

REFERENCE TITLE: constitutional amendment; prop 13 Arizona

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SCR 1003

Introduced by
Senator Harper

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; REPEALING ARTICLE IX, SECTIONS 18 AND 19, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING A NEW SECTION 18; RELATING TO PROPERTY TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of
2 Representatives concurring:

3 1. Article IX, sections 18 and 19, Constitution of Arizona, are
4 proposed to be repealed as follows if approved by the voters and on
5 proclamation of the Governor:

6 Article IX, sections 18 and 19, Constitution of Arizona,
7 relating to limitations on property taxation, are repealed.

8 2. Article IX, Constitution of Arizona, is proposed to be amended by
9 adding a new section 18 as follows if approved by the voters and on
10 proclamation of the Governor:

11 18. Property tax limits; limit on increase in values;
12 definitions

13 SECTION 18. (1) THE CLASSES OF PROPERTY AFFECTED BY THIS
14 AMENDMENT ARE LIMITED TO REAL PROPERTY (BUILDINGS AND LAND).

15 (2) THE MAXIMUM AGGREGATE AMOUNT OF ALL STATE AND LOCAL
16 AD VALOREM TAXES ON RESIDENTIAL PROPERTY SHALL NOT EXCEED
17 ONE-HALF OF ONE PER CENT (0.5%) OF THE VALUE OF ANY SUCH
18 PROPERTY DETERMINED PURSUANT TO THIS SECTION.

19 (3) THE MAXIMUM AGGREGATE AMOUNT OF ALL STATE AND LOCAL
20 AD VALOREM TAXES ON ALL OTHER REAL PROPERTY SHALL NOT EXCEED ONE
21 PER CENT OF THE VALUE OF ANY SUCH PROPERTY DETERMINED PURSUANT
22 TO THIS SECTION.

23 (4) FOR THE PURPOSES OF THIS SECTION, "RESIDENTIAL
24 PROPERTY" INCLUDES ALL OWNER OCCUPIED RESIDENTIAL REAL PROPERTY
25 AND IMPROVEMENTS, ALL MOBILE HOMES USED FOR RESIDENTIAL PURPOSES
26 AND ALL REAL PROPERTY AND IMPROVEMENTS USED AS LEASED OR RENTED
27 PROPERTY PRIMARILY FOR RESIDENTIAL PURPOSES.

28 (5) WITHIN THIS SECTION BEGINNING WITH TAX YEAR 2009,
29 "BASELINE FULL CASH VALUE" MEANS THE COUNTY ASSESSOR'S VALUATION
30 OF REAL PROPERTY AS SHOWN ON THE 2003 TAX BILL UNDER "FULL CASH
31 VALUE" OR, AFTER DECEMBER 31, 2003, THE ACTUAL PURCHASE PRICE OF
32 THE PROPERTY.

33 (6) WITHIN THIS SECTION FOR TAX YEARS SUBSEQUENT TO 2009,
34 BEGINNING WITH THE DEFINITION OF "FULL CASH VALUE" DEFINED IN
35 SUBSECTION 5 AS THE BASELINE, FULL CASH VALUE SHALL EQUAL THE
36 FULL CASH VALUE OF THE PROPERTY IN THE PREVIOUS YEAR PLUS AN
37 AMOUNT NOT TO EXCEED A TWO PER CENT (2%) INCREASE OF THE FULL
38 CASH VALUE OF THE PROPERTY IN THE PREVIOUS YEAR.

39 (7) A RESIDENT OF THIS STATE WHO IS SIXTY-FIVE YEARS OF
40 AGE OR OLDER MAY APPLY TO THE COUNTY ASSESSOR FOR A PROPERTY
41 VALUATION PROTECTION OPTION ON THE PERSON'S PRIMARY RESIDENCE,
42 INCLUDING NOT MORE THAN TEN ACRES OF UNDEVELOPED APPURTENANT
43 LAND. TO BE ELIGIBLE FOR THE PROPERTY VALUATION PROTECTION
44 OPTION, THE RESIDENT SHALL MAKE APPLICATION AND FURNISH
45 DOCUMENTATION REQUIRED BY THE ASSESSOR ON OR BEFORE SEPTEMBER 1.
46 IF THE RESIDENT FAILS TO FILE THE APPLICATION ON OR BEFORE

1 SEPTEMBER 1, THE ASSESSOR SHALL PROCESS THE APPLICATION FOR THE
2 SUBSEQUENT YEAR. IF THE RESIDENT FILES AN APPLICATION WITH THE
3 ASSESSOR ON OR BEFORE SEPTEMBER 1, THE ASSESSOR SHALL NOTIFY THE
4 RESIDENT WHETHER THE APPLICATION IS ACCEPTED OR DENIED ON OR
5 BEFORE DECEMBER 1. THE RESIDENT MAY APPLY FOR A PROPERTY
6 VALUATION PROTECTION OPTION AFTER RESIDING IN THE PRIMARY
7 RESIDENCE FOR TWO YEARS. IF ONE PERSON OWNS THE PROPERTY, THE
8 PERSON'S TOTAL INCOME FROM ALL SOURCES INCLUDING NONTAXABLE
9 INCOME SHALL NOT EXCEED FOUR HUNDRED PER CENT OF THE
10 SUPPLEMENTAL SECURITY INCOME BENEFIT RATE ESTABLISHED BY SECTION
11 1611(b)(1) OF THE SOCIAL SECURITY ACT. IF THE PROPERTY IS OWNED
12 BY TWO OR MORE PERSONS, INCLUDING A HUSBAND AND WIFE, AT LEAST
13 ONE OF THE OWNERS MUST BE SIXTY-FIVE YEARS OF AGE OR OLDER AND
14 THE OWNERS' COMBINED TOTAL INCOME FROM ALL SOURCES INCLUDING
15 NONTAXABLE INCOME SHALL NOT EXCEED FIVE HUNDRED PER CENT OF THE
16 SUPPLEMENTAL SECURITY INCOME BENEFIT RATE ESTABLISHED BY SECTION
17 1611(b)(1) OF THE SOCIAL SECURITY ACT. THE ASSESSOR SHALL
18 REVIEW THE OWNER'S INCOME QUALIFICATIONS ON A TRIENNIAL BASIS
19 AND SHALL USE THE OWNER'S AVERAGE TOTAL INCOME DURING THE
20 PREVIOUS THREE YEARS FOR THE REVIEW. IF THE COUNTY ASSESSOR
21 APPROVES A PROPERTY VALUATION PROTECTION OPTION, THE VALUE OF
22 THE PRIMARY RESIDENCE SHALL REMAIN FIXED AT THE FULL CASH VALUE
23 IN EFFECT DURING THE YEAR THE PROPERTY VALUATION PROTECTION
24 OPTION IS FILED AND AS LONG AS THE OWNER REMAINS ELIGIBLE. TO
25 REMAIN ELIGIBLE, THE COUNTY ASSESSOR SHALL REQUIRE A QUALIFYING
26 RESIDENT TO REAPPLY FOR THE PROPERTY VALUATION PROTECTION OPTION
27 EVERY THREE YEARS AND SHALL SEND A NOTICE OF REAPPLICATION TO
28 QUALIFYING RESIDENTS SIX MONTHS BEFORE THE THREE YEAR
29 REAPPLICATION REQUIREMENT. IF TITLE TO THE PROPERTY IS CONVEYED
30 TO ANY PERSON WHO DOES NOT QUALIFY FOR THE PROPERTY VALUATION
31 PROTECTION OPTION, THE PROPERTY VALUATION PROTECTION OPTION
32 TERMINATES, AND THE PROPERTY SHALL REVERT TO ITS CURRENT FULL
33 CASH VALUE

34 (8) "OWNER" MEANS THE OWNER OF RECORD OF THE PROPERTY AND
35 INCLUDES A PERSON WHO OWNS THE MAJORITY BENEFICIAL INTEREST OF A
36 LIVING TRUST.

37 (9) THE LEGISLATURE SHALL PROVIDE BY LAW A SYSTEM OF
38 PROPERTY TAXATION CONSISTENT WITH THE PROVISIONS OF THIS
39 SECTION.

40 (10) IF ANY SECTION, PART, CLAUSE OR PHRASE HEREOF IS FOR
41 ANY REASON HELD TO BE INVALID OR UNCONSTITUTIONAL, THE REMAINING
42 SECTIONS SHALL NOT BE AFFECTED BUT WILL REMAIN IN FULL FORCE AND
43 EFFECT.

44 3. The Secretary of State shall submit this proposition to the voters
45 at the next general election as provided by article XXI, Constitution of
46 Arizona.