Senate Engrossed

property tax; limited property value

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SENATE BILL 1224

AN ACT

AMENDING SECTION 42-13302, ARIZONA REVISED STATUTES; RELATING TO PROPERTY VALUATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 42-13302, Arizona Revised Statutes, is amended to read:

42-13302. Determining limited value in cases of modifications, omissions and changes

A. In the following circumstances the limited property value shall be established at a level or percentage of full cash value that is comparable to that of other properties of the same or a similar use or classification:

1. Property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of this section.

2. Property for which a change in physical, objectively verifiable use has occurred on the property since the preceding tax year. For the purposes of this paragraph and section 42-16002:

(a) A change in the occupant or classification of a single-family residence is not a change in use, in and of itself.

(b) A change in the classification of a guest ranch as defined in section 42-13551 is not a change in use, in and of itself.

3. Property that has been modified by construction, destruction or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than fifteen percent of the full cash value.

4. Property that has been split, subdivided or consolidated from January 1 through September 30 of the valuation year, except for cases that result from an action initiated by a governmental entity.

5. PROPERTY THAT PREVIOUSLY QUALIFIED FOR PROPERTY VALUATION PROTECTION UNDER ARTICLE IX, SECTION 18, SUBSECTION (7), CONSTITUTION OF ARIZONA, IF TITLE TO THE PROPERTY IS CONVEYED TO A PERSON THAT DOES NOT QUALIFY FOR PROPERTY VALUATION PROTECTION OR THE CURRENT OWNER OF THE PROPERTY NO LONGER QUALIFIES OR DID NOT REAPPLY FOR PROPERTY VALUATION PROTECTION.

6. PROPERTY THAT PREVIOUSLY QUALIFIED FOR A STATUTORY VALUATION AND NO LONGER QUALIFIES, UNLESS OTHERWISE PROVIDED IN LAW. FOR THE PURPOSES OF THIS PARAGRAPH, "STATUTORY VALUATION" MEANS A SPECIFIC FORMULA FOR THE CALCULATION OF FULL CASH VALUE OR LIMITED PROPERTY VALUE PRESCRIBED IN CHAPTER 11, 12, 13, 14, 15, 16, 17, 18 OR 19 OF THIS TITLE.

B. In the case of property that is split, subdivided or consolidated after September 30 through December 31 of the valuation year, except for cases that result from an action initiated by a governmental entity, the total limited property value of the new parcel or parcels is the same as the total limited property value of the original parcel or parcels. For the following valuation year, the limited property value shall be established at a level or percentage of full cash value that is comparable to that of other properties of the same or a similar use or classification. The new parcel or parcels shall retain the same value-adding characteristics that applied to the original parcel before being split or consolidated, except as provided in subsection A, paragraph 3 of this section.

C. In the case of property that was split, subdivided or consolidated from January 1 through September 30 of the valuation year as a result of an action initiated by a governmental entity, the limited value is the lower of either:

1. The level or percentage of full cash value that is comparable to that of other properties of the same or similar use or classification.

2. The total limited value for the original parcel or parcels as determined under section 42-13301, and in the following valuation year, the limited property value shall be established pursuant to section 42-13301.

D. In the case of property that was split, subdivided or consolidated after September 30 through December 31 of the valuation year as a result of an action initiated by a governmental entity, the total limited value for the resulting parcel or parcels is the same as the total limited value for the original parcel or parcels as determined under section 42-13301, and in the following valuation year, the limited property value shall be established as the lower of either:

1. The level or percentage of full cash value that is comparable to that of other properties of the same or similar use or classification.

2. The limited property value established pursuant to section 42-13301.