

REFERENCE TITLE: commercial property tax; renewable energy

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

# HB 2617

Introduced by  
Representative Mason

AN ACT

AMENDING SECTIONS 42-12001 AND 42-12002, ARIZONA REVISED STATUTES; RELATING  
TO PROPERTY TAX CLASSIFICATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 42-12001, Arizona Revised Statutes, is amended to  
3 read:  
4 42-12001. Class one property  
5 EXCEPT AS PROVIDED BY SECTION 42-12002, PARAGRAPH 1, SUBDIVISION (e)  
6 AND PARAGRAPH 2, SUBDIVISION (e), for purposes of taxation, class one is  
7 established consisting of the following subclasses:  
8 1. Producing mines and mining claims, personal property used on mines  
9 and mining claims, improvements to mines and mining claims and mills and  
10 smelters operated in conjunction with mines and mining claims that are valued  
11 at full cash value pursuant to section 42-14053.  
12 2. Standing timber that is valued at full cash value.  
13 3. Real and personal property of gas distribution companies, electric  
14 transmission companies, electric distribution companies, combination gas and  
15 electric transmission and distribution companies, companies engaged in the  
16 generation of electricity and electric cooperatives that are valued at full  
17 cash value pursuant to section 42-14151.  
18 4. Real and personal property of airport fuel delivery companies that  
19 are valued pursuant to section 42-14503.  
20 5. Real and personal property that is used by producing oil, gas and  
21 geothermal resource interests that are valued at full cash value pursuant to  
22 section 42-14102.  
23 6. Real and personal property of water, sewer and wastewater utility  
24 companies that are valued at full cash value pursuant to section 42-14151.  
25 7. Real and personal property of pipeline companies that are valued at  
26 full cash value pursuant to section 42-14201.  
27 8. Real and personal property of shopping centers that are valued at  
28 full cash value or pursuant to chapter 13, article 5 of this title, as  
29 applicable.  
30 9. Real and personal property of golf courses that are valued at full  
31 cash value or pursuant to chapter 13, article 4 of this title.  
32 10. All property, both real and personal, of manufacturers, assemblers  
33 or fabricators valued under the provisions of this title.  
34 11. Real and personal property that is used in communications  
35 transmission facilities and that provides public telephone or  
36 telecommunications exchange or interexchange access for compensation to  
37 effect two-way communication to, from, through or within this state.  
38 12. Real property and improvements that are devoted to any other  
39 commercial or industrial use, other than property that is specifically  
40 included in another class described in this article, and that are valued at  
41 full cash value.  
42 13. Personal property that is devoted to any other commercial or  
43 industrial use, other than property that is specifically included in another  
44 class described in this article, and that is valued at full cash value.

1           Sec. 2. Section 42-12002, Arizona Revised Statutes, is amended to  
2 read:

3           42-12002. Class two property

4           For purposes of taxation, class two is established consisting of two  
5 subclasses:

6           1. Class two (R) consists of:

7           (a) Real property and improvements to property that are used for  
8 agricultural purposes and that are valued at full cash value or pursuant to  
9 chapter 13, article 3 of this title, as applicable.

10           (b) Real property and improvements to property that are primarily used  
11 for agricultural purposes to produce trees other than standing timber, vines,  
12 rosebushes, ornamental plants or other horticultural crops, regardless of  
13 whether the crop is grown in containers, soil or any other medium, that are  
14 not included in class one, three, four, six, seven or eight and that are  
15 valued at full cash value or pursuant to chapter 13, article 3 of this title,  
16 as applicable.

17           (c) Real property and improvements to property that are owned and  
18 controlled by a nonprofit organization that is exempt from taxation under  
19 section 501(c)(3), (4), (7), (10) or (14) of the internal revenue code if the  
20 property is not used or intended for the financial benefit of members of the  
21 organization or any other individual or organization, unless the financial  
22 benefit is for charitable, religious, scientific, literary or educational  
23 purposes, and that are valued at full cash value.

24           (d) Real property of golf courses that is valued at full cash value or  
25 pursuant to chapter 13, article 4 of this title.

26           (e) REAL PROPERTY AND IMPROVEMENTS TO PROPERTY USED FOR COMMERCIAL OR  
27 INDUSTRIAL PURPOSES LISTED IN SECTION 42-12001 ON WHICH RENEWABLE ENERGY  
28 EQUIPMENT, AS DEFINED IN SECTION 42-14155, IS PERMANENTLY INSTALLED AND  
29 ACCOUNTS FOR AT LEAST \_\_ PER CENT OF THE PROPERTY'S TOTAL FULL CASH VALUE.  
30 PROPERTY MAY NOT BE CLASSIFIED UNDER THIS SUBDIVISION FOR MORE THAN FIVE TAX  
31 YEARS.

32           ~~(e)~~ (f) All other real property and improvements to property, if any,  
33 that are not included in class one, three, four, six, seven or eight and that  
34 are valued at full cash value.

35           2. Class two (P) consists of:

36           (a) Personal property that is used for agricultural purposes and that  
37 is valued at full cash value or pursuant to chapter 13, article 3 of this  
38 title, as applicable.

39           (b) Personal property that is primarily used for agricultural purposes  
40 to produce trees other than standing timber, vines, rosebushes, ornamental  
41 plants or other horticultural crops, regardless of whether the crop is grown  
42 in containers, soil or any other medium, that is not included in class one,  
43 three, four, six, seven or eight and that is valued at full cash value or  
44 pursuant to chapter 13, article 3 of this title, as applicable.

1 (c) Personal property that is owned and controlled by a nonprofit  
2 organization that is exempt from taxation under section 501(c)(3), (4), (7),  
3 (10) or (14) of the internal revenue code if the property is not used or  
4 intended for the financial benefit of members of the organization or any  
5 other individual or organization, unless the financial benefit is for  
6 charitable, religious, scientific, literary or educational purposes, and that  
7 is valued at full cash value.

8 (d) Personal property of golf courses that is valued at full cash  
9 value or pursuant to chapter 13, article 4 of this title.

10 (e) PERSONAL PROPERTY PRIMARILY USED FOR COMMERCIAL OR INDUSTRIAL  
11 PURPOSES ON REAL PROPERTY THAT IS CLASSIFIED PURSUANT TO PARAGRAPH 1,  
12 SUBDIVISION (e) OF THIS SECTION. PROPERTY MAY NOT BE CLASSIFIED UNDER THIS  
13 SUBDIVISION FOR MORE THAN FIVE TAX YEARS.

14 ~~(e)~~ (f) All other personal property that is not included in class  
15 one, three, four, six, seven or eight and that is valued at full cash value.