A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING SECTION 2.4; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. Article IX, section 2, Constitution of Arizona, is proposed to be amended as follows if approved by the voters and on proclamation of the Governor:

   2. Property subject to taxation; exemptions

   Section 2. (1) There shall be exempt from taxation all federal, state, county and municipal property.

   (2) Property of educational, charitable and religious associations or institutions not used or held for profit may be exempt from taxation by law.

   (3) Public debts, as evidenced by the bonds of Arizona or its counties, municipalities or other subdivisions, shall also be exempt from taxation.

   (4) All household goods owned by the user thereof and used solely for noncommercial purposes shall be exempt from taxation, and such person entitled to such exemption shall not be required to take any affirmative action to receive the benefit of such exemption.

   (5) Stocks of raw or finished materials, unassembled parts, work in process or finished products constituting the inventory of a retailer or wholesaler located within the state and principally engaged in the resale of such materials, parts or products, whether or not for resale to the ultimate consumer, shall be exempt from taxation.

   (6) The legislature may exempt personal property that is used for agricultural purposes or in a trade or business from taxation in a manner provided by law, except that the exemption does not apply to any amount of the full cash value of the personal property of a taxpayer that exceeds fifty thousand dollars $50,000. The legislature may provide by law to increase the exempt amount according to annual variations in a designated national inflation index.

   (7) The legislature may exempt the property of cemeteries that are set apart and used to inter deceased human beings from taxation in a manner provided by law.

   (8) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, in the amount of:

   (a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.
(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.
(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.
(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.
(e) No exemption if the total assessment of such person exceeds five thousand dollars.

No such exemption shall be made for such person unless such person shall have served at least sixty days in the military or naval service of the United States during World War I or prior wars and shall have been a resident of this state prior to September 1, 1945.

(9) There shall be further exempt from taxation as herein provided the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a service connected disability as determined by the United States veterans administration or its successor. No such exemption shall be made for such person unless he shall have been a resident of this state prior to September 1, 1945 or unless such person shall have been a resident of this state for at least four years prior to his original entry into service as an airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof. The property of such person having a compensable service-connected disability exempt from taxation as herein provided shall be determined as follows:

(a) If such person's service-connected disability as determined by the United States veterans administration or its successor is sixty per cent or less, the property of such person exempt from taxation shall be determined by such person's percentage of disability multiplied by the assessment of such person in the amount of:

(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.
(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.
(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(v) No exemption if the total assessment of such person exceeds five thousand dollars.

(b) If such person’s service-connected disability as determined by the United States veterans administration or its successor is more than sixty per cent, the property of such person exempt from taxation shall be in the amount of:

(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.

(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(v) No exemption if the total assessment of such person exceeds five thousand dollars.

(10) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a nonservice-connected total and permanent disability, physical or mental, as so certified by the United States veterans administration, or its successor, or such other certification as provided by law, in the amount of:

(a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.

(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(e) No exemption if the total assessment of such person exceeds five thousand dollars.
No such exemption shall be made for such person unless he shall have served at least sixty days in the military or naval service of the United States during time of war after World War I and shall have been a resident of this state prior to September 1, 1945.

(11) (8) There shall be further exempt from taxation the property of each widow, resident of this state, in the amount of:

(a) One thousand five hundred dollars $1,500 if the total assessment of such widow does not exceed three thousand five hundred dollars $3,500.

(b) One thousand dollars $1,000 if the total assessment of such widow does not exceed four thousand dollars $4,000.

(c) Five hundred dollars $500 if the total assessment of such widow does not exceed four thousand five hundred dollars $4,500.

(d) Two hundred fifty dollars $250 if the total assessment of such widow does not exceed five thousand dollars $5,000.

(e) No exemption if the total assessment of such widow exceeds five thousand dollars $5,000.

In order to qualify for this exemption, the income from all sources of such widow, together with the income from all sources of all children of such widow residing with the widow in her residence in the year immediately preceding the year for which such widow applies for this exemption, shall not exceed:

1. Seven thousand dollars $7,000 if none of the widow's children under the age of eighteen years resided with her in such widow's residence; or

2. Ten thousand dollars $10,000 if one or more of the widow's children residing with her in such widow's residence was under the age of eighteen years, or was totally and permanently disabled, physically or mentally, as certified by competent medical authority as provided by law.

Such widow shall have resided with her last spouse in this state at the time of the spouse's death if she was not a widow and a resident of this state prior to January 1, 1969.

(12) (9) No property shall be exempt which has been conveyed to evade taxation. The total exemption from taxation granted to the property owned by a person who qualifies for any exemption in accordance with the terms of subsections SUBSECTION (8), (9), (10) or (11) OF THIS SECTION shall not
exceed one thousand five hundred dollars $1,500. The provisions of this section shall be self-executing.

(10) All property in the state not exempt under the laws of the United States or under this constitution or exempt by law under the provisions of this section shall be subject to taxation to be ascertained as provided by law.

2. Article IX, Constitution of Arizona, is proposed to be amended by adding section 2.4 as follows if approved by the voters and on proclamation of the Governor:

2.4. Exemption from taxation; property of veterans with a disability; surviving spouses; definition

SECTION 2.4. A. THE PRIMARY RESIDENCE THAT IS OWNED BY A VETERAN, BY THE VETERAN'S SPOUSE OR JOINTLY BY THE VETERAN AND THE VETERAN'S SPOUSE IS EXEMPT FROM TAXATION IF THE VETERAN EITHER:

1. HAS A DISABILITY OF ONE HUNDRED PERCENT, AS RATED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS, AS A RESULT OF AN INJURY OR DISEASE INCURRED IN MILITARY SERVICE.

2. IS LEGALLY BLIND.

B. THE PRIMARY RESIDENCE THAT IS OWNED BY THE UNMARRIED SURVIVING SPOUSE OF A VETERAN IS EXEMPT FROM TAXATION IF THE VETERAN EITHER:

1. HAD A DISABILITY OF ONE HUNDRED PERCENT, AS RATED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS, AS A RESULT OF AN INJURY OR DISEASE INCURRED IN MILITARY SERVICE.

2. WAS LEGALLY BLIND.

C. THE PRIMARY RESIDENCE OF A VETERAN WHO HAS A DISABILITY OF TEN PERCENT OR GREATER, AS RATED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS, AS A RESULT OF AN INJURY OR DISEASE INCURRED IN MILITARY SERVICE IS EXEMPT IN THE AMOUNT OF $5,000 OF THE TOTAL ASSESSMENT OR, IF THE TOTAL ASSESSMENT VALUE IS LESS THAN $5,000, THE ENTIRE AMOUNT.

D. PROPERTY IS NOT EXEMPT UNDER THIS SECTION IF THE PROPERTY WAS CONVEYED TO A VETERAN WITH A DISABILITY OR THE VETERAN'S SPOUSE TO EVADE TAXATION.

E. AN EXEMPTION GRANTED PURSUANT TO THIS SECTION IS IN LIEU OF ANY OTHER REAL PROPERTY TAX EXEMPTION TO WHICH THE CLAIMANT MAY BE ENTITLED. ANOTHER REAL PROPERTY TAX EXEMPTION MAY NOT BE GRANTED TO ANY OTHER PERSON WITH RESPECT TO THE SAME RESIDENCE FOR WHICH AN EXEMPTION IS GRANTED PURSUANT TO THIS SECTION, EXCEPT THAT IF TWO OR MORE VETERANS WITH A DISABILITY WHO OTHERWISE QUALIFY FOR AN EXEMPTION PURSUANT TO THIS SECTION ARE CO-OWNERS OF THE SAME PROPERTY IN WHICH THEY RESIDE, EACH IS ENTITLED TO THE EXEMPTION TO THE EXTENT OF THE RESPECTIVE OWNERSHIP INTERESTS IN THE PROPERTY.
F. THE EXEMPTION GRANTED PURSUANT TO THIS SECTION IS
NOT SUBJECT TO ANY INCOME LIMITS.

G. FOR THE PURPOSES OF THIS SECTION, "VETERAN" MEANS AN
INDIVIDUAL WHO HAS SERVED IN, AND BEEN DISCHARGED, SEPARATED
OR RELEASED UNDER HONORABLE CONDITIONS FROM, ACTIVE OR
INACTIVE SERVICE IN THE UNIFORMED SERVICES OF THE UNITED
STATES, INCLUDING:

1. ALL REGULAR, RESERVE AND NATIONAL GUARD COMPONENTS
OF THE UNITED STATES ARMY, NAVY, AIR FORCE, MARINE CORPS AND
COAST GUARD.

2. THE COMMISSIONED CORPS OF THE NATIONAL OCEANIC AND
ATMOSPHERIC ADMINISTRATION.

3. THE COMMISSIONED CORPS OF THE UNITED STATES PUBLIC
HEALTH SERVICE.

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

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

3. Applicability
This act applies to tax years beginning from and after December 31, 2022.

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