

REFERENCE TITLE: veterans; disability; property valuation protection

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

HCR 2009

Introduced by
Representative Biasiucci

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 18, CONSTITUTION OF ARIZONA; RELATING TO RESIDENTIAL PROPERTY TAX VALUATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate concurring:

3 1. Article IX, section 18, Constitution of Arizona, is proposed to
4 be amended as follows if approved by the voters and on proclamation of the
5 Governor:

6 18. Residential ad valorem tax limits; limit on
7 increase in values; definitions

8 Section 18. (1) The maximum amount of ad valorem taxes
9 that may be collected from residential property in any tax
10 year shall not exceed one ~~per cent~~ PERCENT of the property's
11 full cash value as limited by this section.

12 (2) The limitation provided in subsection (1) OF THIS
13 SECTION does not apply to:

14 (a) Ad valorem taxes or special assessments levied to
15 pay the principal of and interest and redemption charges on
16 bonded indebtedness or other lawful long-term obligations
17 issued or incurred for a specific purpose.

18 (b) Ad valorem taxes or assessments levied by or for
19 property improvement assessment districts, improvement
20 districts and other special purpose districts other than
21 counties, cities, towns, school districts and community
22 college districts.

23 (c) Ad valorem taxes levied pursuant to an election to
24 exceed a budget, expenditure or tax limitation.

25 (3) Except as otherwise provided by subsections (5),
26 (6), ~~and~~ (7) AND (8) of this section:

27 (a) Through tax year 2014, the value of real property
28 and improvements and the value of mobile homes used for all ad
29 valorem taxes except those specified in subsection (2) OF THIS
30 SECTION shall be the lesser of the full cash value of the
31 property or an amount ten ~~per cent~~ PERCENT greater than the
32 value of property determined pursuant to this subsection for
33 the prior year or an amount equal to the value of property
34 determined pursuant to this subsection for the prior year plus
35 one-fourth of the difference between such value and the full
36 cash value of the property for current tax year, whichever is
37 greater.

38 (b) For the purposes of taxes levied beginning in tax
39 year 2015, the value of real property and improvements,
40 including mobile homes, used for all ad valorem taxes shall be
41 the lesser of the full cash value of the property or an amount
42 five ~~per cent~~ PERCENT greater than the value of property
43 determined pursuant to this subsection for the prior year.

1 (4) The legislature shall by law provide a method of
2 determining the value, subject to the provisions of subsection
3 (3) OF THIS SECTION, of new property.

4 (5) The limitation on increases in the value of
5 property prescribed in subsection (3) OF THIS SECTION does not
6 apply to equalization orders that the legislature specifically
7 exempts by law from such limitation.

8 (6) Subsection (3) OF THIS SECTION does not apply to:

9 (a) Property used in the business of patented or
10 unpatented producing mines and the mills and the smelters
11 operated in connection with the mines.

12 (b) Producing oil, gas and geothermal interests.

13 (c) Real property, improvements thereto and personal
14 property used thereon used in the operation of telephone,
15 telegraph, gas, water and electric utility companies.

16 (d) Aircraft that is regularly scheduled and operated
17 by an airline company for the primary purpose of carrying
18 persons or property for hire in interstate, intrastate or
19 international transportation.

20 (e) Standing timber.

21 (f) Property used in the operation of pipelines.

22 (g) Personal property regardless of use except mobile
23 homes.

24 (7) A resident of this state who is sixty-five years of
25 age or older may apply to the county assessor for a property
26 valuation protection option on the person's primary residence,
27 including not more than ten acres of undeveloped appurtenant
28 land. To be eligible for the property valuation protection
29 option, the resident shall make application and furnish
30 documentation required by the assessor on or before September
31 1. If the resident fails to file the application on or before
32 September 1, the assessor shall process the application for
33 the subsequent year. If the resident files an application
34 with the assessor on or before September 1, the assessor shall
35 notify the resident whether the application is accepted or
36 denied on or before December 1. The resident may apply for a
37 property valuation protection option after residing in the
38 primary residence for two years. If one person owns the
39 property, the person's total income from all sources including
40 nontaxable income shall not exceed four hundred ~~per cent~~
41 PERCENT of the supplemental security income benefit rate
42 established by section 1611(b)(1) of the social security act.
43 If the property is owned by two or more persons, including a
44 husband and wife, at least one of the owners must be
45 sixty-five years of age or older and the owners' combined

1 total income from all sources including nontaxable income
2 shall not exceed five hundred ~~per cent~~ PERCENT of the
3 supplemental security income benefit rate established by
4 section 1611(b)(1) of the social security act. The assessor
5 shall review the owner's income qualifications on a triennial
6 basis and shall use the owner's average total income during
7 the previous three years for the review. If the county
8 assessor approves a property valuation protection option, the
9 value of the primary residence shall remain fixed at the
10 valuation determined pursuant to subsection (3) OF THIS
11 SECTION that is in effect during the year the property
12 valuation protection option is filed and as long as the owner
13 remains eligible. To remain eligible, the county assessor
14 shall require a qualifying resident to reapply for the
15 property valuation protection option every three years and
16 shall send a notice of reapplication to qualifying residents
17 six months before the three year reapplication requirement.
18 If title to the property is conveyed to any person who does
19 not qualify for the property valuation protection option, the
20 property valuation protection option terminates, and the
21 property shall revert to its current full cash value.

22 (8) FOR TAX YEARS BEGINNING FROM AND AFTER DECEMBER 31,
23 2020, A RESIDENT OF THIS STATE WHO IS A VETERAN WITH A
24 SERVICE-CONNECTED DISABILITY OF FIFTY PERCENT OR GREATER, AS
25 RATED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS OR A
26 VETERAN WHO QUALIFIES FOR INDIVIDUAL EMPLOYABILITY BY THE
27 UNITED STATES DEPARTMENT OF VETERANS AFFAIRS MAY APPLY TO THE
28 COUNTY ASSESSOR FOR A VETERAN PROPERTY VALUATION PROTECTION
29 OPTION ON THE PERSON'S PRIMARY RESIDENCE, INCLUDING NOT MORE
30 THAN TEN ACRES OF UNDEVELOPED APPURTENANT LAND. TO BE
31 ELIGIBLE FOR THE VETERAN PROPERTY VALUATION PROTECTION OPTION,
32 THE PERSON SHALL APPLY AND FURNISH DOCUMENTATION REQUIRED BY
33 THE ASSESSOR ON OR BEFORE SEPTEMBER 1. IF THE PERSON FAILS TO
34 APPLY ON OR BEFORE SEPTEMBER 1, THE ASSESSOR SHALL PROCESS THE
35 APPLICATION FOR THE SUBSEQUENT YEAR. IF THE PERSON APPLIES ON
36 OR BEFORE SEPTEMBER 1, THE ASSESSOR SHALL NOTIFY THE PERSON
37 WHETHER THE APPLICATION IS ACCEPTED OR DENIED ON OR BEFORE
38 DECEMBER 1. THE PERSON MAY APPLY FOR A VETERAN PROPERTY
39 VALUATION PROTECTION OPTION AFTER RESIDING IN THE PRIMARY
40 RESIDENCE FOR TWO YEARS. IF ONE PERSON OWNS THE PROPERTY, THE
41 PERSON'S TOTAL INCOME FROM ALL SOURCES, INCLUDING NONTAXABLE
42 INCOME, SHALL NOT EXCEED FOUR HUNDRED PERCENT OF THE
43 SUPPLEMENTAL SECURITY INCOME BENEFIT RATE ESTABLISHED BY
44 SECTION 1611(b)(1) OF THE SOCIAL SECURITY ACT. IF THE
45 PROPERTY IS OWNED BY TWO OR MORE PERSONS, INCLUDING A HUSBAND

1 AND WIFE, AT LEAST ONE OF THE OWNERS MUST BE A QUALIFYING
2 VETERAN AND THE OWNERS' COMBINED TOTAL INCOME FROM ALL
3 SOURCES, INCLUDING NONTAXABLE INCOME, SHALL NOT EXCEED FIVE
4 HUNDRED PERCENT OF THE SUPPLEMENTAL SECURITY INCOME BENEFIT
5 RATE ESTABLISHED BY SECTION 1611(b)(1) OF THE SOCIAL SECURITY
6 ACT. THE ASSESSOR SHALL REVIEW THE OWNER'S INCOME
7 QUALIFICATIONS ON A TRIENNIAL BASIS AND SHALL USE THE OWNER'S
8 AVERAGE TOTAL INCOME DURING THE PREVIOUS THREE YEARS FOR THE
9 REVIEW. IF THE ASSESSOR APPROVES THE VETERAN PROPERTY
10 VALUATION PROTECTION OPTION UNDER THIS SUBSECTION, THE VALUE
11 OF THE PRIMARY RESIDENCE SHALL REMAIN FIXED AT THE VALUATION
12 DETERMINED PURSUANT TO SUBSECTION (3) OF THIS SECTION THAT IS
13 IN EFFECT DURING THE YEAR THE VETERAN PROPERTY VALUATION
14 PROTECTION OPTION IS FILED AND FOR AS LONG AS THE OWNER
15 REMAINS ELIGIBLE. TO REMAIN ELIGIBLE, THE ASSESSOR SHALL
16 REQUIRE A QUALIFYING PERSON TO REAPPLY FOR THE VETERAN
17 PROPERTY VALUATION PROTECTION OPTION EVERY THREE YEARS AND
18 SHALL SEND A NOTICE TO REAPPLY TO QUALIFYING PERSONS SIX
19 MONTHS BEFORE THE THREE-YEAR REAPPLICATION REQUIREMENT. IF
20 TITLE TO THE PROPERTY IS CONVEYED TO ANY PERSON WHO DOES NOT
21 QUALIFY FOR THE VETERAN PROPERTY VALUATION PROTECTION OPTION,
22 THE VETERAN PROPERTY VALUATION PROTECTION OPTION TERMINATES
23 AND THE PROPERTY REVERTS TO ITS CURRENT FULL CASH VALUE.

24 ~~(8)~~ (9) The legislature shall provide by law a system
25 of property taxation consistent with the provisions of this
26 section.

27 ~~(9)~~ (10) For the purposes of this section:

28 (a) "Owner" means the owner of record of the property
29 and includes a person who owns the majority beneficial
30 interest of a living trust.

31 (b) "Primary residence" means all owner occupied real
32 property and improvements to that real property in this state
33 that is a single family home, condominium or townhouse or an
34 owner occupied mobile home and that is used for residential
35 purposes.

36 (c) "VETERAN" MEANS AN INDIVIDUAL WHO HAS SERVED IN,
37 AND BEEN DISCHARGED, SEPARATED OR RELEASED UNDER HONORABLE
38 CONDITIONS FROM, ACTIVE OR INACTIVE SERVICE IN THE UNIFORMED
39 SERVICES OF THE UNITED STATES, INCLUDING:

40 (i) ALL REGULAR, RESERVE AND NATIONAL GUARD COMPONENTS
41 OF THE UNITED STATES ARMY, NAVY, AIR FORCE, MARINE CORPS AND
42 COAST GUARD.

43 (ii) THE COMMISSIONED CORPS OF THE NATIONAL OCEANIC AND
44 ATMOSPHERIC ADMINISTRATION.

1 (iii) THE COMMISSIONED CORPS OF THE UNITED STATES
2 PUBLIC HEALTH SERVICE.

3 (iv) A NURSE IN THE SERVICE OF THE AMERICAN RED CROSS
4 OR IN THE ARMY AND NAVY NURSE CORPS.

5 (v) ANY OTHER CIVILIAN SERVICE THAT IS AUTHORIZED BY
6 FEDERAL LAW TO BE CONSIDERED ACTIVE MILITARY DUTY FOR THE
7 PURPOSE OF LAWS ADMINISTERED BY THE UNITED STATES SECRETARY OF
8 VETERANS AFFAIRS.

9 2. The Secretary of State shall submit this proposition to the
10 voters at the next general election as provided by article XXI,
11 Constitution of Arizona.