK. DURING  
24 THE TIME PERIODS PRESCRIBED BY THIS SECTION, THE MOBILE HOME PARK OWNER  
25 MAY NOT COMPLETE AN UNCONDITIONAL SALE OF THE MOBILE HOME PARK TO ANOTHER  
26 POTENTIAL BUYER.

27           D. A MOBILE HOME PARK OWNER THAT RECEIVES AN OFFER PURSUANT TO THIS  
28 SECTION MAY NOT UNREASONABLY REFUSE TO:

29           1. PROVIDE DOCUMENTS, DATA AND OTHER INFORMATION IN RESPONSE TO  
30 REASONABLE REQUESTS FOR INFORMATION FROM A GROUP OR ASSOCIATION OF TENANTS  
31 OR THEIR ASSIGNEES THAT ARE PARTICIPATING IN THE OPPORTUNITY TO PURCHASE  
32 THE MOBILE HOME PARK AND THAT WOULD ENABLE THEM TO PREPARE AN OFFER. THE  
33 DOCUMENTS, DATA AND OTHER INFORMATION PROVIDED TO THE TENANTS MAY BE  
34 SHARED FOR THE PURPOSES OF EVALUATING OR OBTAINING FINANCING FOR THE  
35 PROSPECTIVE TRANSACTION, BUT ALL PERSONS WHO RECEIVE THE DOCUMENTS, DATA  
36 AND OTHER INFORMATION SHALL OTHERWISE KEEP THEM CONFIDENTIAL IF THE MOBILE  
37 HOME PARK OWNER OR THE MOBILE HOME PARK OWNER'S AGENT SO REQUESTS.

38           2. SCHEDULE A CLOSING DATE FOR A PURCHASE AND SALE AGREEMENT.

39           E. IF, AFTER A PROPOSED PURCHASE AND SALE AGREEMENT IS SUBMITTED  
40 PURSUANT TO SUBSECTION C OF THIS SECTION, THE ADDITIONAL NINETY-DAY PERIOD  
41 PRESCRIBED BY SUBSECTION C OF THIS SECTION EXPIRES AND A GROUP OR  
42 ASSOCIATION OF TENANTS OR THEIR ASSIGNEES HAVE NOT SUBMITTED TO THE MOBILE  
43 HOME PARK OWNER A BINDING FINANCIAL COMMITMENT REGARDING THE SALE, THE  
44 GROUP'S OR ASSOCIATION'S OPPORTUNITY TO PURCHASE THAT IS PROVIDED BY THIS  
45 SECTION TERMINATES.

1 F. A GROUP OR ASSOCIATION OF TENANTS OR THEIR ASSIGNEES THAT HAVE  
2 THE OPPORTUNITY TO PURCHASE MAY ASSIGN THEIR PURCHASE RIGHT TO A LOCAL OR  
3 STATE GOVERNMENT, TRIBAL GOVERNMENT OR HOUSING AUTHORITY, A NONPROFIT  
4 CORPORATION WITH EXPERTISE RELATED TO HOUSING OR AN AGENCY OF THIS STATE  
5 FOR THE PURPOSE OF CONTINUING TO OPERATE THE PROPERTY AS A MOBILE HOME  
6 PARK.

7 G. A GROUP OR ASSOCIATION OF TENANTS OR THEIR ASSIGNEES MAY SUBMIT  
8 AN OFFER TO PURCHASE TO A MOBILE HOME PARK OWNER AT ANY TIME WITHOUT  
9 REGARD TO WHETHER THE MOBILE HOME PARK OWNER HAS RECEIVED, ACCEPTS OR  
10 OFFERS A SALE AS PRESCRIBED IN SUBSECTION A OF THIS SECTION. THE MOBILE  
11 HOME PARK OWNER SHALL CONSIDER IN GOOD FAITH ANY OFFER MADE PURSUANT TO  
12 THIS SECTION. THE REQUIREMENTS OF THIS SECTION APPLY SEPARATELY TO EACH  
13 SUBSTANTIALLY DIFFERENT OFFER TO SELL OR PURCHASE THE MOBILE HOME PARK.

14 H. NOTWITHSTANDING ANY PROVISION OF THIS SECTION, A MOBILE HOME  
15 PARK OWNER IS NOT REQUIRED TO PROVIDE NOTICE OR THE OPPORTUNITY TO  
16 PURCHASE TO A GROUP OR ASSOCIATION OF TENANTS OR THEIR ASSIGNEES IF THE  
17 SALE, TRANSFER OR CONVEYANCE OF THE MOBILE HOME PARK IS TO ANY OF THE  
18 FOLLOWING:

19 1. A SPOUSE, A PARTNER IN A CIVIL UNION OR A PARENT, SIBLING, AUNT,  
20 UNCLE, FIRST COUSIN OR LEGALLY RECOGNIZED CHILD OF THE MOBILE HOME PARK  
21 OWNER.

22 2. A TRUST THE BENEFICIARIES OF WHICH ARE THE SPOUSE, PARTNER IN A  
23 CIVIL UNION OR LEGALLY RECOGNIZED CHILDREN OF THE MOBILE HOME PARK OWNER.

24 3. A BUSINESS ENTITY OR TRUST THAT THE TRANSFERRING BUSINESS ENTITY  
25 OR TRUST CONTROLS DIRECTLY OR INDIRECTLY. FOR THE PURPOSES OF THIS  
26 PARAGRAPH, "CONTROLS" MEANS:

27 (a) OWNS ENTIRELY AS A SUBSIDIARY.

28 (b) OWNS A MAJORITY INTEREST.

29 (c) OWNS AS LARGE OF AN OWNERSHIP INTEREST AS ANY OTHER OWNER, WITH  
30 A MINIMUM OWNERSHIP INTEREST OF TWENTY-FIVE PERCENT.

31 (d) IS OWNED BY A FAMILY MEMBER WHO IS INCLUDED WITHIN THE LINE OF  
32 TESTATE SUCCESSION IF THE MOBILE HOME PARK OWNER DIES TESTATE.

33 (e) IS TRANSFERRED BETWEEN JOINT TENANTS OR TENANTS IN COMMON.

34 4. AN ENTITY PURSUANT TO EMINENT DOMAIN.

35 I. TO QUALIFY FOR AN EXEMPTION UNDER SUBSECTION H OF THIS SECTION,  
36 A TRANSACTION MUST NOT BE MADE IN BAD FAITH, MUST BE MADE FOR A LEGITIMATE  
37 BUSINESS PURPOSE OR A LEGITIMATE FAMILIAL PURPOSE CONSISTENT WITH THE  
38 EXEMPTIONS PRESCRIBED BY SUBSECTION H OF THIS SECTION AND MUST NOT BE MADE  
39 FOR THE PRIMARY PURPOSE OF AVOIDING THE OPPORTUNITY TO PURCHASE PROVISIONS  
40 PRESCRIBED BY THIS SECTION.

41 J. NOTWITHSTANDING ANY PROVISION OF THE LEASES OR OTHER DOCUMENTS  
42 THAT GOVERN THE USE AND OPERATION OF THE MOBILE HOME PARK, THE DUTY TO  
43 COMPLY WITH THIS SECTION IS DEEMED AN IMPLIED COVENANT OF THE LEASE  
44 AGREEMENT BETWEEN THE TENANT AND THE MOBILE HOME PARK OWNER.

1           33-1420.01. Capital gains tax exclusion; sale of mobile home  
2   park; definition

3           A. ANY CAPITAL GAINS INCOME REALIZED FROM THE SALE OR EXCHANGE OF A  
4 MOBILE HOME PARK IS EXCLUDED FROM ARIZONA TAXABLE INCOME OR GROSS INCOME  
5 UNDER TITLE 43.

6           B. TO QUALIFY FOR THE EXCLUSION UNDER THIS SECTION, THE SALE MUST  
7 BE MADE TO:

8           1. A TENANTS' ASSOCIATION OR A MOBILE HOME PARK RESIDENTS'  
9 ASSOCIATION.

10          2. A NONPROFIT ORGANIZATION UNDER SECTION 501(c)(3) OF THE INTERNAL  
11 REVENUE CODE THAT PURCHASES A MOBILE HOME PARK ON BEHALF OF AN ASSOCIATION  
12 OF TENANTS OR MOBILE HOME PARK RESIDENTS.

13          3. A COUNTY HOUSING AUTHORITY.

14          4. A MUNICIPAL HOUSING AUTHORITY.

15          C. AN INDIVIDUAL, CORPORATION OR PARTNERSHIP, S CORPORATION OR  
16 DISREGARDED ENTITY QUALIFIES FOR THE EXCLUSION UNDER THIS SECTION. IF THE  
17 EXCLUSION ALLOWED UNDER THIS SECTION IS TAKEN BY A PARTNERSHIP, S  
18 CORPORATION OR DISREGARDED ENTITY, THE EXCLUSION MUST BE ATTRIBUTED TO  
19 SHAREHOLDERS, PARTNERS OR OTHER OWNERS USING THE SAME PROPORTION USED TO  
20 REPORT THE PARTNERSHIP'S, S CORPORATION'S OR DISREGARDED ENTITY'S INCOME  
21 OR LOSS FOR INCOME TAX PURPOSES.

22          D. FOR THE PURPOSES OF THIS SECTION, "TENANTS' ASSOCIATION" OR  
23 "MOBILE HOME PARK RESIDENTS' ASSOCIATION" MEANS AN ASSOCIATION OF TENANTS  
24 IN A MOBILE HOME PARK THAT HAS ESTABLISHED BYLAWS FOR THE ASSOCIATION.

25          Sec. 3. Title 33, chapter 11, article 2, Arizona Revised Statutes,  
26 is amended by adding section 33-1439, to read:

27           33-1439. Heat mitigation measures

28           AN OWNER OR PARK MANAGER MAY NOT PROHIBIT A TENANT FROM INSTALLING  
29 ON OR IN THE TENANT'S MOBILE HOME REASONABLY NECESSARY COOLING MECHANISMS  
30 OR FEATURES TO REDUCE ENERGY COSTS AND PREVENT THE OCCUPANTS' HEAT-RELATED  
31 ILLNESS AND DEATH. THESE COOLING MECHANISMS AND FEATURES INCLUDE  
32 TEMPORARY WINDOW-MOUNTED VENTILATION OR AIR CONDITIONING UNITS,  
33 WALL-MOUNTED MINI-SPLIT AIR CONDITIONERS, COMMERCIAL WINDOW COVERINGS AND  
34 OTHER COMMERCIAL COOLING METHODS AND SUN BARRIERS.

35          Sec. 4. Section 33-1476, Arizona Revised Statutes, is amended to  
36 read:

37           33-1476. Termination or nonrenewal of rental agreement by  
38   landlord; noncompliance with rental agreement by  
39   tenant; failure to pay rent

40          A. The landlord shall specify the reason or reasons for the  
41 termination or nonrenewal of any tenancy in the mobile home park. The  
42 reason or reasons relied on for the termination or nonrenewal shall be  
43 stated in writing with specific facts, so that the date, place and  
44 circumstances concerning the reason or reasons for termination or

1 nonrenewal can be determined. Reference to or recital of the language of  
2 this chapter, or both, is not sufficient compliance with this subsection.

3 B. The landlord may not terminate or refuse to renew a tenancy  
4 without good cause. FOR THE PURPOSES OF THIS SUBSECTION, "good cause"  
5 means:

6 1. Noncompliance with any provision of the rental agreement.

7 2. Nonpayment of rent. NOTWITHSTANDING ANY PROVISION IN THE LEASE  
8 AGREEMENT, FAILURE TO PAY PARKING OR PET FEES DOES NOT CONSTITUTE  
9 NONPAYMENT OF RENT AND IS NOT GROUNDS FOR TERMINATION, NONRENEWAL OR  
10 EVICTION.

11 3. Change in use of land.

12 4. Clear and convincing evidence that a tenant has repeatedly  
13 violated any provision of this chapter and established a pattern of  
14 noncompliance with such provisions.

15 C. The landlord's right to terminate or to refuse to renew a  
16 tenancy pursuant to subsection B of this section does not arise until the  
17 landlord has complied with subsection D, E or H of this section.

18 D. Except as otherwise prohibited by law:

19 1. If there is a material noncompliance by the tenant with the  
20 rental agreement, the landlord shall deliver a written notice to the  
21 tenant specifying the acts and omissions constituting the breach and that  
22 the rental agreement will terminate ~~upon~~ ON a date not less than thirty  
23 days after receipt of the notice if the breach is not remedied in fourteen  
24 days. If the tenant remedies the situation within the time specified in  
25 the notice, the landlord shall issue a notice to the tenant releasing the  
26 tenant from the termination of rental agreement notice.

27 2. If there is a noncompliance by the tenant with section 33-1451  
28 materially affecting health and safety, the landlord may deliver a written  
29 notice to the tenant specifying the acts and omissions constituting the  
30 breach and that the rental agreement will terminate ~~upon~~ ON a date not  
31 less than twenty days after receipt of the notice if the breach is not  
32 remedied in ten days. However, if the breach is remediable by repair or  
33 the payment of damages or otherwise, and the tenant adequately remedies  
34 the breach before the date specified in the notice, the rental agreement  
35 will not terminate. If the tenant remedies the situation within the time  
36 specified in the notice, the landlord shall issue a notice to the tenant  
37 releasing the tenant from the termination of rental agreement notice.

38 3. If there is a noncompliance that is both material and  
39 irreparable and that occurs on the premises, including an illegal  
40 discharge of a weapon, homicide as prescribed in sections 13-1102 through  
41 13-1105, criminal street gang activity as prescribed in section 13-105,  
42 activity as prohibited in section 13-2308, prostitution as defined in  
43 section 13-3211, the unlawful manufacturing, selling, transferring,  
44 possessing, using or storing of a controlled substance as defined in  
45 section 13-3451, threatening or intimidating as prohibited in section

1 13-1202, infliction of serious bodily harm, assault as prohibited in  
2 section 13-1203, criminal activity involving serious property damage or  
3 acts that have been found to constitute a nuisance pursuant to section  
4 12-991, the landlord may deliver a written notice for immediate  
5 termination of the rental agreement and proceed pursuant to section  
6 33-1485.

7 4. If a tenant engages in repetitive conduct that is the subject of  
8 notices under this subsection, after two incidents of the same type  
9 documented by the landlord within a ~~twelve-month~~ TWELVE-MONTH period or  
10 after receipt by the landlord of two written complaints from other tenants  
11 about the repetitive conduct within a ~~twelve-month~~ TWELVE-MONTH period,  
12 the landlord may deliver a written notice to the tenant specifying the  
13 repetitive conduct and the documentation and advising the tenant that, on  
14 documentation of the next incident of the same type, final notice will be  
15 given and the rental agreement or tenancy will be terminated thirty days  
16 after the date of the notice.

17 5. If a tenant has been involved in three or more documented  
18 incidents of conduct of any type described in this section within a ~~twelve~~  
19 ~~month~~ TWELVE-MONTH period, the landlord may deliver a written notice to  
20 the tenant specifying the conduct and the documentation and advising the  
21 tenant that, on documentation of the next incident, final notice will be  
22 given and the rental agreement or tenancy will be terminated thirty days  
23 after the date of the notice.

24 E. If rent is unpaid when due and the tenant fails to pay rent  
25 within seven days after written notice by the landlord of nonpayment and  
26 the landlord's intention to terminate the rental agreement if the rent is  
27 not paid within that period of time, the landlord may terminate the rental  
28 agreement. Before judgment in an action brought by the landlord under  
29 this subsection, the tenant may have the rental agreement reinstated by  
30 tendering the past due but unpaid periodic rent, reasonable ~~attorney's~~  
31 ~~ATTORNEY~~ fees incurred by the landlord and court costs, if any.

32 F. Except as provided in this chapter, the landlord may recover  
33 actual damages, obtain injunctive relief or recover possession of the  
34 premises pursuant to an action in forcible detainer for repeated  
35 noncompliance by the tenant with the rental agreement or section 33-1451.

36 G. The remedy provided in subsection F of this section is in  
37 addition to any right of the landlord arising under subsection D of this  
38 section.

39 H. If a change in use is intended for the land on which a mobile  
40 home park or a portion of a mobile home park is located and the landlord  
41 intends eviction of a mobile home tenant due to a change in use, the  
42 landlord shall notify all tenants in the park in writing that:

43 1. The change in use may subsequently result in the termination of  
44 a rental agreement.

1           2. The tenant being terminated due to the change in use will  
2 receive a one hundred ~~eighty-day~~ EIGHTY-DAY notice before the actual  
3 termination of the rental agreement.

4           Sec. 5. Section 33-1481, Arizona Revised Statutes, is amended to  
5 read:

6           33-1481. Remedy after termination

7           A. If the rental agreement is terminated, the landlord may have a  
8 claim for possession of the mobile home space and for rent and a separate  
9 claim for actual damages for breach of the rental agreement.

10          B. In the execution of any writ of restitution issued pursuant to  
11 section 12-1178 or 12-1181, the landlord ~~may~~ SHALL provide written  
12 instructions to the sheriff or constable not to remove the mobile home  
13 from its space, and ~~if those written instructions are provided,~~ the  
14 sheriff or constable may fully execute the writ of restitution by removing  
15 all occupants and their possessions from the mobile home and from the  
16 space it occupies. THE LANDLORD SHALL HOLD THE TENANT'S PERSONAL PROPERTY  
17 FOR A PERIOD OF FOURTEEN CALENDAR DAYS AFTER THE LANDLORD TAKES TEMPORARY  
18 POSSESSION OF THE MOBILE HOME. THE LANDLORD SHALL USE REASONABLE CARE IN  
19 MOVING AND HOLDING THE TENANT'S PERSONAL PROPERTY.

20          C. IF THE OWNER DOES NOT CONTACT THE LANDLORD WITHIN FOURTEEN DAYS  
21 AFTER EXECUTION OF THE WRIT OF RESTITUTION IN ORDER TO OBTAIN A CLEARANCE  
22 FOR REMOVAL OF THE MOBILE HOME FROM THE MOBILE HOME PARK AS PRESCRIBED BY  
23 SECTION 33-1451 OR TO RECOVER THE OWNER'S PERSONAL PROPERTY, OR BOTH, the  
24 mobile home shall then be deemed abandoned and section 33-1478 applies and  
25 the landlord may terminate any utility services that are provided by the  
26 landlord. An owner of a mobile home in compliance with ~~the provisions of~~  
27 subsection ~~C~~ D of this section may recover possession of the owner's  
28 mobile home while the title remains in the owner's name.

29          ~~C~~ D. A mobile home that is subject to a judgment for forcible  
30 detainer may not be removed from its space until the provisions of section  
31 33-1451, subsection B have been satisfied. The landlord may agree in  
32 writing to accept other terms in satisfaction of the judgment. This  
33 provision shall not apply to any lienholder of record on the date of  
34 judgment or its successors or assigns.

35          Sec. 6. Section 43-1022, Arizona Revised Statutes, is amended to  
36 read:

37           43-1022. Subtractions from Arizona gross income

38           In computing Arizona adjusted gross income, the following amounts  
39 shall be subtracted from Arizona gross income:

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

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

43           (a) The United States government service retirement and disability  
44 fund, the United States foreign service retirement and disability system  
45 and any other retirement system or plan established by federal law, except



1 retired or retainer pay of the uniformed services of the United States  
2 that qualifies for a subtraction under paragraph 26 of this section.

3 (b) The Arizona state retirement system, the corrections officer  
4 retirement plan, the public safety personnel retirement system, the  
5 elected officials' retirement plan, an optional retirement program  
6 established by the Arizona board of regents under section 15-1628, an  
7 optional retirement program established by a community college district  
8 board under section 15-1451 or a retirement plan established for employees  
9 of a county, city or town in this state.

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

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

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

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

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

25 8. The portion of any wages or salaries paid or incurred by the  
26 taxpayer for the taxable year that is equal to the amount of the federal  
27 work opportunity credit, the empowerment zone employment credit, the  
28 credit for employer paid social security taxes on employee cash tips and  
29 the Indian employment credit that the taxpayer received under sections  
30 45A, 45B, 51(a) and 1396 of the internal revenue code.

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

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

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

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

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

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

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

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

25           17. For property placed in service:

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

32           (b) In taxable years beginning from and after December 31, 2012  
33 through December 31, 2013, an amount determined in the year the asset was  
34 placed in service based on the calculation in subdivision (a) of this  
35 paragraph. In the first taxable year beginning from and after  
36 December 31, 2013, the taxpayer may elect to subtract the amount necessary  
37 to make the depreciation claimed to date for the purposes of this title  
38 the same as it would have been if subdivision (c) of this paragraph had  
39 applied for the entire time the asset was in service. Subdivision (c) of  
40 this paragraph applies for the remainder of the asset's life. If the  
41 taxpayer does not make the election under this subdivision, subdivision  
42 (a) of this paragraph applies for the remainder of the asset's life.

43           (c) In taxable years beginning from and after December 31, 2013  
44 through December 31, 2015, an amount equal to the depreciation allowable  
45 pursuant to section 167(a) of the internal revenue code for the taxable

1 year as computed as if the additional allowance for depreciation had been  
2 ten percent of the amount allowed pursuant to section 168(k) of the  
3 internal revenue code.

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

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

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

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

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

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

33 20. The portion of the net operating loss carryforward that would  
34 have been allowed as a deduction in the current year pursuant to section  
35 172 of the internal revenue code if the election described in section  
36 172(b)(1)(H) of the internal revenue code had not been made in the year of  
37 the loss that exceeds the actual net operating loss carryforward that was  
38 deducted in arriving at federal adjusted gross income. This subtraction  
39 only applies to taxpayers who made an election under section 172(b)(1)(H)  
40 of the internal revenue code as amended by section 1211 of the American  
41 recovery and reinvestment act of 2009 (P.L. 111-5) or as amended by  
42 section 13 of the worker, homeownership, and business assistance act of  
43 2009 (P.L. 111-92).

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

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

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

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

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

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

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

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

34           (a) "Legal tender" means a medium of exchange, including specie,  
35 that is authorized by the United States Constitution or Congress to pay  
36 debts, public charges, taxes and dues.

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

38           26. Benefits, annuities and pensions received as retired or  
39 retainer pay of the uniformed services of the United States in amounts as  
40 follows:

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

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

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

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

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

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

18 28. For taxable years beginning from and after December 31, 2020,  
19 Arizona small business gross income but only if an individual taxpayer has  
20 elected to separately report and pay tax on the taxpayer's Arizona small  
21 business adjusted gross income on the Arizona small business income tax  
22 return.

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

30 (a) "Airdrop" means the receipt of virtual currency through a means  
31 of distribution of virtual currency to the distributed ledger addresses of  
32 multiple taxpayers.

33 (b) "Non-fungible token" has the same meaning prescribed in section  
34 43-1028.

35 (c) "Virtual currency" has the same meaning prescribed in section  
36 43-1028.

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

40 31. [THE AMOUNT ALLOWED PURSUANT TO SECTION 33-1420.01.](#)

41 Sec. 7. Section 43-1122, Arizona Revised Statutes, is amended to  
42 read:

43 [43-1122. Subtractions from Arizona gross income; corporations](#)

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

- 1           1. The excess of a partner's share of income required to be  
2 included under section 702(a)(8) of the internal revenue code over the  
3 income required to be included under chapter 14, article 2 of this title.
- 4           2. The excess of a partner's share of partnership losses determined  
5 pursuant to chapter 14, article 2 of this title over the losses allowable  
6 under section 702(a)(8) of the internal revenue code.
- 7           3. The amount allowed by section 43-1025 for contributions during  
8 the taxable year of agricultural crops to charitable organizations.
- 9           4. The portion of any wages or salaries paid or incurred by the  
10 taxpayer for the taxable year that is equal to the amount of the federal  
11 work opportunity credit, the empowerment zone employment credit, the  
12 credit for employer paid social security taxes on employee cash tips and  
13 the Indian employment credit that the taxpayer received under sections  
14 45A, 45B, 51(a) and 1396 of the internal revenue code.
- 15           5. With respect to property that is sold or otherwise disposed of  
16 during the taxable year by a taxpayer that complied with section 43-1121,  
17 paragraph 4 with respect to that property, the amount of depreciation that  
18 has been allowed pursuant to section 167(a) of the internal revenue code  
19 to the extent that the amount has not already reduced Arizona taxable  
20 income in the current taxable year or prior taxable years.
- 21           6. With respect to a financial institution as defined in section  
22 6-101, expenses and interest relating to tax-exempt income disallowed  
23 pursuant to section 265 of the internal revenue code.
- 24           7. Dividends received from another corporation owned or controlled  
25 directly or indirectly by a recipient corporation. For the purposes of  
26 this paragraph, "control" means direct or indirect ownership or control of  
27 fifty percent or more of the voting stock of the payor corporation by the  
28 recipient corporation. Dividends shall have the meaning provided in  
29 section 316 of the internal revenue code. This subtraction shall apply  
30 without regard to section 43-961, paragraph 2 and article 4 of this  
31 chapter.
- 32           8. Interest income received on obligations of the United States.
- 33           9. The amount of dividend income from foreign corporations. For  
34 the purposes of this paragraph, gross up income as described in section 78  
35 of the internal revenue code, global intangible low-taxed income as  
36 defined in section 951A of the internal revenue code and subpart F income  
37 as defined in section 952 of the internal revenue code shall be considered  
38 foreign dividends.
- 39           10. The amount of net operating loss allowed by section 43-1123.
- 40           11. The amount of any state income tax refunds received that were  
41 included as income in computing federal taxable income.
- 42           12. The amount of expense recapture included in income pursuant to  
43 section 617 of the internal revenue code for mine exploration expenses.

1           13. The amount of deferred exploration expenses allowed by section  
2 43-1127.

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

9           15. The amortization of pollution control devices allowed by  
10 section 43-1129.

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

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

16           18. The income of an insurance company that is exempt under section  
17 43-1201 to the extent that it is included in computing Arizona gross  
18 income on a consolidated return pursuant to section 43-947.

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

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

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

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

36           (a) "Legal tender" means a medium of exchange, including specie,  
37 that is authorized by the United States Constitution or Congress to pay  
38 debts, public charges, taxes and dues.

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

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

44           (a) "Contribution in aid of construction" means any amount of  
45 monies or other property contributed to a public service corporation that

1 provides water or sewage disposal services to the extent that the purpose  
2 of the contribution is to provide for expanding, improving or replacing  
3 the public service corporation's water system or sewage disposal  
4 facilities, including any amount of monies or other property contributed  
5 to a public service corporation for a water system or sewage disposal  
6 facility subject to a contingent obligation to repay the amount, in whole  
7 or in part, to the contributor.

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

11 24. THE AMOUNT ALLOWED PURSUANT TO SECTION 33-1420.01.