

House Engrossed Senate Bill
property tax; limited property value

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

CHAPTER 96
SENATE BILL 1224

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 42-13302. Determining limited value in cases of
5 modifications, omissions and changes

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

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

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

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

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

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

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

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

33 6. PROPERTY THAT PREVIOUSLY QUALIFIED FOR A STATUTORY VALUATION AND
34 NO LONGER QUALIFIES, UNLESS OTHERWISE PROVIDED IN LAW. FOR THE PURPOSES OF
35 THIS PARAGRAPH, "STATUTORY VALUATION" MEANS A SPECIFIC FORMULA FOR THE
36 CALCULATION OF FULL CASH VALUE PRESCRIBED IN CHAPTER 12, 13, 15 OR 19 OF
37 THIS TITLE.

38 B. In the case of property that is split, subdivided or
39 consolidated after September 30 through December 31 of the valuation year,
40 except for cases that result from an action initiated by a governmental
41 entity, the total limited property value of the new parcel or parcels is
42 the same as the total limited property value of the original parcel or
43 parcels. For the following valuation year, the limited property value
44 shall be established at a level or percentage of full cash value that is
45 comparable to that of other properties of the same or a similar use or

1 classification. The new parcel or parcels shall retain the same
2 value-adding characteristics that applied to the original parcel before
3 being split or consolidated, except as provided in subsection A,
4 paragraph 3 of this section.

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

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

11 2. The total limited value for the original parcel or parcels as
12 determined under section 42-13301, and in the following valuation year,
13 the limited property value shall be established pursuant to section
14 42-13301.

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

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

24 2. The limited property value established pursuant to section
25 42-13301.

APPROVED BY THE GOVERNOR MAY 2, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 2, 2025.