

PLEASE NOTE: In most BUT NOT ALL instances, the page and line numbering of bills on this web site correspond to the page and line numbering of the official printed version of the bills.

REFERENCE TITLE: telecommunications companies: property tax valuation

State of Arizona  
Senate  
Forty-seventh Legislature  
First Regular Session  
2005

## **SB 1256**

Introduced by  
Senator Martin; Representative Huffman

**AN ACT**

**AMENDING SECTIONS 42-13055 AND 42-14403, ARIZONA REVISED STATUTES; RELATING TO CENTRALLY ASSESSED PROPERTY VALUATIONS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-13055, Arizona Revised Statutes, is amended to  
3 read:

4 42-13055. Reducing minimum value for property in use

5 A. Beginning in ~~valuation~~ TAX year ~~2000~~ 2005, the department shall  
6 reduce the minimum value prescribed for class one, ~~paragraphs 8, 9, 10 and 13~~  
7 ~~and class two (P) valued by the assessor by 2.5~~ PARAGRAPH 11 TO TEN per cent  
8 good ~~each year~~. BEGINNING IN VALUATION YEAR 2005 FOR TAX YEAR 2006, THE  
9 DEPARTMENT SHALL REDUCE THE MINIMUM VALUE PRESCRIBED FOR CLASS ONE, PARAGRAPH  
10 11 VALUED BY THE ASSESSOR BY 2.5 PER CENT GOOD EACH YEAR UNTIL THE MINIMUM  
11 VALUE REACHES THE MINIMUM VALUE PRESCRIBED BY SUBSECTION B.

12 B. This section does not require the department to reduce the minimum  
13 value for any property in use below 2.5 per cent good.

14 Sec. 2. Section 42-14403, Arizona Revised Statutes, is amended to  
15 read:

16 42-14403. Determining valuation

17 On or before August 31 of each year the department shall determine the  
18 valuation as of January 1 of the property of all telecommunications companies  
19 operating in this state at its full cash value. Real estate shall be valued  
20 at market value, and personal property shall be valued on a unitary basis at  
21 its historical cost less depreciation. For THE purposes of this section:

22 1. Depreciation ~~is computed based on the tables adopted by the~~  
23 ~~department in its personal property manual in effect on January 1, 1993~~ for  
24 the following categories SHALL BE COMPUTED ON A STRAIGHT LINE BASIS BY USING  
25 THE FOLLOWING YEARS OF LIFE AND THE PERCENTAGE OF ORIGINAL COST NEW THAT IS  
26 PRESCRIBED BY SECTION 42-13055:

- 27 (a) Buildings with a twenty-five year life.
- 28 (b) Cable with a fifteen year life.
- 29 (c) Telecommunications equipment with a five year life.
- 30 (d) Any other telecommunications property that is not included in  
31 subdivisions (a), (b) and (c) with a seven year life.

32 2. "Historical cost" means the original cost as reported on the  
33 company's books and records.

34 3. For cellular or other wireless telecommunications companies, the  
35 ~~"taxable unit"~~ is the applicable metropolitan statistical area or rural  
36 statistical area and does not include the value of any license that is issued  
37 by the federal communications commission.