REFERENCE TITLE: property tax; exemption; veterans

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2230

Introduced by
Representative Blackman

AN ACT

AMENDING SECTION 13-2414, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 11, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-11055; AMENDING SECTION 42-11111, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 11, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-11111.01; AMENDING SECTIONS 42-11152 AND 42-11153, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 13-2414, Arizona Revised Statutes, is amended to read:

13-2414. Impersonating a veteran; classification; definitions

A. A person commits impersonating a veteran of the United States armed forces if the person knowingly misrepresents ~~themselves~~ HIMSELF to be a veteran and engages in any of the following conduct with the intent to obtain money, property or any tangible benefit:

1. The person knowingly misrepresents ~~themselves~~ HIMSELF to be a veteran of any branch of the uniformed services of the United States without having served in that branch as an enlisted service member, warrant officer or commissioned officer.

2. The person knowingly misrepresents ~~themselves~~ HIMSELF to be a recipient of a decoration, medal, badge or tab that was not lawfully earned through military service.

3. The person knowingly misrepresents ~~themselves~~ HIMSELF to have graduated from a military school from which the person did not graduate or to have obtained a rating or military occupational specialty that the person did not obtain.

4. The person falsely claims attendance at any of the following academies or schools:

(a) THE United States military academy.

(b) THE United States naval academy.

(c) THE United States air force academy.

(d) THE United States coast guard academy.

(e) THE United States merchant marine academy.

(f) THE United States marine corps and United States army ~~sergeant majors~~ SERGEANTS MAJOR academy.

(g) THE United States air force ~~chiefs~~ CHIEF LEADERSHIP course.

(h) THE United States navy senior enlisted academy.

(i) All other military branch schools that produce an additional skills identifier qualification, including ranger, seal, recon or special forces.

5. The person knowingly misrepresents ~~themselves~~ HIMSELF to be a combat veteran.

6. The person falsifies or alters military documents or records.

7. The person knowingly misrepresents ~~themselves to have~~ HIMSELF AS HAVING received a characterization of discharge that the person did not receive.

8. The person knowingly misrepresents ~~themselves~~ HIMSELF to be a veteran pursuant to this subsection in the furtherance of a campaign for political office.

9. THE PERSON KNOWINGLY MISREPRESENTS OR FALSIFIES A DISABILITY RATING FROM THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS FOR THE PURPOSES OF RECEIVING A PROPERTY TAX EXEMPTION UNDER SECTION 42-11111.01.

B. Certified separation documents from the applicable uniformed service or the national archives and ~~record~~ RECORDS administration that support the person's claims constitute a complete defense to prosecution. Before filing a complaint or seeking an indictment, a prosecuting agency shall obtain from the applicable uniformed service or the national archives and ~~record~~ RECORDS administration a certified copy of the person's separation documents or shall receive notice that such documents do not exist.

C. This section does not apply to actors or actresses who play a veteran in conjunction with a role in a production intended for entertainment or to individuals experiencing homelessness.

D. Impersonating a veteran is a class 1 misdemeanor, except that impersonating a veteran is a class 6 felony if EITHER OF THE FOLLOWING APPLIES:

1. The benefit obtained has a value of at least $50,000.

2. THE BENEFIT OBTAINED IS THE PROPERTY TAX EXEMPTION ALLOWED UNDER SECTION 42-11111.01.

E. If a person is convicted of a class 6 felony pursuant to this section, section 13-604 does not apply.

F. For the purposes of this section:

1. "Combat veteran" means a current or former member of the uniformed services who served in a location where the receipt of imminent danger pay or hostile fire pay was authorized.

2. "Tangible benefit" means financial remuneration, an effect on the outcome of a criminal or civil court proceeding, or any benefit relating to service in the military that is provided by a federal, state or local governmental entity.

Sec. 2. Title 42, chapter 11, article 2, Arizona Revised Statutes, is amended by adding section 42-11055, to read:

42-11055. Property tax exemption reimbursement; appropriation notice

A. ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE COUNTY ASSESSOR SHALL REPORT TO THE DEPARTMENT THE TOTAL DOLLAR AMOUNT OF EXEMPTIONS GRANTED UNDER SECTION 42-11111.01 FOR THE PRIOR TAX YEAR AND THE AMOUNT OF FOREGONE REVENUE TO THE COUNTY AND EACH SCHOOL DISTRICT AND FIRE DISTRICT LOCATED WITHIN THE COUNTY.

B. THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF FORGONE REVENUE TO EACH COUNTY, SCHOOL DISTRICT AND FIRE DISTRICT IN THIS STATE AND NOTIFY THE STATE TREASURER OF THOSE AMOUNTS.

C. AN AMOUNT EQUAL TO THE AMOUNT DETERMINED PURSUANT TO SUBSECTION B OF THIS SECTION IS APPROPRIATED EACH FISCAL YEAR FROM THE STATE GENERAL FUND TO THE STATE TREASURER FOR THE PURPOSES OF REIMBURSING COUNTIES, SCHOOL DISTRICTS AND FIRE DISTRICTS FOR THE FOREGONE REVENUE RESULTING FROM THE PROPERTY TAX EXEMPTION ALLOWED UNDER SECTION 42-11111.01.

D. ON NOTIFICATION FROM THE DEPARTMENT, THE STATE TREASURER SHALL DISTRIBUTE MONIES APPROPRIATED PURSUANT TO SUBSECTION C OF THIS SECTION TO THE APPROPRIATE COUNTY, SCHOOL DISTRICT AND FIRE DISTRICT IN THE FOLLOWING AMOUNTS:

1. TO EACH SCHOOL DISTRICT AND FIRE DISTRICT, ONE HUNDRED PERCENT OF THE AMOUNT OF FOREGONE REVENUE.

2. TO EACH COUNTY, FIFTY PERCENT OF THE AMOUNT OF FOREGONE REVENUE.

Sec. 3. Section 42-11111, Arizona Revised Statutes, is amended to read:

42-11111. Exemption for property; widows and widowers; persons with a total and permanent disability; definitions

A. The property of widows and widowers~~,~~ AND of persons with total and permanent disabilities ~~and of veterans with service or nonservice connected disabilities~~ who are residents of this state is exempt from taxation as provided by article IX, section 2, Constitution of Arizona, and subject to the conditions and limits prescribed by this section.

B. Pursuant to article IX, section 2, subsection F, Constitution of Arizona, the exemptions from taxation under this section are allowed as provided in ~~subsections C, D and E of~~ this section.

~~C. The property of a veteran with a service-connected disability whose disability rating by the United States department of veterans affairs is one hundred percent is fully exempt from taxation. The surviving spouse of a veteran whose property is eligible for the exemption under this subsection may continue to claim the full exemption as long as the surviving spouse uses the property as the surviving spouse's primary residence and the surviving spouse does not remarry.~~

~~D. The property of a veteran with a nonservice-connected disability whose disability rating by the United States department of veterans affairs is one hundred percent or less or with a service-connected disability whose disability rating by the United States department of veterans affairs is less than one hundred percent is exempt in the amount of $4,188. The limit under this subsection is further limited by multiplying the total exemption amount by the percentage of the veteran's disability, as rated by the United States department of veterans affairs.~~

~~E.~~ C. The property of a widow or widower or a person with a total and permanent disability is exempt in the amount of:

1. $4,188 if the person's total assessment does not exceed the amount provided in paragraph 2 of this subsection.

2. No exemption if the person's total assessment exceeds $28,459.

~~F.~~ D. On or before December 31 of each year, the department shall increase the following amounts:

1. The total allowable exemption amount under ~~subsection D and~~ subsection ~~E~~ C, paragraph 1 of this section based on the average annual percentage increase, if any, in the GDP price deflator in the two most recent complete state fiscal years.

2. Beginning in tax year 2026, the total assessment limit amount under subsection ~~E~~ C, paragraph 2 of this section based on the average annual percentage increase, if any, in the federal house price index for the two most recent complete state fiscal years.

3. The total income limit amounts under subsection ~~H~~ F, paragraphs 1 and 2 of this section based on the average annual percentage increase, if any, in the GDP price deflator in the two most recent complete state fiscal years.

~~G.~~ E. For the purpose of determining the amount of the allowable exemption pursuant to subsection ~~E~~ C of this section, the person's total assessment shall not include the value of any vehicle that is taxed under title 28, chapter 16, article 3.

~~H.~~ F. Pursuant to article IX, section 2, subsection F, Constitution of Arizona, to qualify for this exemption, the total income from all sources of the claimant and the claimant's spouse and the income from all sources of all of the claimant's children who resided with the claimant in the claimant's residence in the year immediately preceding the year for which the claimant applies for the exemption shall not exceed:

1. $34,901 if none of the claimant's children under eighteen years of age resided with the claimant in the claimant's residence.

2. $41,870 if one or more of the claimant's children residing with the claimant in the claimant's residence either:

(a) Were under eighteen years of age.

(b) Had a total and permanent physical or mental disability, as certified by competent medical authority as provided by law.

~~I.~~ G. For the purposes of subsection ~~H~~ F of this section, "income from all sources" means the sum of the following, excluding the items listed in subsection ~~J~~ H of this section:

1. Adjusted gross income as defined by the department.

2. The amount of capital gains excluded from adjusted gross income.

3. Nontaxable strike benefits.

4. Nontaxable interest that is received from the federal government or any of its instrumentalities.

5. Payments that are received from a retirement program and paid by:

(a) This state or any of its political subdivisions.

(b) The United States through any of its agencies, instrumentalities or programs, except as provided in subsection ~~J~~ H of this section.

6. The gross amount of any pension or annuity that is not otherwise exempted.

~~J.~~ H. Notwithstanding subsection ~~I~~ G of this section, income from all sources does not include monies received from:

1. Cash public assistance and relief.

2. Railroad retirement benefits.

3. Payments under the federal social security act (49 Stat. 620).

4. Payments under the unemployment insurance laws of this state.

5. Payments from any veterans pensions.

6. Workers' compensation payments.

7. Loss of time insurance.

8. Gifts from nongovernmental sources, surplus foods or other relief in kind supplied by a governmental agency.

~~K.~~ I. A widow or widower~~,~~ OR a person with a total and permanent disability ~~or a veteran with a disability~~ shall establish eligibility for exemption under this section by filing an affidavit with the county assessor under section 42-11152 when initially claiming the exemption. Each year thereafter, the person or the person's representative shall annually calculate income from the preceding year to ensure that the person still qualifies for the exemption and notify the county assessor in writing of any event that disqualifies the person from further exemption. Regardless of whether the person or representative notifies the assessor as required by this subsection, the property is subject to tax as provided by law from the date of disqualification, including interest, penalties and proceedings for tax delinquencies. Disqualifying events include:

1. ~~Except as provided in subsection C of this section,~~ The person's death.

2. The remarriage of a widow or widower.

3. The person's income from all sources exceeding the limits prescribed by subsection ~~H~~ F of this section.

4. The conveyance of title to the property to another owner.

~~L.~~ J. Any dollar amount of exemption that is unused in a tax year against the limited property value of property and improvements owned by the individual may be applied for the tax year against the value of personal property subject to special property taxes, including the taxes collected pursuant to title 5, chapter 3, article 3 and title 28, chapter 16, article 3.

~~M.~~ K. An individual is not entitled to property tax exemptions under more than one category as a widow or widower, a person with a total and permanent disability or a veteran with a disability PURSUANT TO SECTION 42-11111.01 even if the individual is eligible for an exemption in more than one category.

~~N.~~ L. For the purposes of this section:

1. "Competent medical authority" means any of the following:

(a) An individual licensed under title 32, chapter 8, 13, 14, 17, 19.1, 25 or 29 or a comparable law of another state.

(b) A registered nurse practitioner as defined in section 32-1601.

(c) The United States department of veterans affairs, as evidenced by a disability award letter.

2. "Federal house price index" means the average measure of movement of single-family house prices in the United States published by the federal housing finance agency, or its successor, for this state.

3. "GDP price deflator" means the average of the four implicit price deflators for the gross domestic product reported by the United States department of commerce or its successor for the four quarters of the state fiscal year.

4. "Person with a total and permanent disability" means a person who is unable to engage in any substantial gainful activity, for pay or profit, by reason of any physical or mental impairment that is expected to last for a continuous period of at least twelve months or result in death within twelve months as certified by a competent medical authority.

~~5. "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:~~

~~(a) All regular, reserve and national guard components of the United States army, navy, air force, marine corps and coast guard.~~

~~(b) The commissioned corps of the national oceanic and atmospheric administration.~~

~~(c) The commissioned corps of the United States public health service.~~

~~(d) A nurse in the service of the American red cross or in the army and navy nurse corps.~~

~~(e) 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.~~

Sec. 4. Title 42, chapter 11, article 3, Arizona Revised Statutes, is amended by adding section 42-11111.01, to read:

42-11111.01. Exemption for primary residence; veterans with disabilities; definitions

A. THE PRIMARY RESIDENCE OF A VETERAN WITH A SERVICE-CONNECTED DISABILITY WHO IS A RESIDENT OF THIS STATE IS EXEMPT FROM TAXATION AS PROVIDED BY ARTICLE IX, SECTION 2, SUBSECTION F, CONSTITUTION OF ARIZONA, AND SUBJECT TO THE CONDITIONS AND LIMITS PRESCRIBED BY THIS SECTION.

B. SUBJECT TO SUBSECTION C OF THIS SECTION, THE AMOUNT OF THE EXEMPTION IS:

1. FOR A VETERAN WHOSE DISABILITY RATING IS NINETY PERCENT OR MORE, ONE HUNDRED PERCENT OF THE PROPERTY TAX LIABILITY.

2. FOR A VETERAN WHOSE DISABILITY RATING IS SEVENTY PERCENT OR MORE BUT LESS THAN NINETY PERCENT, SEVENTY-FIVE PERCENT OF THE PROPERTY TAX LIABILITY.

3. FOR A VETERAN WHOSE DISABILITY RATING IS FIFTY PERCENT OR MORE BUT LESS THAN SEVENTY PERCENT, FIFTY PERCENT OF THE PROPERTY TAX LIABILITY.

4. FOR A VETERAN WHOSE DISABILITY RATING IS THIRTY PERCENT OR MORE BUT LESS THAN FIFTY PERCENT, THIRTY-FIVE PERCENT OF THE PROPERTY TAX LIABILITY.

5. FOR A VETERAN WHOSE DISABILITY RATING IS TEN PERCENT OR MORE BUT LESS THAN THIRTY PERCENT, TWENTY PERCENT OF THE PROPERTY TAX LIABILITY.

6. FOR A VETERAN WHOSE DISABILITY RATING IS LESS THAN TEN PERCENT, TEN PERCENT OF THE PROPERTY TAX LIABILITY.

C. THE EXEMPTION AMOUNT PRESCRIBED IN SUBSECTION B OF THIS SECTION IS LIMITED AS FOLLOWS:

1. FOR THE FIRST TAX YEAR CLAIMED, TWENTY-FIVE PERCENT OF THE AMOUNT ALLOWED.

2. FOR THE SECOND TAX YEAR CLAIMED, FIFTY PERCENT OF THE AMOUNT ALLOWED.

3. FOR THE THIRD TAX YEAR CLAIMED, SEVENTY-FIVE PERCENT OF THE AMOUNT ALLOWED.

4. FOR THE FOURTH TAX YEAR CLAIMED AND EACH TAX YEAR THEREAFTER, THE FULL AMOUNT ALLOWED.

D. THE SURVIVING SPOUSE OF A VETERAN WHOSE PRIMARY RESIDENCE IS ELIGIBLE FOR THE EXEMPTION UNDER THIS SECTION MAY CONTINUE TO CLAIM THE EXEMPTION IN THE AMOUNT THE VETERAN RECEIVED AT THE VETERAN'S TIME OF DEATH AS LONG AS THE SURVIVING SPOUSE USES THE PROPERTY AS THE SURVIVING SPOUSE'S PRIMARY RESIDENCE AND THE SURVIVING SPOUSE DOES NOT REMARRY.

E. A VETERAN WITH A DISABILITY SHALL ESTABLISH ELIGIBILITY FOR EXEMPTION UNDER THIS SECTION BY FILING AN AFFIDAVIT WITH THE COUNTY ASSESSOR UNDER SECTION 42-11152 WHEN INITIALLY CLAIMING THE EXEMPTION. ON REQUEST FROM THE COUNTY ASSESSOR, THE DEPARTMENT OF VETERANS' SERVICES SHALL VERIFY DISABILITY RATINGS WITH THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS. THE PERSON OR THE PERSON'S REPRESENTATIVE SHALL NOTIFY THE COUNTY ASSESSOR IN WRITING OF ANY EVENT THAT DISQUALIFIES THE PERSON FROM THE EXEMPTION. REGARDLESS OF WHETHER THE PERSON OR REPRESENTATIVE NOTIFIES THE ASSESSOR AS REQUIRED BY THIS SUBSECTION, THE PROPERTY IS SUBJECT TO TAX AS PROVIDED BY LAW FROM THE DATE OF DISQUALIFICATION, INCLUDING INTEREST, PENALTIES AND PROCEEDINGS FOR TAX DELINQUENCIES. DISQUALIFYING EVENTS INCLUDE:

1. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION, THE PERSON'S DEATH.

2. THE PRIMARY RESIDENCE IS CONVEYED TO A NEW OWNER.

3. THE PROPERTY IS NO LONGER THE VETERAN'S PRIMARY RESIDENCE.

4. THE DEATH OR REMARRIAGE OF THE VETERAN'S SURVIVING SPOUSE.

5. THE VETERAN RECEIVES A DISABILITY RATING REDUCTION FROM THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS. A VETERAN THAT RECEIVES A DISABILITY RATING REDUCTION MAY REESTABLISH ELIGIBILITY FOR EXEMPTION

UNDER THIS SECTION BY FILING A NEW AFFIDAVIT WITH THE COUNTY ASSESSOR BASED ON THE VETERAN'S NEW DISABILITY RATING.

F. A PROPERTY TAX APPEAL OR REVIEW UNDER CHAPTER 16 OF THIS TITLE RESULTING FROM DENIAL OF THE EXEMPTION UNDER THIS SECTION SHALL BE EXPEDITED.

G. AN INDIVIDUAL IS NOT ENTITLED TO PROPERTY TAX EXEMPTIONS UNDER MORE THAN ONE CATEGORY AS A WIDOW OR WIDOWER OR A PERSON WITH A TOTAL AND PERMANENT DISABILITY PURSUANT TO SECTION 42-11111 OR A VETERAN WITH A DISABILITY PURSUANT TO THIS SECTION EVEN IF THE INDIVIDUAL IS ELIGIBLE FOR AN EXEMPTION IN MORE THAN ONE CATEGORY.

H. ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE COUNTY ASSESSOR SHALL REPORT TO THE DEPARTMENT THE TOTAL DOLLAR AMOUNT OF EXEMPTIONS GRANTED UNDER THIS SECTION FOR THE PRIOR TAX YEAR AND THE REVENUE IMPACT TO THE COUNTY AND THE SCHOOL DISTRICTS AND FIRE DISTRICTS LOCATED WITHIN THE COUNTY.

I. FOR THE PURPOSES OF THIS SECTION:

1. "DISABILITY RATING" MEANS A DISABILITY RATING BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS.

2. "PRIMARY RESIDENCE":

(a) MEANS A SINGLE-FAMILY HOME, CONDOMINIUM, MANUFACTURED HOME OR MOBILE HOME WHERE THE VETERAN RESIDES FOR THE MAJORITY OF THE YEAR.

(b) INCLUDES THE PARCEL OF LAND ON WHICH THE DWELLING IS LOCATED UP TO ONE ACRE.

3. "PROPERTY TAX LIABILITY" MEANS THE TOTAL TAX OWED AFTER ASSESSMENT RATIOS AND TAX RATES ARE APPLIED.

4. "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:

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

(b) THE COMMISSIONED CORPS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.

(c) THE COMMISSIONED CORPS OF THE UNITED STATES PUBLIC HEALTH SERVICE.

(d) A NURSE IN THE SERVICE OF THE AMERICAN RED CROSS OR IN THE ARMY AND NAVY NURSE CORPS.

(e) 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.

Sec. 5. Section 42-11152, Arizona Revised Statutes, is amended to read:

42-11152. Affidavit; electronic submission; acknowledgment of receipt; false statements

A. Except for property described in sections 42-11125 and 42-11127, a person who claims exemption from taxation under article IX, section 2, Constitution of Arizona, shall:

1. When initially claiming the exemption, file an affidavit with the county assessor, signed under penalty of perjury, as to the person's eligibility.

2. Fully answer all questions on the eligibility form or otherwise required by the assessor for that purpose.

3. Notify the county assessor in writing if all or part of the property is conveyed to a new owner, the property is no longer used for the purpose that qualifies the property for the exemption or there is any event that otherwise disqualifies the person or property from the

B. At the assessor's discretion, the assessor may require additional proof of the facts stated by the person before allowing an exemption.

C. The county assessor may accept affidavits required by this section electronically. If the county assessor accepts electronic affidavits, the county assessor shall provide an electronic acknowledgment of receipt to the person who submitted the affidavit.

D. FOR AFFIDAVITS FOR THE EXEMPTION UNDER SECTION 42-11111.01, THE COUNTY ASSESSOR SHALL ACCEPT ELECTRONIC DISABILITY DOCUMENTATION OBTAINED FROM THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS, INCLUDING THE DEPARTMENT'S WEBSITE.

~~D.~~ E. A false statement that is made in the affidavit is perjury.

Sec. 6. Section 42-11153, Arizona Revised Statutes, is amended to read:

42-11153. Deadline for filing affidavit

A. A failure by a taxpayer who is entitled to an exemption to ~~make~~ FILE an ~~initial~~ affidavit as required by section 42-11152, SUBSECTION A, PARAGRAPH 1 or furnish evidence required by this article between the first Monday in January and March 1 of the year constitutes a waiver of the exemption.

B. If a widow or widower or a person with a disability whose property is exempt from tax under section 42-11111, A VETERAN WITH A SERVICE-CONNECTED DISABILITY WHOSE PROPERTY IS EXEMPT FROM TAX UNDER SECTION 42-11111.01 or an organization that is exempt from federal income tax under section 501(c) of the internal revenue code and is exempt from property tax under article 3 of this chapter, submits a petition after the deadlines prescribed by subsection A of this section, the person or organization may have the waiver redeemed by the county board of supervisors at any regular meeting, except that taxes that were due and payable before the petition was submitted may not be refunded or abated.

Sec. 7. Legislative findings

The legislature finds that:

1. Arizona is home to more than five hundred thousand veterans, including thousands of veterans with service-connected disabilities incurred while defending the United States.

2. Arizona's current property tax relief structure is outdated, income restricted and administratively inconsistent and fails to recognize the financial hardships imposed by service-connected disabilities.

3. Numerous states, including Texas, Florida, Alabama and South Carolina, have adopted modern disability-based property tax exemptions without income limits.

4. The reforms provided in this act will:

(a) Provide meaningful property tax relief for veterans with service-connected disabilities.

(b) Modernize and simplify the property tax exemption process for veterans with service-connected disabilities.

(c) Protect school districts, fire districts and counties through a responsible reimbursement framework.

(d) Phase in the exemption over four years to maintain fiscal stability.

(e) Protect surviving spouses.

(f) Reduce administrative burdens on veterans who are permanently and totally disabled.

(g) Strengthen enforcement through alignment with the Master Sergeant Orlando Dona Valor Act.

Sec. 8. Applicability

This act applies to tax years beginning from and after December 31, 2026.