

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 49**  
**HOUSE BILL 2095**

AN ACT

AMENDING SECTIONS 42-12152 AND 42-18056, ARIZONA REVISED STATUTES;  
RELATING TO TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-12152, Arizona Revised Statutes, is amended  
3 to read:

4 42-12152. Criteria for classification of property used for  
5 agricultural purposes; exception; affidavit

6 A. Property is not eligible for classification as property used for  
7 agricultural purposes unless it meets the following criteria:

8 1. The primary use of the property is as agricultural land and the  
9 property has been in active production according to generally accepted  
10 agricultural practices for at least three of the last five years.  
11 Property that has been in active production may be:

12 (a) Inactive for a period of not more than twelve months as a  
13 result of acts of God.

14 (b) Inactive as a result of participation in:

15 (i) A federal farm program that allows voluntary land conserving  
16 use acreage or acreage conservation, or both.

17 (ii) A scheduled crop rotation program.

18 (c) Inactive or partially inactive due to a temporary **OR PARTIAL**  
19 reduction in or transfer of the available water supply or irrigation  
20 district water allotments for agriculture use in the farm unit. For land  
21 within an irrigation district in a county with a population of less than  
22 nine hundred thousand persons, the temporary **OR PARTIAL** reduction or  
23 transfer may be verified by an official certification from the irrigation  
24 district to the county assessor that confirms the reduction or transfer,  
25 except that if that land is located in an active management area and the  
26 land does not have an irrigation grandfathered groundwater right, the land  
27 is not eligible as cropland. A certification for **TEMPORARY OR** partial  
28 reduction is not valid for full inactivity of the farm unit for more than  
29 one year.

30 (d) Grazing land that is inactive or partially inactive due to  
31 reduced carrying capacity or generally accepted range management  
32 practices.

33 2. There is a reasonable expectation of operating profit, exclusive  
34 of land cost, from the agricultural use of the property.

35 3. If the property consists of noncontiguous parcels, the  
36 noncontiguous parcels must be managed and operated on a unitary basis and  
37 each parcel must make a functional contribution to the agricultural use of  
38 the property.

39 B. If feedlot or dairy operations that are in active production are  
40 moved to another property at which the operations are in active  
41 production, the requirement that the property be in active production for  
42 at least three of the last five years does not apply to the property to  
43 which the operations are moved for the first three years after the  
44 operations are moved.

1 C. The requirement ~~contained~~ in subsection A, paragraph 2 of this  
2 section ~~shall be~~ IS satisfied if the owner files with the assessor an  
3 affidavit of agricultural use, signed by the owner attesting that all  
4 information in the affidavit is true and the property is actively  
5 producing with an expectation of profit.

6 Sec. 2. Section 42-18056, Arizona Revised Statutes, is amended to  
7 read:

8 42-18056. Partial payment of taxes; certificates of purchase;  
9 delinquent taxes

10 A. At any time before either installment of the tax becomes  
11 delinquent, the county treasurer shall accept a partial payment or  
12 payments of the tax in an amount of at least ten percent of the  
13 installment and in an amount of at least ~~ten dollars~~ \$10. The treasurer  
14 shall credit the taxpayer with the payment, and if any part of the tax or  
15 any installment remains unpaid at the date of delinquency, the delinquency  
16 relates only to the amount remaining unpaid.

17 B. In accepting payments under subsection A of this section, the  
18 county treasurer shall issue a receipt to the taxpayer, subject to section  
19 42-18055, subsection C, stating that it covers a partial payment of taxes.

20 C. For all certificates of purchase sold during calendar year 2016  
21 and afterwards for tax year 2014 and afterwards in a county with a  
22 population of more than three million persons if no prior year  
23 certificates of purchase are outstanding, the county treasurer shall  
24 accept a partial payment in an amount equal to at least twenty-five  
25 percent of the principal amount shown on the oldest remaining year of the  
26 delinquency plus any accrued interest and fees due on the principal  
27 payment amount.

28 D. In accepting payments under subsection C of this section, the  
29 county treasurer shall issue a partial payment statement to the taxpayer  
30 as provided by section 42-18154, subsection C.

31 E. Partial payments on delinquent taxes shall be impounded and  
32 disbursed by the county treasurer as prescribed by section 42-18152,  
33 subsection C, when the impounded monies are sufficient to fully redeem the  
34 oldest outstanding certificate of purchase.

35 F. If no certificate of purchase is outstanding, the county  
36 treasurer shall credit the taxpayer with the payment, and if any part of  
37 the tax or any installment remains unpaid at the date of delinquency, the  
38 delinquency relates only to the amount remaining unpaid.

39 G. NOTWITHSTANDING ANY OTHER LAW, A COUNTY TREASURER MAY ENTER INTO  
40 A PAYMENT PLAN AGREEMENT WITH A TAXPAYER FOR A PERIOD OF UP TO THIRTY-SIX  
41 MONTHS FOR PAYING THE TAXPAYER'S DELINQUENT BUSINESS PERSONAL PROPERTY  
42 TAXES OF MORE THAN \$1,000. THE COUNTY TREASURER MAY CHARGE A FEE OF NOT  
43 MORE THAN \$150 FOR ADMINISTRATIVE COSTS ASSOCIATED WITH PROCESSING A  
44 PAYMENT PLAN AGREEMENT.

H.B. 2095

APPROVED BY THE GOVERNOR APRIL 9, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 9, 2019.