

**ARIZONA UNCLAIMED PROPERTY RULING
UPR 26-1**

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Subject: Effect of Laws 2026, Ch. 224, § 23 (S.B. 1336) on the definition of “property” in A.R.S. § 44-301(17)

Date final: July 31, 2026

Effective date: September 12, 2026

ISSUE:

What effect does Laws 2026, Chapter 224, § 23 (S.B. 1336, 57th Legislature, Second Regular Session) have on the definition of “property” in A.R.S. § 44-301(17), and what are the reporting and delivery obligations of holders with respect to the categories of property described in former A.R.S. § 44-301(17)(b)?

APPLICABLE LAW:**Statutes**

- A.R.S. § 44-301(4) (defining “de minimis property”).
- A.R.S. § 44-301(12) (defining “mineral”).
- A.R.S. § 44-301(13) (defining “mineral proceeds”).
- A.R.S. § 44-301(17) (defining “property”).
- A.R.S. § 44-307 (prescribing holder reports and written notice to apparent owners before reporting).
- A.R.S. § 44-308 (requiring payment or delivery of property presumed abandoned).
- A.R.S. § 44-321(C) (prescribing limitation periods for enforcement and tolling them absent a report or express notice of a dispute).
- A.R.S. § 44-330 (authorizing the adoption of rules pursuant to title 41, chapter 6).
- A.R.S. § 44-333 (abating interest and penalties for reasonable reliance on the Department’s written advice; defining “unclaimed property ruling” as a statement issued by the director and denominated as an unclaimed property ruling or an unclaimed property procedure).
- A.R.S. § 44-336 (authorizing private holder rulings and holder information rulings and prescribing their effect).
- A.R.S. § 44-340 (requiring a notice of rights in examinations, including examinations by contingent fee auditors).

Constitution

- Ariz. Const. art. IV, pt. 2, § 13 (requiring that every act embrace but one subject, that the subject be expressed in the title, and that a subject not so expressed be void as to the excess).

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Session Law

Laws 2026, Ch. 224, § 1 (adding A.R.S. § 27-201.01).

Laws 2026, Ch. 224, § 2 (repealing former A.R.S. § 27-231).

Laws 2026, Ch. 224, § 10 (transferring and renumbering A.R.S. § 27-254 as A.R.S. § 27-231).

Laws 2026, Ch. 224, § 14 (repealing A.R.S. § 27-271).

Laws 2026, Ch. 224, § 23 (amending A.R.S. § 44-301).

Laws 2026, Ch. 224, § 27 (stating legislative findings).

Laws 2026, Ch. 224, § 28 (stating the act's purpose pursuant to A.R.S. § 41-2955(B)).

Case Law

Arizona School Boards Association, Inc. v. State, 252 Ariz. 219 (2022) (holding that a title reciting the statutes amended, followed by a general subject description, does not give notice of substantive provisions disconnected from that subject).

Manic v. Dawes, 213 Ariz. 252 (App. 2006) (holding that a provision must relate directly or indirectly to the subject of the title and bear a natural connection to it, or be germane to that subject).

State v. Sutton, 115 Ariz. 417 (1977) (holding that a title must put people on notice of the act's contents, and that provisions beyond the title are void however germane to the statute amended).

Taylor v. Frohmiller, 52 Ariz. 211 (1938) (holding that where a title names particular sections and states a subject, the act is confined to matters germane to that subject).

AUTHORITY AND PROCEDURE:

The Director issues this ruling under A.R.S. § 44-333(C)(2), and it is denominated an unclaimed property ruling for the purposes of that section. It interprets A.R.S. Title 44, Chapter 3.

DISCUSSION:

I. Changes Made by Laws 2026, Chapter 224, § 23

Section 23 of Chapter 224 ("Section 23") amended A.R.S. § 44-301 in two respects.

First, it amended paragraph 12, defining "mineral," to replace the cross-reference to A.R.S. § 27-231 with a cross-reference to A.R.S. § 27-201.01. That amendment conforms Title 44 to the recodification of the mineral definitions accomplished elsewhere in the same act: § 2 of Chapter 224 repealed the former A.R.S. § 27-231; § 14 repealed A.R.S. § 27-271; § 10 transferred and renumbered former A.R.S. § 27-254 as a new § 27-231; and § 1 added a new A.R.S. § 27-201.01 containing the definitions of "mineral" and "common variety mineral." Without the amendment, A.R.S. § 44-301(12) would cross-reference a section that no longer contains a definition of "mineral."

Second, Section 23 struck former paragraph 17, subdivision (b), which provided that "property"

[d]oes not include de minimis property, property of a person who is maintaining a current business relationship with the holder, monies collected pursuant to section 46-441 and property that is referred to or evidenced by gift certificates, electronic gift cards, nonrefundable tickets, certificates evidencing property denominated in value other than a

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currency, including prepaid phone cards, frequent flyer miles, stored value cards and merchandise points.

Section 23 renumbered former subdivision (c) as subdivision (b). The Department addresses each change in turn.

II. The Amendment to A.R.S. § 44-301(12) Is Given Full Effect

On and after September 12, 2026, the effective date of Chapter 224, “mineral” as used in A.R.S. Title 44, Chapter 3 means a substance defined as a mineral in A.R.S. §§ 27-201.01 and 27-901. Holders reporting mineral proceeds under A.R.S. § 44-301(13) should apply the definitions in § 27-201.01.

III. The Subject of Chapter 224 Limits the Effect of Section 23

Article IV, Part 2, § 13 of the Arizona Constitution imposes two distinct requirements: an act must embrace but one subject, and that subject must be expressed in the act’s title. *Ariz. Sch. Bds. Ass’n, Inc. v. State*, 252 Ariz. 219, 226 ¶ 25 (2022). A title must be worded so that it puts people on notice as to the contents of the act, *State v. Sutton*, 115 Ariz. 417, 419 (1977), although it need not be a complete index to those contents. A provision satisfies the requirement only if it directly or indirectly relates to the subject of the title and has a natural connection with it, or is germane to the subject expressed in the title. *Manic v. Dawes*, 213 Ariz. 252, 256 ¶ 21 (App. 2006). Where a title lists the sections an act amends and then states a general subject, the enumeration of sections does not itself supply the required notice; the stated subject governs, and substantive provisions bearing no connection to that subject are not saved by the listing. *Ariz. Sch. Bds. Ass’n*, 252 Ariz. at 226-27 ¶¶ 27-30. A provision that exceeds the subject expressed in the title is void as to the excess, however germane it may be to the subject of the statute amended, while the remainder of the act survives. *Sutton*, 115 Ariz. at 419; *Taylor v. Frohmiller*, 52 Ariz. 211, 218 (1938); ARIZ. CONST. art. IV, pt. 2, § 13.

Chapter 224 is an act “RELATING TO THE STATE LAND DEPARTMENT.” Its title is “state land department; continuation; oversight.” Its stated purpose, in § 28, is the continuation of the State Land Department pursuant to A.R.S. § 41-2955(B). The eleven legislative findings in § 27 address the State Land Department’s five year disposition plans, the vacancy of the urban land planning oversight committee, the availability of minerals on state trust land, reclamation, and the best interest of the state land trust. None addresses unclaimed property, consumer stored value, or the reporting obligations of holders.

The single provision of Chapter 224 that touches Title 44 and is germane to that subject is the mineral cross-reference in A.R.S. § 44-301(12), which conforms Title 44, Chapter 3 to the recodification accomplished by §§ 1, 2, 10 and 14 of the act. Nothing in the title, the enacting clause, the purpose section or the legislative findings indicates an intent to alter the categories of consumer and commercial property subject to custodial escheat, and no fiscal, regulatory or holder-impact consequence of such a change is identified anywhere in the act.

That Chapter 224’s title recites “AMENDING SECTION 44-301, ARIZONA REVISED STATUTES” does not enlarge the act’s subject. A title that identifies particular sections and then confines the act to a stated subject limits what may be done to those sections to matters germane to that subject; anything beyond is void, however germane it may be to the section amended. *Taylor*, 52 Ariz. at 218; *Sutton*, 115 Ariz. at 419. The listing of affected statutes is not the inquiry; the general subject description is. *Ariz. Sch. Bds. Ass’n*, 252 Ariz. at 226-27 ¶¶ 27-30. The conforming mineral cross-reference is germane to the continuation and administration of the State Land Department. The categories described in former subdivision (b)—consumer stored value, loyalty points, support monies and small commercial account balances—are not.

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Reading Section 23 to work a substantive expansion of the property subject to A.R.S. Title 44, Chapter 3 would therefore present a substantial question under Art. IV, Pt. 2, § 13. Statutes are construed, where fairly possible, to avoid such questions. Reading Section 23 as effecting the conforming mineral amendment does not present that question.

The Department therefore construes Section 23 as conforming A.R.S. § 44-301(12) to the recodified mineral definitions. The Department does not construe Section 23 as bringing within A.R.S. Title 44, Chapter 3 any category of property that was outside Chapter 3 before the act's effective date.

The Department does not determine the constitutional validity of any enactment; that determination rests with the courts. This ruling states the Department's construction of the scope of Laws 2026, Chapter 224, and nothing further.

RULING:

1. For all purposes under A.R.S. Title 44, Chapter 3, “mineral” in A.R.S. § 44-301(12) means a substance defined as a mineral in A.R.S. §§ 27-201.01 and 27-901.
2. The Department construes Laws 2026, Chapter 224, § 23 as not enlarging the categories of property subject to A.R.S. Title 44, Chapter 3. Property that was not subject to A.R.S. Title 44, Chapter 3 before the effective date of Chapter 224 does not become subject to it by reason of that act.
3. Accordingly, the categories described in former A.R.S. § 44-301(17)(b) are not “property” for purposes of A.R.S. Title 44, Chapter 3. Those categories are:
 - a) de minimis property as defined in § 44-301(4);
 - b) property of a person who is maintaining a current business relationship with the holder;
 - c) monies collected pursuant to § 46-441; and
 - d) property that is referred to or evidenced by gift certificates, electronic gift cards, nonrefundable tickets, certificates evidencing property denominated in value other than a currency, including prepaid phone cards, frequent flyer miles, stored value cards and merchandise points.
4. Because the categories described in paragraph 3 are not property subject to A.R.S. Title 44, Chapter 3, no report of that property is due under § 44-307 and no delivery is due under § 44-308. The Department will not accept a report or remittance of property described in paragraph 3.
5. The Department will not include the categories described in paragraph 3 within the scope of any examination conducted under A.R.S. Title 44, Chapter 3, including any examination conducted by a contingent fee auditor. The Department will direct its contract auditors accordingly and will conform the notice of rights required by § 44-340.
6. Paragraphs 1 through 5 do not expire and remain in effect until superseded by statute, by a rule adopted under § 44-330, or by a decision of a court of competent jurisdiction.
7. A holder that takes a reporting position consistent with this ruling may file with the Department a written express notice of a dispute regarding the property under § 44-321(C), addressed to the Unclaimed Property unit (unclaimedproperty@azdor.gov). The Department will acknowledge receipt in writing. Filing such a notice is not a condition of reliance on this ruling.

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8. This ruling is written advice within the meaning of A.R.S. § 44-333. A holder that reasonably relies on this ruling is entitled to the abatement of interest and penalties provided by that section.
9. A holder or potential holder that seeks a determination applying this ruling to specifically described products or accounts may request a private holder ruling or a holder information ruling under A.R.S. § 44-336.
10. Nothing in this ruling discharges, limits or affects any obligation a holder owes to its own customer or to any other person under contract or other law, or any right of an owner to demand payment or performance from a holder. Nothing in this ruling transfers, extinguishes or adjudicates any property right.
11. This ruling states the Department's construction of Arizona law and does not have the force of law. It binds no other state and does not address any claim to property asserted by another jurisdiction. It creates no right in any person except as provided in A.R.S. §§ 44-321(C), 44-333 and 44-336.
12. This ruling addresses a drafting anomaly in an act whose title, enacting clause, purpose, and legislative findings relate solely to the State Land Department, and rests on the Department's construction of the scope of that act. It is not authority for, and the Department does not assert, any power to decline to administer a duly enacted statute on grounds of policy disagreement.


Robert Woods (Jul 31, 2026 13:45:29 PDT)

Robert Woods, Director

Signed: July 31, 2026

Explanatory Notice

The purpose of an unclaimed property ruling is to provide interpretive guidance to the general public and to Department personnel. An unclaimed property ruling is intended to encompass issues of law that are not adequately covered in statute, case law, or administrative rules. An unclaimed property ruling is a position statement that provides interpretation, detail, or supplementary information concerning application of the law. Relevant statute, case law, or administrative rules, as well as a subsequent ruling, may modify or negate any or all of the provisions of any unclaimed property ruling.

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Final Audit Report

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