

The seal of the State of Arizona is a large, faint watermark in the background. It is circular with the text "SEAL OF THE STATE OF ARIZONA" around the top and "1912" at the bottom, flanked by two stars. In the center is a shield depicting a landscape with a mountain, a river, and a sun.

2012 Legislative Summaries

**State of Arizona
Department
of Revenue**

This document contains summaries of 2012 legislation from the Fiftieth Legislature – Second Regular Session.

2012 Legislative Summaries

The following is intended to give a brief summary of the 2012 tax-related legislation impacting the Department of Revenue (DOR) and not intended to discuss the details of any specific enactment. Detailed summaries of these bills can also be found at www.azleg.gov. Please refer to the particular legislation for more definitive information.

The general effective date for legislation enacted during the First Regular Session is August 2, 2012. All legislation will have this effective date unless otherwise noted in the summary.

To go to the complete bill, CTRL + click on the chapter number (hyperlink to Internet).

Income Tax

HB 2120 (Chapter [38](#))

internal revenue code conformity

Incorporates the federal changes made in 2011 into Arizona's definition of "internal revenue code."

HB 2212 (Chapter [71](#))

tax exempt organizations; returns; exception

Increases, from \$25,000 to \$50,000, the maximum income amount a tax exempt organization may have before being required to file an Arizona income tax return.

HB 2627 (Chapter [271](#))

tax credit; charitable organizations

Modifies certification criteria required by DOR to qualify as a charitable organization by removing the requirement that organizations declare if they promote or provide referrals for abortions.

HB 2713 (Chapter [351](#))

insurance premiums; long-term care; deduction
(~~Arizona long-term care trust~~)

Establishes, taxable years 2013 and beyond, an individual income tax subtraction for long-term care insurance premiums paid by taxpayers not claiming itemized deductions. Also establishes an individual income tax subtraction for amounts deposited into a long-term care savings account, as long as the amounts are included in the individual's federal adjusted gross income.

HB 2727 (Chapter [77](#))

public school tax refund checkoff

Modifies the Assistance for Education Fund tax refund checkoff box to allow individual taxpayers to contribute any portion of their refund.

HB 2779 (Chapter [257](#))

clean elections; trigger reports; repeal

Eliminates matching fund reporting requirements for nonparticipating candidates under the Clean Elections Act.

Eliminates voluntary tax donation check off for Clean Elections from the Arizona individual income tax form and eliminates tax credits and tax reductions for contributions to Clean Elections.

HB 2815 (Chapter 343)

employment; incentives; regulatory tax credit

Qualified Facility Credit

Adds new, refundable corporate and individual income tax credits for taxpayers that open a qualified facility in Arizona. A qualified facility is a facility that devotes at least 80% of the property and payroll at the facility to one or more of the following:

- Manufacturing of tangible products in this state if at least 65% of the product will be sold out-of-state.
- A global, national, or regional headquarters for a taxpayer that is involved in manufacturing and that derives at least 65% of its revenue from out-of state sales.
- Qualified research conducted by a taxpayer that derives at least 65% of its revenue from out of state.

The new qualified facility credit is tied to the same cap as the existing renewable energy industry cap of \$70 million per year, with an annual limit of \$30 million per taxpayer. The existing renewable energy industry credit is modified to also have the same per taxpayer cap. The credit is claimed in five equal installments and any amount in excess of tax liability is refunded.

The amount of the credit is the **10% of the lesser** of:

1. The total qualifying investment in the qualified facility; or
2. \$200,000 for each net new full-time employment position at the qualified facility.

At least 51% of the net new full-time employment positions at the qualified facility must be paid a wage of at least 125% of the median annual wage in Arizona. The positions must include health insurance for which the applicant pays at least 80% of the premium or membership costs.

The credit is subject to pre and post approvals by the Arizona Commerce Authority (ACA) and the taxpayer must enter into a managed review

agreement with the ACA to be conducted by an unaffiliated CPA chosen by the taxpayer at their own expense. The managed review must be completed before the applicant applies for post-approval of the credit.

Quality Jobs

Modifies the existing premium tax, corporate income tax, and individual income tax credits for tax years beginning from and after December 31, 2012 for new employment by allowing:

- Mandatory investment and hiring to be done in a twelve month period from the start of the investment. The credit would be allowed in the year completed.
- New first year credits for new employees hired to be claimed for each of three years at the location once the initial requirements are met.
- Taxpayers to include employees hired after the start of the required investment even though the employees are working at a temporary work site while construction is completed at the designated location as long as the employee was hired to work at the designated location, the payroll for employees destined for the designated location is segregated and the employee is moved to the designated location within 30 days of its completion.

The annual cap of 400 employees per taxpayer is eliminated.

The credits are no subject to pre-approval by the ACA before a credit may be claimed.

Capital Gains

Provides for an individual income tax subtraction for long-term capital gains from assets acquired after December 31, 2011. The subtraction is phased in over time with a 10% subtraction for 2013, 20% for 2014 and 25% for 2015 and after.

Bonus depreciation

Currently, Arizona adds back all federal depreciation claimed and then allows a subtraction for the amount of depreciation a taxpayer would have been allowed if they had chosen not to claim bonus depreciation on their federal return. The amendment would allow individual income tax taxpayers to claim a subtraction for property placed in service in 2014 or after to claim the subtraction for depreciation as if the federal bonus

depreciation allowed was 10% of the amount allowed federally. For assets placed in service in tax year 2013, the taxpayer would start out claiming depreciation based on opting out of the bonus depreciation but in tax year 2014 they will be able to take a subtraction to make the depreciation claimed to date the same as if the taxpayer had claimed a bonus depreciation equal to ten percent of the federal bonus depreciation in the prior year.

Net operating Loss Deduction for Corporations

Allows net operating losses arising in taxable periods beginning from and after December 31, 2011 to be carried forward for 20 years for corporate income tax purposes.

Business Personal Property Tax

Changes the methodology for annually indexing the business personal property exemption beginning in 2013 and specifies that the exemption should be re-calculated as if this had been in effect since 1997.

The old index was the change in the Employment Cost Index over one year; the new index will be the change in the same index over two years (effectively doubling the rate of increase of the exemption). The net effect would be to increase the exemption from \$68,079 in 2012 to approximately \$133,000 in 2013.

SB 1046 (Chapter 2)

corporate tax allocation; sales factor

Modifies the corporate apportionment formula by allowing certain sales of services to be included in the sales factor.

SB 1046 allows service providers that sell more than 85% of their services to customers that receive the benefit of the service outside of Arizona to include sales in the sales factor based on market (where the customers are) rather than cost of performance (COP).

The election will be phased-in starting in taxable years beginning January 1, 2014 with a sales factor

that is 85% market sales and 15% COP sales. The market sales percentage increases 5% each year and the COP sales decreasing 5% each year until the percentage of market sales included in the sales factor reaches 100% in 2017.

The election is not mandatory, but if made, is binding for 5 consecutive tax years.

The law is effective for tax years beginning January 1, 2014.

SB 1047 (Chapter 4)

school tuition orgs; credits; administration (tax credit; school tuition organizations)

Establishes an additional individual income tax credit for contributions to certified school tuition organizations. The amount of the credit is \$500 for a single individual or a head of household or \$1,000 for a married couple filing a joint return and is limited to taxpayers who have claimed a maximum credit pursuant to ARS § 43-1089. A taxpayer may only claim the excess amount under the new STO credit.

The excess STO credit monies for educational scholarships or tuition grants may only be awarded to a student who:

- attended a governmental primary or secondary school as a full-time student or attended a preschool program that offers services to students with disabilities at a governmental school for at least 90 days of the prior fiscal year and transferred from a governmental school to a qualified school;
- enrolls in a qualified school in a kindergarten program or a preschool program that offers services to students with disabilities;
- is the dependent of a member of the Armed Forces of the United States who is stationed in this state;

- received an education scholarship or tuition grant under the above paragraphs and continues to attend a qualified school in a subsequent year.

A taxpayer may not claim the excess STO credit if the contribution is designated for the direct benefit of any dependent of the taxpayer, is a condition of the contribution, has the intent to benefit the taxpayer's dependent, or coordinates with other taxpayer(s) to designate each taxpayer's contribution to the STO organization for the direct benefit of the other taxpayer's dependent.

STOs receiving individual and corporate contributions must now allocate at least 90 percent of its annual revenue from contributions from tax credits for educational scholarships or tuition grants, rather than 90 percent of its total annual revenue.

Qualified schools may to accept educational scholarships or tuition grants that exceed the school's total student education costs; however, the excess amount must be returned to the STO that made the award or grant. The STO can allocate those returned monies as a multiyear award for the same student or as an educational scholarship or tuition grant for other students.

STOs are prohibited from knowingly colluding with any other STO to issue educational scholarships or tuition grants that exceed statutory limits.

SB 1121 (Chapter [178](#))

tax subtraction; charitable crop contributions

Expands the individual taxable income subtraction on qualifying donated crops by removing the cap of 80% of the crop value and allowing crops to be donated out-of-state. Additionally, SB 1121 eliminated certain eligibility requirements, including:

- Harvesting must be done by or on behalf of a donee;
- Harvesting or processing the crop must be economically unfeasible in the taxpayer's normal course of business;
- The crop would go to waste if not donated.

SB 1122 (Chapter [35](#))

tax refund checkoff boxes

Removes the requirement that space for certain voluntary tax donations be provided on the front page of the Arizona income tax return. The checkoff boxes that affected are for the Child Abuse Prevention Fund, Special Olympics, Arizona Game and Fish Department, Neighbors Helping Neighbors and the Domestic Violence Shelter Fund.

SB 1190 (Chapter [281](#))

tax credit; military family relief

Extends the individual income tax credit for donations made to the Military Family Relief Fund through tax year 2018.

SB 1196 (Chapter [143](#))

college savings; report; income subtraction

Makes the individual income tax subtraction for contributions to a qualified college savings plan permanent and extends the deadline of the Arizona Commission for Postsecondary Education annual report from February 1 to March 1.

Transaction Privilege Tax/Use Tax

HB 2123 (Chapter [114](#))

transaction privilege tax reform committee

Establishes a 13-member Transaction Privilege Tax Reform Committee to study and make recommendations regarding the collection of revenues to the state General Fund, including individual and corporate income tax and transaction privilege tax. The Committee also must make recommendations to minimize the fiscal impact to cities, towns and counties.

HB 2358 (Chapter [206](#))

theme park districts (~~public-private partnerships;~~
~~toll facilities~~)

Modifies the composition of Theme Park and Vehicle Support Facilities Districts, the types of revenue bonds that may be issued and the allowable locations of theme park sites. References to vehicle support facilities are removed and a Theme Park District is enabled to include theme park sites in one or both cities, in the county establishing the district or in a combination of the cities and county.

The amount of required private financial commitments is decreased from 50 to 20 percent of the principal amount of bond issue and allows New Market Tax Credits to be included.

The Auditor General is required to conduct a performance audit of the District and its operations.

HB 2466 (Chapter [332](#))

local sales tax; payments; DOR

Requires the Department of Administration to establish an online portal with a single point of filing and payment of municipal TPT and excise taxes for cities and towns that are not contracted with DOR for tax administration. Procurement of the online portal must be done via a public-private partnership as outlined by statute and authorizes a user fee for taxpayers who use the online portal.

SB 1214 (Chapter [323](#))

use tax declaration; repeal

Repeals the use tax declaration requirement on the Arizona individual income tax return.

SB 1229 (Chapter [232](#))

tax exemption; residential solar electricity

Exempts sales or transfers of renewable energy credits from the retail and utilities classification (TPT) and use tax. This legislation also deducts the portion of gross proceeds of sales or gross income attributable to the transfer of solar photovoltaic electricity to an electric utility distribution system from the tax base of the utilities classification.

SB 1442 (Chapter [328](#))

prime contracting; manufacturing facilities;
infrastructure

Allows a city, town, or county, from October 1, 2013 through September 30, 2023, to enter into an agreement with DOR to receive all state prime contracting TPT collections arising from a qualifying project to pay for up to 80 percent of public infrastructure improvements for the project.

A qualifying project requires self-certification from an establishment with an in-state manufacturing operation (excluding mines and utilities) with at least \$500 million in capital investment in urban areas and \$50 million in rural areas to the Commerce Authority and applicable locality.

Contracting TPT arising from qualifying projects, which would otherwise go through the normal statutory distribution method, would be removed and set aside for public infrastructure funding. Once the \$50 million cap is reached, the funding mechanism would cease, and the TPT would return to the normal distribution.

Restrictions to the public infrastructure funding mechanism include:

- A \$50 million cap for all public infrastructure improvement funding made by the state to all localities.

- Requiring a locality to fund at least 20 percent of the public infrastructure improvements.
- Ending a funding agreement between the locality and DOR once either the 80 percent of the improvement costs have been paid or the \$50 million cap is reached. In the latter case, a locality has no rights to additional reimbursement in the event subsequent audit adjustments or refund claims lower the funded amounts to below the \$50 million cap.
- Making payments on a rolling basis, and using amounts subject to distribution to calculate monies available until the \$50 million cap is reached. In other words, a locality that enters into an agreement with DOR before a second locality may not receive all of the payments it anticipates, if the second locality's qualifying project remits and is paid contracting TPT in larger amounts, such that the \$50 million cap is reached.
- Limiting the total amount paid to a locality with a qualifying project in FY 2014-2015 (the first year that payments under the public infrastructure funding mechanism can occur) to \$5 million.

If a contractor on a qualifying project subsequently makes a refund claim or an audit adjustment results in lower TPT liability than originally reported, the offset is taken from the applicable locality's monthly distribution for the month following payment of the claim or adjustment.

Authorizes DOR to disclose information relating to distributions with any official of a locality in an ongoing agreement with DOR or considering entering one. Places restrictions on the locality's use of the disclosed information.

Property Tax

HB 2092 (Chapter [197](#))

property tax appeals; valuation; classification

Increases the maximum limitation for small claims procedures on property classification and valuation to \$2 million in real or personal property.

The State Board of Equalization (SBOE) may no longer increase or decrease valuation of property or change property classification during a hearing on a taxpayer's appeal; instead, it must grant or deny all or part of the taxpayer's petition for change in valuation or classification.

The SBOE may increase the value of individual units in a multi-parcel appeal up to the aggregate value of all units involved in the appeal. However, it may not exceed the value noticed by the county assessor nor change the property classification in its decision on a taxpayer appeal.

The new owner of a property is permitted to continue an appeal process started by a previous owner or file a new appeal, if the previous owner's appeal did not receive final judgment or a dismissal from Tax Court and the new owner files their own appeal before December 15th of the valuation year.

HB 2178 (Chapter [200](#))

property taxes; refund; forgiveness (~~tech correction; prepaid legal insurance~~)

Authorizes the Mojave County Treasurer to refund taxes paid, and forgive any property taxes and accrued penalties due, for qualified property owners.

HB 2184 (Chapter)

fire district; alternative tax rate (~~tech correction; occupational safety; exemption~~)

A fire district that's net assessed valuation declined by a total of 25% or more beginning with the 2008 valuation year, may temporarily increase the tax per \$100 of assessed valuation from \$3.25 to \$3.75 if:

- The amount of levy proposed to be raised by a tax rate in excess of \$3.25 per \$100 of assessed valuation is no more than the

amount of tax levy raised in the immediate preceding fiscal year.

- The fire district certifies that no portion of the increased tax levy will be used to pay salary increases or to increase the number of full time employees.
- The fire district certifies that no portion of the increased tax levy will be allocated to future year expenditures, retained or encumbered as reserve monies of any type, and that no more than 5% of the tax levy raised is planned for carry forward monies at the end of the fiscal year.

A fire district with an increased tax levy may not call for an override election.

HB 2226 (Chapter [220](#))

property tax; algaculture

Defines lands and improvements of at least 5 acres dedicated to algaculture operations as agricultural real property for property tax purposes.

HB 2438 (Chapter [176](#))

gov land; private land; study

Creates the Joint Legislative Study Committee on Government and Private Lands to examine the consequences of transferring real property from private parties to government entities.

DOR is required to contract with each county assessor to conduct a property status study to identify the amount of total private property within each county, tax exempt private property within each county, private property in conservation status within each county, federal lands in wilderness areas, natural conservation areas, national parks, national monuments and other special conservation status areas, if available and municipal and county lands in parks, conservation areas or other special conservation status areas.

HB 2478 (Chapter [349](#))

property tax; facilities (~~schools; budget increases; bonds; ballots~~)

Limits the athletic, recreational, entertainment, artistic or cultural facilities that can be designated as class 9 properties to those that are used exclusively for those purposes and must become the property of the federal, state, county or municipal property on termination of the lease.

HB 2486 (Chapter [350](#))

homeowners' rebate affidavit

Eliminates the requirement for an owner affidavit to qualify for classification as class three property.

The civil penalty for failure to respond to the assessor, is decreased to the amount of additional state aid paid in the preceding tax year, rather than twice the amount of additional state aid paid.

Beginning in 2013, a county assessor is required to send notices to those class three property owners who have a mailing address outside the county in which the property is located, have a mailing address different than the situs address of the property, have the same mailing address listed for more than one class three property in Arizona, or appear to be a business entity.

HB 2608 (Chapter [124](#))

assessed valuations; audit

Allows DOR to audit county assessor property valuations to ensure proper valuation of new construction and directs the governing body of each county, city, town, community college district and school district to fix and determine property

tax rates based on property valuations determined on or before February 10 of the tax year.

HB 2801 (Chapter [130](#))

property tax bills; payment; interest

Precludes interest charges on delinquent property taxes of less than \$100 if the tax is paid in full by December 31 of the tax year.

HB 2803 (Chapter [216](#))

personal property tax appeal deadline

Extends the deadline for filing an administrative appeal of the valuation of personal property from 20 days to 30 days after the delivery of a notice of valuation.

SB 1279 (Chapter [324](#))

personal property tax; computer software

Clarifies that personal computers and general purpose computers used in a trade or business are valued as personal property. Operating system software necessary to enable the operation is valued as a part of the computer on which it is installed. All other software, whether canned or customized for a specific application, is valued as personal property.

SB 1416 (Chapter [182](#))

property tax; agriculture classification; affidavit

Modifies the criteria for property that is eligible for designation as agriculture by reducing the number of years land is required to be used for agricultural purposes, to at least 3 of the last 5 years, rather than 7 of the last 10 years. Also stipulates that the requirement of reasonable expectation of operating profit can be satisfied if the owner files an affidavit of agricultural use with the county

assessor and the property is actively producing with an expectation of profit.

Multiple Tax Types/Misc.

HB 2094 (Chapter [198](#))

prepaid wireless e911 excise tax

Establishes a prepaid wireless telecommunications E911 excise tax in an amount of eight tenths of 1% of the gross proceeds of sales or gross income derived from the retail sale of prepaid wireless telecommunications services, which begins January 1, 2014. The incidence of the tax is changed from the telecommunications provider to the retail seller of the prepaid wireless telecommunications service. Retailers are authorized to keep 3% of the cost of the tax that they collect from their customers.

HB 2332 (Chapter [331](#))

healthy forest enterprise incentives; extension

Extends the transaction privilege, use and income tax incentives for qualified healthy forest enterprises in the state through December 31, 2024 and modifies the requirements for eligibility as a healthy forest enterprise (HFE).

Beginning tax year 2013, new individual and corporate income tax credits are authorized for the costs of training new workers in ecological restoration. The tax credit is equal to the net cost of the training, with a cap of \$3,000 per full-time employee for the first three years of employment; and no more than 200 employees can be claimed in any taxable year.

Sales of motor vehicle fuel and use fuel sold to qualified HFE businesses is exempted from TPT and use taxes. The fuel must be used in off-road harvesting, processing or transporting qualifying

forest products in order to qualify for the exemption.

Sales of repair parts that are installed in equipment used directly by a qualified HFE business for harvesting, processing or transporting qualifying forest products is exempted from TPT and use taxes.

The current TPT exemption for leased or rented equipment by an HFE is expanded to include all leases regardless of their duration.

Reauthorizes the use fuel tax discount on fuel used by vehicles transporting forest products, which reduces the tax from 13 to 9 cents per gallon. The discounted use fuel tax rate is applicable on September 1, 2012.

Reauthorizes the prime contracting exemption for construction contracts with an HFE, which expired December 31, 2009.

The classification for property owned by a HFE as class 6 property is reestablished for property constructed or installed prior to January 1, 2025.

HB 2526 (Chapter [213](#))

skilled nursing home provider assessments

Pending federal approval, levies an assessment on health care items and services provided by nursing facilities to obtain federal financial participation in the prescribed services to supplement Medicaid payments to facilities. AHCCCS is required to calculate the assessment based on the net patient service revenue of all facilities. The assessment is due quarterly to the Department of Revenue.

HB 2606 (Chapter [336](#))

liquor; omnibus (state liquor bd members; comp)

Makes numerous changes to the Arizona Department of Liquor Licenses and Control and modifies liquor licenses registration and compliance requirements.

Increases, from 90 to 120 days, the time period a licensed business may be delinquent in the payment of state taxes before a license suspension or revocation. The delinquent tax liability must exceed \$250 to trigger a license suspension or revocation.

SB 1045 (Chapter [3](#))

tax correction act: 2012

SB 1045 makes technical, clarifying and conforming changes to Arizona's tax statutes as recommended by the Department of Revenue and Legislative Council.

Provisions:

Deletes obsolete language and internal references relating to rental occupancy, estate and county transportation excise tax.

Clarifies that a taxpayer who fails to make payments by electronic funds transfer for which they are obligated, is required to pay a penalty of five percent of the amount not paid by electronic funds transfer rather than five percent of the entire amount of tax due on the return.

Clarifies that confidential information relating to any tax collected by the on behalf of a county may be shared with that county, city or town.

Repeals A.R.S. Title 42, chapter 3, article 5.1, relating to the tax associated with Delivery Sales of Tobacco Products.

Deletes obsolete language and makes conforming and internal reference changes to adjust for expiring legislation associated with gross proceeds of sales or gross income received from a contract

for the construction and development of lake facilities.

Restores language that was inadvertently removed from statute relating to how DOR must account for revenues collected under the transient lodging, amusement and restaurant classification.

Repeals obsolete language relating to county transportation excise taxes for roads (the tax levied under this statute expired in 2010). Also, specifies that outstanding tax liabilities, and any penalties and interest accrued on unpaid amounts of those liabilities pertaining to county transportation excise taxes for roads are neither affected nor impaired by the repeal of A.R.S. 42 – 6104.

Conforms current law, which expands the range of a Government Property Lease Excise Tax rate from within 90% and 110% to 90% and above the countywide average combined property tax rates to be levied and collected by a local government to use for government property improvement. This language was inadvertently left out of legislation enacted in 2010.

Repeals obsolete language relating to the application of Internal Revenue Code for income tax with associated legislation expiring after TY 1993.

Clarifies the language used to require that DOR determine the amount of withholding tax deducted and retained by employers from employee compensation for services performed within the state, but does not change the method of calculation. Make other conforming changes relating to withholding taxes.

Specifies the appropriate terminology in the School Tuition Organization statutes by replacing “accounting” with “auditing.”

Repeals obsolete session law relating to the temporary 1% TPT increase.

Modifies the premium and corporate income tax credits for new employment.

Conforms the depreciation schedule for manufacturers, assemblers and fabricators personal property with the accelerated schedule for business personal property other similarly situated personal property.

Repeals obsolete language related to the repeal of the Enterprise Zone Program.

Modifies the individual and corporate income tax credits for increased research activities.

Repeals obsolete statutes relating to constructing energy efficient residences.

Delays the repeal of the individual and corporate income tax credit for qualified health insurance plans. (Currently the credit is repealed before carryforwards are exhausted).

Repeals obsolete income tax subtraction relating to displaced pupil grants.

Repeals obsolete session law relating to the economic impact analysis section of Laws 2005, Chapter 289, HB 2139, specifically as it relates to the provision that requires DOR to "cooperate" with JLBC by providing the identity of the corporations that elected the enhanced sales factor.

Repeals obsolete statutes regarding qualified defense contractors.

SB 1280 (Chapter [311](#))

tobacco; internet; mail sales; e-cigarettes

SH 1280 provides purchasing restrictions on tobacco products by prohibiting the order or purchase of tobacco products only through a licensed person or a retailer who orders or purchases from a licensed person.

A person who violates the purchase restriction is subject to a maximum civil penalty of \$5,000 for each violation, court and investigation costs (including attorney fees), and all state tobacco taxes and all transaction privilege or use taxes including any penalties and interest.

Each order or purchase of a tobacco product seized in violation forfeits to the state and must be destroyed.

DOR may not issue or renew licenses to sell tobacco products if an applicant is in violation of the purchase restriction or escrow account deposit requirements. Also precludes DOR from refunding the tax for stamps that are affixed to contraband articles or substances.

Unclaimed Property

HB 2023 (Chapter [217](#))

unclaimed property; certificates of deposit

Stipulates that certificates of deposit and any interest are presumed abandoned three years after maturity if unclaimed by the apparent owner. A deposit that is automatically renewable is deemed matured on its initial date of maturity, unless the owner has consented to a renewal at the time of the account opening. The consent must either be in writing or is evidenced by the original account agreement or by any memorandum or other record on file with the holder.
