

PROPOSED AMENDMENT

SENATE AMENDMENTS TO H.B. 2407

(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 42-11054, Arizona Revised Statutes, is amended to
3 read:

4 42-11054. Standard appraisal methods and techniques

5 A. Subject to subsection B of this section, the department shall:

6 1. Prescribe guidelines for applying standard appraisal methods and
7 techniques that shall be used by the department and county assessors in
8 determining the valuation of property.

9 2. Prepare and maintain manuals and other necessary guidelines,
10 consistent with this section, reflecting the standard methods and techniques
11 to perpetuate a current inventory of taxable property and the valuation of
12 that property.

13 B. Before they are adopted, the department shall submit each
14 substantive proposed guideline, table and manual that is developed, amended
15 or otherwise modified from and after December 31, 2006 to the joint
16 legislative oversight committee on property tax assessment and appeals. The
17 department shall not finally adopt, amend or otherwise modify a substantive
18 guideline, table or manual for at least thirty days after submitting the
19 measure to the committee. The committee may hold one or more informational
20 hearings on the proposed measure within thirty days after submission. In
21 adopting, amending or modifying the measure the department shall consider the
22 committee's comments. If the committee fails to hold a hearing within thirty
23 days after submission, the department may adopt, amend or modify the measure
24 without further consideration.

25 C. In applying prescribed standard appraisal methods and techniques:

26 1. Current usage shall be included in the formula for reaching a
27 determination of full cash value.

1 2. Solar energy devices, as defined in section 44-1761, grid-tied
2 photovoltaic systems and any other device or system designed for the
3 production of solar energy ~~primarily for on-site consumption~~ are considered
4 to have no value and to add no value to the property on which such device or
5 system is installed IF EITHER OF THE FOLLOWING APPLY:

6 (a) THE SYSTEM OR DEVICE IS PRIMARILY FOR SELF-CONSUMPTION.

7 (b) THE SYSTEM OR DEVICE IS:

8 (i) LOCATED ON REAL PROPERTY;

9 (ii) OWNED OR LEASED BY A SEPARATE PARTY;

10 (iii) DESIGNED TO PRODUCE AN AMOUNT OF ELECTRICITY THAT WOULD MEET PART
11 OR ALL OF THE REAL PROPERTY USER'S ON-SITE ELECTRICITY NEEDS, NOT TO EXCEED
12 ONE HUNDRED TWENTY-FIVE PER CENT OF A USER'S TOTAL CONNECTED LOAD, REGARDLESS
13 OF WHETHER THE ELECTRICITY PRODUCED IS ACTUALLY USED FOR IMMEDIATE
14 CONSUMPTION.

15 3. Energy efficient building components, renewable energy equipment
16 and combined heat and power systems are considered to add no value to the
17 property, if the property owner provides the county assessor with
18 documentation of all elements that qualify pursuant to this paragraph,
19 including documents showing actual acquisition and installation costs. The
20 documentation must be submitted to the county assessor no later than six
21 months before the notice of full cash value is issued for the initial
22 evaluation year pursuant to section 42-15101 or, if the component is added
23 after September 30 of the preceding year, no later than March 31 of the
24 initial valuation year. For the purposes of this paragraph:

25 (a) "Combined heat and power system" means a system that generates
26 electricity or mechanical power and useful thermal energy in a single,
27 integrated system such that the useful power output of the facility plus
28 one-half the useful thermal output during any twelve-month period is no less
29 than 42.5 per cent of the total energy input of fuel to the facility.

30 (b) "Energy efficient building components" means high performance
31 sustainable building components installed so that the buildings or building
32 components meet or exceed the energy efficiencies prescribed by the United

1 States environmental protection agency energy star program or by a leadership
2 in energy and environmental design green building rating standard developed
3 by the United States green building council, or an equivalent green building
4 standard, or that are at least fifteen per cent more energy efficient than
5 the international energy conservation code in effect at the time of building
6 permit issuance.

7 (c) "Renewable energy equipment" means equipment that is used to
8 produce energy primarily for on-site consumption from renewable resources,
9 including wind, forest thinnings, agricultural waste, biogas, biomass,
10 geothermal, low-impact hydropower and solar energy not included under
11 paragraph 2 of this subsection.

12 D. If the methods and techniques prescribe using market data as an
13 indication of market value, the price paid for future anticipated property
14 value increments shall be excluded.

15 E. For purposes of determining full cash value the department and
16 county assessors shall use and apply the ratio standard guidelines issued by
17 the department for tax year 1993 in the same manner as they were applied in
18 tax year 1993. This subsection does not apply to property that is valued
19 according to prescribed statutory methods or to property for which values are
20 determined in the year after an appeal pursuant to section 42-16002.

21 Sec. 2. Retroactivity

22 This act applies retroactively to, from and after December 31, 2013."

23 Amend title to conform

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3/14/14
2:34 PM
S: CRS/tf