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Conference Engrossed

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
First Regular Session  
2005

# HOUSE BILL 2135

AN ACT

AMENDING SECTION 42-11105, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-11105, Arizona Revised Statutes, is amended to  
3 read:

4 42-11105. Exemption for health care property

5 A. Hospitals for the relief of the indigent or afflicted, appurtenant  
6 land and their fixtures and equipment are exempt from taxation if they are  
7 not used or held for profit.

8 B. Property that is used to operate a health care institution that  
9 provides medical, nursing or health related services to persons who are  
10 handicapped or sixty-two years of age or older is exempt from taxation if the  
11 property is not used or held for profit.

12 C. Qualifying community health centers as defined in section  
13 36-2907.06, subsection H, appurtenant land and their fixtures and equipment  
14 are exempt from taxation if they are not used or held for profit.

15 D. PROPERTY THAT IS OWNED BY A HEALTH CARE PROVIDER, RECOGNIZED UNDER  
16 SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND ORGANIZED AS A NONPROFIT  
17 CORPORATION, IS EXEMPT FROM TAXATION IF THE PROPERTY IS USED TO PROVIDE  
18 HEALTH CARE SERVICES AND THE PROPERTY IS NOT USED OR HELD FOR PROFIT. AN  
19 EXEMPTION UNDER THIS SUBSECTION INCLUDES ALL BUILDINGS, APPURTENANT LAND,  
20 FIXTURES, EQUIPMENT AND OTHER REASONABLY REQUIRED PROPERTY, INCLUDING  
21 PROPERTY USED FOR THE ADMINISTRATION OF SERVICES. FOR PURPOSES OF THIS  
22 SUBSECTION, "HEALTH CARE PROVIDER" MEANS A HEALTH CARE INSTITUTION AS DEFINED  
23 IN TITLE 36 OR AN ENTITY THAT DIRECTLY PROVIDES HEALTH CARE SERVICES TO  
24 PATIENTS THROUGH HEALTH CARE PROVIDERS WHO ARE LICENSED PURSUANT TO TITLE 32.

25 Sec. 2. Retroactivity

26 This act applies retroactively to property tax years beginning from and  
27 after December 31, 1999.

28 Sec. 3. Refund of taxes already paid

29 A. A county board of supervisors shall direct the county treasurer to  
30 grant a refund of all taxes, penalties and interest paid for tax years 2000  
31 through 2004 by any health care provider organization on property that  
32 qualifies for exemption under section 42-11105, subsection D, Arizona Revised  
33 Statutes, as amended by this act.

34 B. The organization must submit a claim for refund and reimbursement  
35 to the county treasurer after the effective date of this act, and the  
36 treasurer shall pay the claim after it is submitted. The treasurer is  
37 entitled to credit for the refund in the next accounting with each taxing  
38 jurisdiction to which the treasurer originally transmitted the overpayment.