

REFERENCE TITLE: property tax exemption; religious activities

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1298

Introduced by
Senator Kavanagh

AN ACT

AMENDING SECTION 42-11109, ARIZONA REVISED STATUTES; RELATING TO PROPERTY
TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-11109, Arizona Revised Statutes, is amended
3 to read:

4 42-11109. Exemption for property used for religious-related
5 activities; affidavit; definition

6 A. Property or buildings that are OWNED BY A NONPROFIT ORGANIZATION
7 AND THAT ARE used or held primarily for ~~religious worship~~
8 RELIGIOUS-RELATED ACTIVITIES, including land, improvements, furniture,
9 FIXTURES and equipment, are exempt from taxation if the property is not
10 used or held for profit.

11 B. Within ten days after receiving an ~~initial~~ affidavit of
12 eligibility submitted ~~under~~ PURSUANT TO section 42-11152, SUBSECTION A,
13 PARAGRAPH 1 by a nonprofit organization that owns property used primarily
14 for ~~religious worship~~ RELIGIOUS-RELATED ACTIVITIES, the county assessor,
15 on request, shall issue a receipt for the affidavit.

16 C. The organization shall file with the assessor the affidavit
17 required by section 42-11152 and evidence of the organization's tax exempt
18 status under section 501(c)(3) of the internal revenue code when initially
19 claiming the exemption.

20 D. A nonprofit organization that obtains title to property that was
21 previously owned by another nonprofit organization and used primarily for
22 ~~religious worship~~ RELIGIOUS-RELATED ACTIVITIES shall comply with the
23 requirements of section 42-11152 to qualify and establish eligibility for
24 exemption.

25 E. If a nonprofit organization that holds title to property used
26 primarily for ~~religious worship~~ RELIGIOUS-RELATED ACTIVITIES fails to file
27 the affidavit required by section 42-11152 in a timely manner, but
28 otherwise qualifies for exemption, the county board of supervisors, on
29 petition by the organization, shall direct the county treasurer to:

30 1. Refund any property taxes paid by the organization for a tax
31 year if the organization submits a claim for the refund to the county
32 treasurer within one year after the date the taxes were paid. The county
33 treasurer shall pay the claim within thirty days after it is submitted to
34 the treasurer. The county treasurer is entitled to credit for the refund
35 in the next accounting period with each taxing jurisdiction to which the
36 tax monies may have been transmitted.

37 2. Forgive and strike off from the tax roll any property taxes and
38 accrued interest and penalties that are due but not paid.

39 F. FOR THE PURPOSES OF THIS SECTION, "RELIGIOUS-RELATED ACTIVITIES"
40 INCLUDES WORSHIP, EDUCATION AND HOUSING.