

REFERENCE TITLE: tax reduction fund; renewable energy

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

HB 2915

Introduced by
Representatives Marshall: Heap

AN ACT

AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY
ADDING SECTION 11-269.31; RELATING TO PROPERTY TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 11, chapter 2, article 4, Arizona Revised
3 Statutes, is amended by adding section 11-269.31, to read:

4 11-269.31. Residential property tax reduction fund; property
5 value reducing renewable energy facility;
6 administration; calculation; distribution;
7 definitions

8 A. ON APPROVAL OF ALL ZONING ELEMENTS FOR A PROPERTY VALUE REDUCING
9 RENEWABLE ENERGY FACILITY, THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH
10 THE PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY IS LOCATED SHALL
11 ESTABLISH A RESIDENTIAL PROPERTY TAX REDUCTION FUND FOR EACH PROPERTY
12 VALUE REDUCING RENEWABLE ENERGY FACILITY LOCATED IN THAT COUNTY. THE
13 COUNTY TREASURER SHALL ADMINISTER EACH FUND. THE COUNTY TREASURER SHALL
14 DISTRIBUTE MONIES IN EACH FUND PURSUANT TO SUBSECTION D OF THIS SECTION TO
15 EACH ELIGIBLE RESIDENTIAL PROPERTY THAT IS LOCATED WITHIN THE ELIGIBLE
16 DISTANCE OF THE PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY.

17 B. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE COUNTY TREASURER SHALL
18 DEPOSIT IN EACH FUND ESTABLISHED PURSUANT TO SUBSECTION A OF THIS SECTION
19 A PORTION OF THE REAL AND PERSONAL PROPERTY TAX REVENUES COLLECTED FROM
20 EACH ELIGIBLE RESIDENTIAL PROPERTY THAT IS LOCATED WITHIN THE ELIGIBLE
21 DISTANCE OF THE PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY. THE
22 AMOUNT OF REAL AND PERSONAL PROPERTY TAX REVENUES COLLECTED FROM EACH
23 ELIGIBLE RESIDENTIAL PROPERTY LOCATED WITHIN THE ELIGIBLE DISTANCE FROM
24 THE PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY AND DEPOSITED IN THE
25 FUND SHALL BE FIFTY PERCENT OF THE DIFFERENCE OF THE ASSESSED VALUE OF THE
26 ELIGIBLE RESIDENTIAL PROPERTY BEFORE THE CONSTRUCTION OF THE PROPERTY
27 VALUE REDUCING RENEWABLE ENERGY FACILITY AND THE ASSESSED VALUE OF THE
28 ELIGIBLE RESIDENTIAL PROPERTY AFTER THE CONSTRUCTION OF THE PROPERTY VALUE
29 REDUCING RENEWABLE ENERGY FACILITY.

30 C. THE COUNTY TREASURER MAY USE NOT MORE THAN TEN PERCENT OF THE
31 MONIES DEPOSITED IN EACH FUND ANNUALLY TO ADMINISTER THE FUND. THE COUNTY
32 TREASURER SHALL DETERMINE THE TOTAL AMOUNT OF MONIES REMAINING IN EACH
33 FUND AFTER THE MONIES TO ADMINISTER THE FUND ARE USED AND DISTRIBUTE THOSE
34 MONIES TO EACH ELIGIBLE RESIDENTIAL PROPERTY OWNER TO REDUCE THE ANNUAL
35 REAL AND PERSONAL PROPERTY TAX FOR THE ELIGIBLE RESIDENTIAL PROPERTY THAT
36 IS LOCATED WITHIN THE ELIGIBLE DISTANCE OF THE PROPERTY VALUE REDUCING
37 RENEWABLE ENERGY FACILITY PURSUANT TO THE DISTRIBUTION METHOD APPROVED BY
38 THE BOARD OF SUPERVISORS PURSUANT TO SUBSECTION D OF THIS SECTION.

39 D. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE BOARD OF SUPERVISORS
40 SHALL APPROVE ONE OF THE FOLLOWING METHODS TO DISTRIBUTE THE REMAINING
41 MONIES FOR EACH FUND TO EACH ELIGIBLE RESIDENTIAL PROPERTY OWNER:

42 1. DISTRIBUTION IN AN EQUAL AMOUNT TO EACH ELIGIBLE RESIDENTIAL
43 PROPERTY BASED ON THE TOTAL NUMBER OF ELIGIBLE RESIDENTIAL PROPERTIES
44 LOCATED WITHIN THE ELIGIBLE DISTANCE OF THE PROPERTY VALUE REDUCING
45 RENEWABLE ENERGY FACILITY.

1 2. DISTRIBUTION IN A PROPORTIONAL AMOUNT TO EACH ELIGIBLE
2 RESIDENTIAL PROPERTY BASED ON EACH ELIGIBLE RESIDENTIAL PROPERTY'S
3 PROPORTIONAL SHARE OF THE TOTAL ASSESSED VALUE OF ALL ELIGIBLE RESIDENTIAL
4 PROPERTIES LOCATED WITHIN THE ELIGIBLE DISTANCE OF THE PROPERTY VALUE
5 REDUCING RENEWABLE ENERGY FACILITY.

6 3. DISTRIBUTION IN A PROPORTIONAL AMOUNT TO EACH ELIGIBLE
7 RESIDENTIAL PROPERTY BASED ON EACH ELIGIBLE RESIDENTIAL PROPERTY'S
8 PROPORTIONAL SHARE OF THE TOTAL NUMBER OF ACRES OF ALL ELIGIBLE
9 RESIDENTIAL PROPERTIES LOCATED WITHIN THE ELIGIBLE DISTANCE OF THE
10 PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY.

11 4. DISTRIBUTION IN A FIXED AMOUNT TO EACH ELIGIBLE RESIDENTIAL
12 PROPERTY OWNER AS DETERMINED BY THE BOARD OF SUPERVISORS.

13 5. DISTRIBUTION IN ANOTHER EQUITABLE AND NONDISCRIMINATORY AMOUNT,
14 OR USING ANOTHER EQUITABLE AND NONDISCRIMINATORY METHOD, TO THE OWNER OF
15 EACH ELIGIBLE RESIDENTIAL PROPERTY LOCATED WITHIN THE ELIGIBLE DISTANCE OF
16 THE PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY AS DETERMINED BY THE
17 BOARD OF SUPERVISORS.

18 E. THE DISTRIBUTION METHOD THAT THE BOARD OF SUPERVISORS APPROVES
19 PURSUANT TO SUBSECTION D OF THIS SECTION SHALL BE THE SAME AS EACH FUND
20 THAT IS ESTABLISHED FOR EACH PROPERTY VALUE REDUCING RENEWABLE ENERGY
21 FACILITY LOCATED IN THAT COUNTY.

22 F. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, THE AMOUNT OF
23 MONIES THE COUNTY TREASURER DISTRIBUTES TO EACH ELIGIBLE RESIDENTIAL
24 PROPERTY OWNER MAY NOT EXCEED THE AMOUNT OF REAL OR PERSONAL PROPERTY TAX
25 DUE OR OUTSTANDING REAL OR PERSONAL PROPERTY TAX BALANCE FOR THE ELIGIBLE
26 RESIDENTIAL PROPERTY, WHICHEVER IS GREATER. IF AN ELIGIBLE RESIDENTIAL
27 PROPERTY'S DISTRIBUTION EXCEEDS THE TOTAL AMOUNT ALLOWABLE UNDER THIS
28 SUBSECTION, THE COUNTY TREASURER SHALL DISTRIBUTE THE MAXIMUM AMOUNT
29 ALLOWED UNDER THIS SUBSECTION TO THAT ELIGIBLE RESIDENTIAL PROPERTY OWNER
30 AND PROPORTIONALLY DISTRIBUTE THE EXCESS TO ALL OF THE OTHER ELIGIBLE
31 RESIDENTIAL PROPERTIES LOCATED WITHIN THE ELIGIBLE DISTANCE OF THE
32 PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY.

33 G. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, A COUNTY
34 TREASURER MAY NOT MOVE, TRANSFER OR COMINGLE MONIES BETWEEN FUNDS AND MAY
35 NOT DEPOSIT ANY MONIES FROM A FUND IN THE COUNTY GENERAL FUND OR ANY OTHER
36 ACCOUNT OR LOCATION NOT AUTHORIZED BY THIS SECTION.

37 H. THE BOARD OF SUPERVISORS OF A COUNTY THAT HAS ESTABLISHED A FUND
38 PURSUANT TO THIS SECTION MAY NOT USE, WITHDRAW OR TRANSFER, OR DIRECT ANY
39 PERSON TO USE, WITHDRAW OR TRANSFER, MONIES FROM A FUND ESTABLISHED
40 PURSUANT TO THIS SECTION FOR ANY PURPOSE NOT AUTHORIZED BY THIS SECTION.

41 I. FOR THE PURPOSES OF THIS SECTION:

42 1. "ELIGIBLE DISTANCE" MEANS EITHER OF THE FOLLOWING:

43 (a) IF THE PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY IS
44 LOCATED IN AN UNINCORPORATED AREA OF A COUNTY, THE ZONING AREA AS DEFINED
45 IN SECTION 11-814.

- 1 (b) IF THE PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY IS
2 LOCATED IN A CITY OR TOWN, THE ZONING AREA AS DEFINED IN SECTION 9-462.04.
- 3 2. "ELIGIBLE RESIDENTIAL PROPERTY" MEANS A TAX PARCEL THAT IS
4 LOCATED WITHIN THE COUNTY ZONED AS A RESIDENTIAL AREA AND THAT IS SUBJECT
5 TO PROPERTY TAX.
- 6 3. "ELIGIBLE RESIDENTIAL PROPERTY OWNER" MEANS THE OWNER OF AN
7 ELIGIBLE RESIDENTIAL PROPERTY AS SHOWN ON THE LAST ASSESSMENT OF THE
8 ELIGIBLE RESIDENTIAL PROPERTY.
- 9 4. "PROPERTY VALUE REDUCING RENEWABLE ENERGY FACILITY":
- 10 (a) MEANS A WIND OR SOLAR ELECTRIC GENERATING FACILITY OR PROJECT
11 THAT MEETS ALL OF THE FOLLOWING:
- 12 (i) HAS AN AGGREGATE NAMEPLATE RATING OF ONE HUNDRED MEGAWATTS OR
13 MORE.
- 14 (ii) HAS NOT RECEIVED ALL ZONING ENTITLEMENTS BEFORE THE EFFECTIVE
15 DATE OF THIS SECTION.
- 16 (iii) DOES NOT PRODUCE POWER SOLELY FOR ON-SITE USE.
- 17 (b) DOES NOT INCLUDE A ROOFTOP SOLAR SYSTEM.