

COMMITTEE ON FINANCE
SENATE AMENDMENTS TO H.B. 2145
(Reference to House engrossed bill)

1 Page 1, line 7, strike "ALL" insert "BOTH OF"

2 Line 14, strike "ALL" insert "BOTH"

3 Page 2, line 15, after "accommodations" insert "DURING THE OPERATING SEASON IN
4 WHICH GUESTS ARE PRESENT"

5 Line 38, strike "ON" insert "IN"

6 Strike page 3 insert:

7 "Sec. 3. Section 42-12002, Arizona Revised Statutes, is amended to
8 read:

9 42-12002. Class two property

10 For purposes of taxation, class two is established consisting of
11 three subclasses:

12 1. Class two (R) consists of:

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

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

23 (c) Real property and improvements to property that are owned and
24 controlled by a nonprofit organization that is exempt from taxation under
25 section 501(c)(3), (4), (7), (10) or (14) of the internal revenue code if

1 the property is not used or intended for the financial benefit of members
2 of the organization or any other individual or organization, unless the
3 financial benefit is for charitable, religious, scientific, literary or
4 educational purposes, and that are valued at full cash value.

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

7 (e) Real property and improvements to property of a guest ranch that
8 are valued **AT FULL CASH VALUE** pursuant to chapter 13, article 12 of this
9 title.

10 (f) All other real property and improvements to property, if any,
11 that are not included in class one, three, four, six, seven or eight and
12 that are valued at full cash value.

13 2. Class two (P) consists of:

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

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

24 (c) Personal property that is owned and controlled by a nonprofit
25 organization that is exempt from taxation under section 501(c)(3), (4),
26 (7), (10) or (14) of the internal revenue code if the property is not used
27 or intended for the financial benefit of members of the organization or any
28 other individual or organization, unless the financial benefit is for
29 charitable, religious, scientific, literary or educational purposes, and
30 that is valued at full cash value.

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

1 (e) Personal property of a guest ranch that is valued AT FULL CASH
2 VALUE pursuant to chapter 13, article 12 of this title.

3 (f) 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. 4. Section 42-13551, Arizona Revised Statutes, is amended to
9 read:

10 42-13551. Definition of guest ranch

11 For the purposes of this article, "guest ranch" means real property
12 and improvements to property being used as a guest ranch that meets all of
13 the following:

14 1. Consists of at least one thousand contiguous acres that are any
15 of the following:

16 (a) Private property adjacent to the headquarters.

17 (b) Leased property adjacent to the headquarters. For the purposes
18 of this subdivision, the lease agreement may be for private or public real
19 property and must be in writing and include riding rights.

20 (c) Public land that is subject to a riding permit.

21 2. Provides recreational activities that include horseback riding,
22 hiking, biking or a working cattle ranch experience for guests.

23 3. Has an organized and supervised horse program on the property
24 with a horse herd that consists of a number of horses that is equal to or
25 greater than the total number of guest accommodations DURING THE OPERATING
26 SEASON IN WHICH GUESTS ARE PRESENT.

27 4. Uses at least one permanent structure that has running water,
28 sewage disposal and a kitchen.

29 5. Provides guests with three meals each day as part of the guest
30 ranch's primary package, commonly referred to as the "American plan".

31 6. Includes the word "ranch" or "rancho" in the guest ranch's name.

1 Sec. 5. Title 42, chapter 13, article 12, Arizona Revised Statutes,
2 is amended by adding section 42-13553, to read:

3 42-13553. Computing valuation of guest ranches
4 SUBJECT TO SECTION 42-13552, VALUES SHALL BE MADE ON THE ASSUMPTION
5 THAT NO OTHER PROPERTY USE IS POSSIBLE.

6 Sec. 6. Retroactivity

7 Sections 42-12002 and 42-13551, Arizona Revised Statutes, as amended
8 by this act, and section 42-13553, Arizona Revised Statutes, as added by
9 this act, apply retroactively to tax years beginning from and after
10 September 28, 2021."

11 Amend title to conform

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