



**ARIZONA STATE SENATE**  
*Fifty-Fifth Legislature, Second Regular Session*

FACT SHEET FOR S.C.R. 1011

constitutional property tax exemptions

Purpose

Subject to voter approval, constitutionally allows the Legislature to determine by law the qualifications for, and the amount of, outlined property tax exemptions.

Background

The property of Arizona residents who are widows, widowers, persons with disabilities or honorably discharged veterans with a service or nonservice-connected disability is exempt from taxation to the extent allowed by the Arizona Constitution and subject to the conditions and limitations prescribed by statute ([A.R.S. § 42-11111](#)).

In *Benjamin v. Arizona Department of Revenue*, 163 Ariz. 182 (App. 1989), the Arizona Court of Appeals held that the veteran's property tax exemption was unconstitutional because it imposed an Arizona residency requirement that violated the 14th Amendment to the U.S. Constitution.

In 2020, the Joint Legislative Budget Committee issued a fiscal note on an identical measure and its companion measure which stated that the fiscal impact could not be determined due to data constraints. The measures could increase the state's Basic State Aid cost for K-12 schools and reduce the cost of the Homeowner's Rebate Program, but may have offsetting savings under the automatic school tax rate adjustments provided by under the state's Truth-in-Taxation provisions ([JLBC fiscal note](#)).

Provisions

1. Repeals the property tax exemption for an Arizona resident who is an honorably discharged veteran.
2. Removes the constitutional determination of the amounts of the property tax exemption for widows, widowers, persons with a medically-certified total and permanent disability and honorably discharged veterans with a service or nonservice-connected disability, and instead allows the Legislature to determine by law the qualifications for, and the amount of, the property tax exemption.
3. Removes the permission of the Legislature to provide by law to increase the exempt amount of property used in trade or business or for agricultural purposes according to annual variations in a designated national inflation index and instead allows the Legislature to determine by law the qualifications for, and the amount of, the exemption.

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4. Removes the requirement that a property tax exemption for a widow or widower be available if the widow or widower resided in Arizona with their last spouse at the time of the spouse's death or had been a widow or widower and Arizona resident prior to January 1, 1969.
5. Removes the requirement that a property tax exemption for an honorably discharged member of the U.S. uniformed services with a service-connected disability be available only if the veteran was an Arizona resident prior to September 1, 1945, or had been an Arizona resident for at least four years prior to their original entry into military service.
6. Removes the requirement that a property tax exemption for an honorably discharged member of the U.S. uniformed services with a nonservice-connected disability be available only if the veteran served at least 60 days during time of war after World War I and had been an Arizona resident prior to September 1, 1945.
7. Specifies that an Arizona resident is not eligible for exemption under more than one category as a widow, widower, person with a disability or veteran with a disability.
8. Requires the Secretary of State to submit the proposition to the voters at the next general election.
9. Becomes effective if approved by the voters and on proclamation of the Governor.

Prepared by Senate Research

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