

REFERENCE TITLE: mobile home parks; operations; purchase

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2334

Introduced by
Representatives Aguilar: Austin, Blattman, Contreras L, De Los Santos,
Gutierrez, Hernandez L, Hernandez M, Ortiz, Quiñonez, Sandoval,
Schwiebert, Seaman, Stahl Hamilton, Tsosie, Villegas

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~~ 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,
18 S 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
22 INDICATING that the rental agreement will terminate ~~upon~~ ON a date not
23 less than thirty days after receipt of the notice if the breach is not
24 remedied in fourteen days. If the tenant remedies the situation within
25 the time specified in the notice, the landlord shall issue a notice to the
26 tenant releasing the tenant from the termination of rental agreement
27 notice. If within fourteen days ~~of~~ AFTER receipt of the notice of the
28 breach the tenant presents to the landlord a signed contract with a
29 contractor who is licensed pursuant to title 32, chapter 10 to correct the
30 breach showing the breach will be repaired within sixty days ~~of~~ AFTER the
31 notice, the landlord shall extend the time for repairs from fourteen days
32 to sixty days.

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

1 3. If there is a noncompliance that is both material and
2 irreparable and that occurs on the premises, including an illegal
3 discharge of a weapon, homicide as prescribed in sections 13-1102 through
4 13-1105, criminal street gang activity as prescribed in section 13-105,
5 activity as prohibited in section 13-2308, prostitution as defined in
6 section 13-3211, the unlawful manufacturing, selling, transferring,
7 possessing, using or storing of a controlled substance as defined in
8 section 13-3451, threatening or intimidating as prohibited in section
9 13-1202, infliction of serious bodily harm, assault as prohibited in
10 section 13-1203, criminal activity involving serious property damage or
11 acts that have been found to constitute a nuisance pursuant to section
12 12-991, the landlord may deliver a written notice for immediate
13 termination of the rental agreement and proceed pursuant to section
14 33-1485.

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

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

32 E. If rent is unpaid when due and the tenant fails to pay rent
33 within seven days after written notice by the landlord of nonpayment and
34 the landlord's intention to terminate the rental agreement if the rent is
35 not paid within that period of time, the landlord may terminate the rental
36 agreement. Before judgment in an action brought by the landlord under
37 this subsection, the tenant may have the rental agreement reinstated by
38 tendering the past due but unpaid periodic rent, reasonable ~~attorney's~~
39 ATTORNEY fees incurred by the landlord and court costs, if any.

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

1 G. The remedy provided in subsection F of this section is in
2 addition to any right of the landlord arising under subsection D of this
3 section.

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

8 1. The change in use may subsequently result in the termination of
9 a rental agreement.

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

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

15 33-1481. Remedy after termination

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

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

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

38 ~~E~~ D. A mobile home that is subject to a judgment for forcible
39 detainer may not be removed from its space until the provisions of section
40 33-1451, subsection B have been satisfied. The landlord may agree in
41 writing to accept other terms in satisfaction of the judgment. This
42 provision shall not apply to any lienholder of record on the date of
43 judgment or its successors or assigns.

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

3 43-1022. Subtractions from Arizona gross income

4 In computing Arizona adjusted gross income, the following amounts
5 shall be subtracted from Arizona gross income:

- 6 1. The amount of exemptions allowed by section 43-1023.
7 2. Benefits, annuities and pensions in an amount totaling not more
8 than \$2,500 received from one or more of the following:

9 (a) The United States government service retirement and disability
10 fund, the United States foreign service retirement and disability system
11 and any other retirement system or plan established by federal law, except
12 retired or retainer pay of the uniformed services of the United States
13 that qualifies for a subtraction under paragraph 26 of this section.

14 (b) The Arizona state retirement system, the corrections officer
15 retirement plan, the public safety personnel retirement system, the
16 elected officials' retirement plan, an optional retirement program
17 established by the Arizona board of regents under section 15-1628, an
18 optional retirement program established by a community college district
19 board under section 15-1451 or a retirement plan established for employees
20 of a county, city or town in this state.

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

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

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

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

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

36 8. The portion of any wages or salaries paid or incurred by the
37 taxpayer for the taxable year that is equal to the amount of the federal
38 work opportunity credit, the empowerment zone employment credit, the
39 credit for employer paid social security taxes on employee cash tips and
40 the Indian employment credit that the taxpayer received under sections
41 45A, 45B, 51(a) and 1396 of the internal revenue code.

42 9. The amount of exploration expenses that is determined pursuant
43 to section 617 of the internal revenue code, that has been deferred in a
44 taxable year ending before January 1, 1990 and for which a subtraction has
45 not previously been made. The subtraction shall be made on a ratable

1 basis as the units of produced ores or minerals discovered or explored as
2 a result of this exploration are sold.

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

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

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

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

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

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

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

35 17. For property placed in service:

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

42 (b) In taxable years beginning from and after December 31, 2012
43 through December 31, 2013, an amount determined in the year the asset was
44 placed in service based on the calculation in subdivision (a) of this
45 paragraph. In the first taxable year beginning from and after

1 December 31, 2013, the taxpayer may elect to subtract the amount necessary
2 to make the depreciation claimed to date for the purposes of this title
3 the same as it would have been if subdivision (c) of this paragraph had
4 applied for the entire time the asset was in service. Subdivision (c) of
5 this paragraph applies for the remainder of the asset's life. If the
6 taxpayer does not make the election under this subdivision, subdivision
7 (a) of this paragraph applies for the remainder of the asset's life.

8 (c) In taxable years beginning from and after December 31, 2013
9 through December 31, 2015, an amount equal to the depreciation allowable
10 pursuant to section 167(a) of the internal revenue code for the taxable
11 year as computed as if the additional allowance for depreciation had been
12 ten percent of the amount allowed pursuant to section 168(k) of the
13 internal revenue code.

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

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

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

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

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

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

43 20. The portion of the net operating loss carryforward that would
44 have been allowed as a deduction in the current year pursuant to section
45 172 of the internal revenue code if the election described in section

1 172(b)(1)(H) of the internal revenue code had not been made in the year of
2 the loss that exceeds the actual net operating loss carryforward that was
3 deducted in arriving at federal adjusted gross income. This subtraction
4 only applies to taxpayers who made an election under section 172(b)(1)(H)
5 of the internal revenue code as amended by section 1211 of the American
6 recovery and reinvestment act of 2009 (P.L. 111-5) or as amended by
7 section 13 of the worker, homeownership, and business assistance act of
8 2009 (P.L. 111-92).

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

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

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

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

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

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

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

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

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

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

1 26. Benefits, annuities and pensions received as retired or
2 retainer pay of the uniformed services of the United States in amounts as
3 follows:

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

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

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

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

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

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

23 28. For taxable years beginning from and after December 31, 2020,
24 Arizona small business gross income but only if an individual taxpayer has
25 elected to separately report and pay tax on the taxpayer's Arizona small
26 business adjusted gross income on the Arizona small business income tax
27 return.

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

35 (a) "Airdrop" means the receipt of virtual currency through a means
36 of distribution of virtual currency to the distributed ledger addresses of
37 multiple taxpayers.

38 (b) "Non-fungible token" has the same meaning prescribed in section
39 43-1028.

40 (c) "Virtual currency" has the same meaning prescribed in section
41 43-1028.

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

45 31. THE AMOUNT ALLOWED PURSUANT TO SECTION 33-1420.01.

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

3 43-1122. Subtractions from Arizona gross income; corporations

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

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

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

12 3. The amount allowed by section 43-1025 for contributions during
13 the taxable year of agricultural crops to charitable organizations.

14 4. The portion of any wages or salaries paid or incurred by the
15 taxpayer for the taxable year that is equal to the amount of the federal
16 work opportunity credit, the empowerment zone employment credit, the
17 credit for employer paid social security taxes on employee cash tips and
18 the Indian employment credit that the taxpayer received under sections
19 45A, 45B, 51(a) and 1396 of the internal revenue code.

20 5. With respect to property that is sold or otherwise disposed of
21 during the taxable year by a taxpayer that complied with section 43-1121,
22 paragraph 4 with respect to that property, the amount of depreciation that
23 has been allowed pursuant to section 167(a) of the internal revenue code
24 to the extent that the amount has not already reduced Arizona taxable
25 income in the current taxable year or prior taxable years.

26 6. With respect to a financial institution as defined in section
27 6-101, expenses and interest relating to tax-exempt income disallowed
28 pursuant to section 265 of the internal revenue code.

29 7. Dividends received from another corporation owned or controlled
30 directly or indirectly by a recipient corporation. For the purposes of
31 this paragraph, "control" means direct or indirect ownership or control of
32 fifty percent or more of the voting stock of the payor corporation by the
33 recipient corporation. Dividends shall have the meaning provided in
34 section 316 of the internal revenue code. This subtraction shall apply
35 without regard to section 43-961, paragraph 2 and article 4 of this
36 chapter.

37 8. Interest income received on obligations of the United States.

38 9. The amount of dividend income from foreign corporations. For
39 the purposes of this paragraph, gross up income as described in section 78
40 of the internal revenue code, global intangible low-taxed income as
41 defined in section 951A of the internal revenue code and subpart F income
42 as defined in section 952 of the internal revenue code shall be considered
43 foreign dividends.

44 10. The amount of net operating loss allowed by section 43-1123.

1 11. The amount of any state income tax refunds received that were
2 included as income in computing federal taxable income.

3 12. The amount of expense recapture included in income pursuant to
4 section 617 of the internal revenue code for mine exploration expenses.

5 13. The amount of deferred exploration expenses allowed by section
6 43-1127.

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

13 15. The amortization of pollution control devices allowed by
14 section 43-1129.

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

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

20 18. The income of an insurance company that is exempt under section
21 43-1201 to the extent that it is included in computing Arizona gross
22 income on a consolidated return pursuant to section 43-947.

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

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

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

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

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

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

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

5 (a) "Contribution in aid of construction" means any amount of
6 monies or other property contributed to a public service corporation that
7 provides water or sewage disposal services to the extent that the purpose
8 of the contribution is to provide for expanding, improving or replacing
9 the public service corporation's water system or sewage disposal
10 facilities, including any amount of monies or other property contributed
11 to a public service corporation for a water system or sewage disposal
12 facility subject to a contingent obligation to repay the amount, in whole
13 or in part, to the contributor.

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

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