



ARIZONA STATE SENATE
Fifty-Seventh Legislature, First Regular Session

VETOED
AMENDED
FACT SHEET FOR S.B. 1050

GPLET; notice; abatement period

Purpose

Limits the revenues that may be abated during the government property lease excise tax (GPLET) abatement period by prohibiting GPLET revenue designated for school districts from being abated. Outlines posting requirements for GPLET leases, development agreements and notices.

Background

The GPLET allows cities, towns, counties and county stadium districts (government lessors) to lease property to private parties (prime lessees) for commercial, residential rental or industrial purposes for at least 30 days. The GPLET is a local excise tax that is based on a building's square footage and usage and is levied on prime lessees who lease government property improvements. The GPLET is due annually by December 1 and, within 30 days, the county treasurer must distribute the GPLET in the following amounts to the following taxing jurisdictions in which the government property improvement is located: 1) 13 percent to the county general fund; 2) 7 percent to the city, if applicable; 3) 7 percent to the community college district, if applicable; 4) 73 percent to the applicable school district or districts. The GPLET may be fully abated by a city or town for a limited period beginning when the certificate of occupancy on the government property is issued and ending eight years after issuance, if the property meets outlined requirements (A.R.S. §§ [42-6201](#); [42-6205](#); and [42-6209](#)).

Each government lessor must maintain a public database by county, city and town for all government property leases that are subject to the GPLET, or post its lease agreements on the county, city or town website where the government property improvement is located. By February 15, the county treasurer must submit a report to ADOR of all GPLET tax returns and payments received for the preceding calendar year (A.R.S. §§ [42-6202](#) and [42-6204](#)).

If prohibiting GPLET revenues designated for school districts from being abated results in a tax shift that affects the obligations of the state, there may be a fiscal impact to the state General Fund.

Provisions

1. Limits, for GPLET development agreements approved by a governing body beginning from and after the general effective date, the GPLET abatement to the amount otherwise designated for counties, cities, towns and community college districts.

2. Prohibits the proportional amount of GPLET revenue designated for school districts from being abated.
3. Requires each government lessor to:
 - a) include any GPLET property leases in the lessor's public database within 30 days after entering into the lease;
 - b) post its GPLET property lease and development agreements on its website; and
 - c) include a link to the required notification of a proposed government property improvement located within a slum or blighted area on its maintained database.
4. Adds community college districts to the entities that must receive:
 - a) the statutorily required notification of a proposed government property improvement located within a slum or blighted area; and
 - b) the independent third party estimate of the economic and fiscal benefit to the state and the county, city or town in which the proposed government property improvement is located.
5. Requires the statutorily required notices of proposed government property improvements to include an estimate of the amount of property tax revenue that the county, city, town, school district and, if applicable, community college district will forego during the GPLET lease term and abatement period.
6. Requires each government lessor's public database to include the following information for every GPLET property lease and development agreement:
 - a) the county assessor's parcel number, the legal description and situs address of the property and property type;
 - b) the lessee's name and the county recording number of the lease;
 - c) the time period in which the lease or development agreement is subject to abatement and excise tax, if applicable;
 - d) the amount of all other taxes, rents or fees the lessee is required to remit to the government lessor or other taxing jurisdictions during the lease or abatement period;
 - e) links to all lease and development agreements and the corresponding government lessor notices; and
 - f) a link to the current map of the city's or town's central business district and redevelopment areas.
7. Requires ADOR to post the annual GPLET tax return report on its website within 30 days after receipt.
8. Adds the county assessor's parcel number as information required to be included on a government lessor's annual GPLET tax return.
9. Makes technical changes.
10. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Removes the GPLET lease and abatement period reduction.
2. Limits the revenues that may be abated during the GPLET abatement period by prohibiting GPLET revenue designated for school districts from being abated.

Governor's Veto Message

The Governor indicates in her [veto message](#) that S.B. 1050 has the potential to stunt Arizona's economic development and negatively affect opportunity in the state.

Senate Action

FIN 2/3/25 DPA
3rd Read 2/26/25

4-3-0
17-11-2

House Action

WM 3/19/25 DP 5-4-0-0
3rd Read 3/31/25 31-25-4

Vetoed by the Governor 4/7/25

Prepared by Senate Research
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MG/ci