

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 168
SENATE BILL 1432

AN ACT

AMENDING SECTION 42-12002, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 12, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-12058; AMENDING SECTION 42-15002, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX CLASSIFICATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-12002, Arizona Revised Statutes, is amended to
3 read:

4 42-12002. Class two property

5 For purposes of taxation, class two is established consisting of ~~two~~
6 **THREE** subclasses:

7 1. Class two (R) consists of:

8 (a) Real property and improvements to property that are used for
9 agricultural purposes and that are valued at full cash value or pursuant to
10 chapter 13, article 3 of this title, as applicable.

11 (b) Real property and improvements to property that are primarily used
12 for agricultural purposes to produce trees other than standing timber, vines,
13 rosebushes, ornamental plants or other horticultural crops, regardless of
14 whether the crop is grown in containers, soil or any other medium, that are
15 not included in class one, three, four, six, seven or eight and that are
16 valued at full cash value or pursuant to chapter 13, article 3 of this title,
17 as applicable.

18 (c) Real property and improvements to property that are owned and
19 controlled by a nonprofit organization that is exempt from taxation under
20 section 501(c)(3), (4), (7), (10) or (14) of the internal revenue code if the
21 property is not used or intended for the financial benefit of members of the
22 organization or any other individual or organization, unless the financial
23 benefit is for charitable, religious, scientific, literary or educational
24 purposes, and that are valued at full cash value.

25 (d) Real property of golf courses that is valued at full cash value or
26 pursuant to chapter 13, article 4 of this title.

27 (e) All other real property and improvements to property, if any, that
28 are not included in class one, three, four, six, seven or eight and that are
29 valued at full cash value.

30 2. Class two (P) consists of:

31 (a) Personal property that is used for agricultural purposes and that
32 is valued at full cash value or pursuant to chapter 13, article 3 of this
33 title, as applicable.

34 (b) Personal property that is primarily used for agricultural purposes
35 to produce trees other than standing timber, vines, rosebushes, ornamental
36 plants or other horticultural crops, regardless of whether the crop is grown
37 in containers, soil or any other medium, that is not included in class one,
38 three, four, six, seven or eight and that is valued at full cash value or
39 pursuant to chapter 13, article 3 of this title, as applicable.

40 (c) Personal property that is owned and controlled by a nonprofit
41 organization that is exempt from taxation under section 501(c)(3), (4), (7),
42 (10) or (14) of the internal revenue code if the property is not used or
43 intended for the financial benefit of members of the organization or any
44 other individual or organization, unless the financial benefit is for
45 charitable, religious, scientific, literary or educational purposes, and that
46 is valued at full cash value.

1 (d) Personal property of golf courses that is valued at full cash
2 value or pursuant to chapter 13, article 4 of this title.

3 (e) All other personal property that is not included in class one,
4 three, four, six, seven or eight and that is valued at full cash value.

5 3. CLASS TWO (C) CONSISTS OF REAL PROPERTY, AND IMPROVEMENTS TO REAL
6 PROPERTY, THAT IS BURDENED BY A CONSERVATION EASEMENT THAT HAS BEEN CREATED
7 AND IS CURRENTLY IN EFFECT PURSUANT TO TITLE 33, CHAPTER 2, ARTICLE 4.

8 Sec. 2. Title 42, chapter 12, article 2, Arizona Revised Statutes, is
9 amended by adding section 42-12058, to read:

10 42-12058. Registry of real property burdened by conservation
11 easements

12 A. THE COUNTY ASSESSOR IN EACH COUNTY SHALL ESTABLISH AND MAINTAIN A
13 PUBLIC DIGITAL REGISTRY OF EACH PARCEL OF PROPERTY IN THE COUNTY THAT IS
14 CLASSIFIED AS CLASS TWO (C) PURSUANT TO SECTION 42-12002, PARAGRAPH 3 FROM
15 AND AFTER DECEMBER 31, 2016 BECAUSE IT IS BURDENED BY A CONSERVATION
16 EASEMENT.

17 B. THE REGISTRY SHALL INCLUDE THE FOLLOWING INFORMATION REGARDING EACH
18 PARCEL:

19 1. THE NAME OF THE OWNER OR OWNERS OF THE REAL PROPERTY THAT IS
20 BURDENED BY THE CONSERVATION EASEMENT.

21 2. THE DATE THE CONSERVATION EASEMENT WAS CREATED OR RECORDED.

22 3. WHETHER THE CONSERVATION EASEMENT IS PERPETUAL OR LIMITED IN
23 DURATION AND, IF SO LIMITED, THE DATE OR CONDITIONS UNDER WHICH THE
24 CONSERVATION EASEMENT TERMINATES.

25 C. THE ASSESSOR SHALL PERIODICALLY REVIEW AND REVISE AS NECESSARY THE
26 INFORMATION CONTAINED IN THE REGISTRY FOR THE PURPOSE OF VERIFYING THAT THE
27 LISTED PROPERTIES SHOULD REMAIN CLASSIFIED AS CLASS TWO (C).

28 Sec. 3. Section 42-15002, Arizona Revised Statutes, is amended to
29 read:

30 42-15002. Assessed valuation of class two property

31 The following percentages apply to the full cash value or limited
32 valuation, as applicable, as a basis for determining the assessed valuation
33 of class two property described in section 42-12002:

34 1. Class two (R): sixteen ~~per-cent~~ PERCENT through December 31, 2015
35 and fifteen ~~per-cent~~ PERCENT beginning from and after December 31, 2015.

36 2. Class two (P): sixteen ~~per-cent~~ PERCENT through December 31, 2015,
37 and fifteen ~~per-cent~~ PERCENT beginning from and after December 31, 2015, of
38 the value exceeding the maximum amount of valuation of personal property that
39 is exempt from taxation pursuant to section 42-11127.

40 3. CLASS TWO (C): FIFTEEN PERCENT.

41 Sec. 4. Effective date

42 This act is effective from and after December 31, 2016.

APPROVED BY THE GOVERNOR MAY 11, 2016.

S.B. 1432

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 11, 2016.