

Conference Engrossed

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 392
SENATE BILL 1481

AN ACT

AMENDING TITLE 42, CHAPTER 11, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 42-11132 AND 42-11133; AMENDING SECTIONS 42-11152 AND 42-11153, 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. Title 42, chapter 11, article 3, Arizona Revised Statutes,
3 is amended by adding sections 42-11132 and 42-11133, to read:

4 42-11132. Property of religious or charitable associations or
5 institutions leased to an educational institution

6 A. PROPERTY, BUILDINGS AND FIXTURES THAT ARE OWNED BY A RELIGIOUS OR
7 CHARITABLE ORGANIZATION, INSTITUTION OR ASSOCIATION AND LEASED TO A NOT FOR
8 PROFIT EDUCATIONAL ORGANIZATION, INSTITUTION OR ASSOCIATION ARE EXEMPT FROM
9 TAXATION IF THE PROPERTY IS USED FOR EDUCATIONAL INSTRUCTION IN ANY GRADE OR
10 PROGRAM THROUGH GRADE TWELVE.

11 B. IF THE RELIGIOUS OR CHARITABLE ORGANIZATION, INSTITUTION OR
12 ASSOCIATION THAT OWNS THE PROPERTY FILES WITH THE ASSESSOR EVIDENCE OF THE
13 ORGANIZATION'S TAX EXEMPT STATUS UNDER SECTION 501(c)(3) OF THE INTERNAL
14 REVENUE CODE AND AN AFFIDAVIT BY THE EDUCATIONAL ORGANIZATION, INSTITUTION OR
15 ASSOCIATION THAT IT USES THE PROPERTY FOR EDUCATIONAL INSTRUCTION AS
16 DESCRIBED IN SUBSECTION A OF THIS SECTION, THE PROPERTY QUALIFIES FOR THE TAX
17 EXEMPTION UNDER THIS SECTION AND IS EXEMPT FROM THE REQUIREMENT OF FILING
18 SUBSEQUENT AFFIDAVITS UNDER SECTION 42-11152 UNTIL ALL OR PART OF THE
19 PROPERTY IS CONVEYED TO A NEW OWNER OR IS NO LONGER USED FOR EDUCATIONAL
20 PURPOSES. AT THAT TIME THE RELIGIOUS OR CHARITABLE ORGANIZATION, INSTITUTION
21 OR ASSOCIATION MUST NOTIFY THE ASSESSOR OF THE CHANGE IN WRITING.

22 42-11133. Exemption for low income housing projects

23 A. PROPERTY THAT IS USED EXCLUSIVELY FOR RENTAL HOUSING AND RELATED
24 FACILITIES IS EXEMPT FROM TAXATION IF:

25 1. THE PROPERTY IS NOT USED OR HELD FOR PROFIT.

26 2. THE PROPERTY IS OWNED AND OPERATED BY, OR IS A WHOLLY OWNED
27 SUBSIDIARY OF, A CHARITABLE FUND, FOUNDATION OR CORPORATION, INCLUDING A
28 LIMITED PARTNERSHIP IN WHICH THE MANAGING GENERAL PARTNER IS AN ELIGIBLE
29 NONPROFIT CORPORATION.

30 3. ALL OF THE FOLLOWING APPLIES:

31 (a) THE ACQUISITION, REHABILITATION, DEVELOPMENT OR OPERATION OF THE
32 PROPERTY, OR ANY COMBINATION OF THESE FACTORS, IS FINANCED WITH TAX EXEMPT
33 MORTGAGE REVENUE BONDS OR GENERAL OBLIGATION BONDS OR IS FINANCED BY LOCAL,
34 STATE OR FEDERAL LOANS OR GRANTS AND THE RENTS OF THE OCCUPANTS DO NOT EXCEED
35 THE RENTS THAT ARE PRESCRIBED BY DEED RESTRICTIONS OR BY REGULATORY
36 AGREEMENTS PURSUANT TO THE FINANCING OR FINANCIAL ASSISTANCE TERMS.

37 (b) THE OWNER OF THE PROPERTY IS ELIGIBLE FOR AND RECEIVES TAX CREDITS
38 FOR LOW INCOME RESIDENTIAL HOUSING ESTABLISHED UNDER SECTION 42 OF THE
39 INTERNAL REVENUE CODE.

40 (c) THE PROPERTY IS USED AS AN ASSISTED LIVING FACILITY FOR LOW INCOME
41 ELDERLY RESIDENTS.

42 (d) THE FACILITY CANNOT EXCEED TWO HUNDRED RESIDENTS.

1 B. TO QUALIFY UNDER THIS SECTION, THE OWNER OF THE PROPERTY MUST:
2 1. FOR ANY CLAIM THAT IS FILED IN ANY FISCAL YEAR, CERTIFY AND ENSURE,
3 SUBJECT TO PARAGRAPH 2 OF THIS SUBSECTION, THAT THERE IS AN ENFORCEABLE AND
4 VERIFIABLE AGREEMENT WITH A PUBLIC AGENCY, A RECORDED DEED RESTRICTION OR ANY
5 OTHER LEGAL DOCUMENT THAT RESTRICTS THE USE OF THE PROPERTY AND REQUIRES THAT
6 THE RENTS DO NOT EXCEED THE TERMS THAT ARE PRESCRIBED BY THE FINANCING OR
7 FINANCIAL ASSISTANCE TERMS. IN THE CASE OF A LIMITED PARTNERSHIP IN WHICH
8 THE MANAGING GENERAL PARTNER IS AN ELIGIBLE NONPROFIT CORPORATION, THE
9 REQUIREMENTS UNDER THIS PARAGRAPH MUST BE INCLUDED IN AN ENFORCEABLE AND
10 VERIFIABLE AGREEMENT WITH A PUBLIC AGENCY OR IN A RECORDED DEED CERTIFIED BY
11 THE LIMITED PARTNERSHIP.
12 2. CERTIFY THAT THE MONIES THAT WOULD HAVE BEEN NECESSARY TO PAY THE
13 PROPERTY TAXES ARE USED TO MAINTAIN THE AFFORDABILITY OF OR OTHERWISE REDUCE
14 THE RENTS OF THE UNITS THAT ARE OCCUPIED BY ELIGIBLE LOW INCOME HOUSEHOLDS.
15 Sec. 2. Section 42-11152, Arizona Revised Statutes, is amended to
16 read:
17 42-11152. Affidavit; false statements
18 A. Except as provided in sections 42-11109, 42-11110 and 42-11111, ~~and~~
19 42-11131 ~~AND 42-11132~~ and except for property described in sections 42-11125
20 and 42-11127, a person who claims exemption from taxation under article IX,
21 section 2, 2.1 or 2.2, Constitution of Arizona, shall:
22 1. When initially claiming the exemption, appear before the county
23 assessor to make an affidavit as to the person's eligibility. If a personal
24 appearance before the county assessor would create a severe hardship, the
25 county assessor may arrange a mutually satisfactory meeting place to make an
26 affidavit as to the person's eligibility.
27 2. When claiming the exemption in subsequent years, appear before the
28 county assessor or a notary public to make an affidavit as to the person's
29 eligibility.
30 3. Fully answer all questions on the eligibility form or otherwise
31 required by the assessor for that purpose.
32 B. At the assessor's discretion, the assessor may require additional
33 proof of the facts stated by the person before allowing an exemption.
34 C. A person who is in the United States military service and who is
35 absent from this state or who is confined in a veterans' hospital or another
36 licensed hospital may make the required affidavit in the presence of any
37 officer who is authorized to administer oaths on a form obtained from the
38 county assessor.
39 D. A false statement that is made or sworn to in the affidavit is
40 perjury.

1 Sec. 3. Section 42-11153, Arizona Revised Statutes, is amended to
2 read:

3 42-11153. Deadline for filing affidavit

4 A. Except as provided in section 42-11109, subsection B, section
5 42-11110, subsection B and section 42-11111, subsection H **AND SECTION**
6 **42-11132, SUBSECTION A**, a failure by a taxpayer who is entitled to an
7 exemption to make an affidavit or furnish evidence required by this article
8 between the first Monday in January and March 1 of each year constitutes a
9 waiver of the exemption.

10 B. If a widow, widower or disabled person whose property is exempt
11 from tax under section 42-11111, or an organization that is exempt from
12 federal income tax under section 501(c) of the internal revenue code and is
13 exempt from property tax under article 3 of this chapter, submits a petition
14 after the deadlines prescribed by subsection A of this section, the person or
15 organization may have the waiver redeemed by the county board of supervisors
16 at any regular meeting, except that no taxes that were due and payable before
17 the petition was submitted may be refunded or abated.

APPROVED BY THE GOVERNOR JUNE 28, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 28, 2006.