



HOUSE OF REPRESENTATIVES

SB 1432

~~temporary conservation easement; taxation~~

NOW: conservation easements; tax classification; registry

Prime Sponsor: Senator Griffin, LD 14

DPA/SE Committee on Agriculture, Water and Lands

DPA Caucus and COW

X As Transmitted to Governor

OVERVIEW

SB 1432, effective on January 1, 2017, establishes a separate classification for and requires county assessors to establish a digital registry of properties burdened by a conservation easement.

PROVISIONS

1. Establishes a separate tax classification for properties burdened by conservation easements and establishes an assessment ratio of 15%.
2. Requires all county assessors to establish and maintain a digital registry of properties burdened by a conservation easement and classified as class two C property after January 1, 2017. The registry must include the following:
 - a. Property owner's name;
 - b. Date the easement was created or recorded;
 - c. Duration of the easement; and
 - d. Date or conditions for the easement to terminate, if established as a limited easement.
3. Requires all county assessors to review and revise the information in the registry to verify that the properties should remain as class two C.
4. Contains an effective date of January 1, 2017.
5. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 42-12002 and § 42-15002 establishes classifications of and the assessment ratio for class 2 property, which includes agricultural property, properties of non-profit organizations and vacant land. Class two contains two subclassifications established as class two P (personal property) and class two R (real property). SB 1432 will establish a third subclassification specifically for property burdened by a conservation easement with an assessment ratio of 15%. The assessment ratio for Class 2 P and R is 15%, which was effective on January 1, 2016.

ADDITIONAL INFORMATION

A conservation easement is a voluntary agreement between a landowner and an organization or government that limits the use of the land that is burdened by the easement. Conservation easements may be permanent or temporary; the ownership of the land is maintained by the landowner but the development rights belong to the easement holder and vary depending on the terms of the easement.