

REFERENCE TITLE: Leased religious property tax exemption

State of Arizona
House of Representatives
Forty-fifth Legislature
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2001

HB 2404

Introduced by
Representatives Anderson: Cooley, Farnsworth, Gray, Hatch-Miller, Jarrett,
Kraft, Robson

AN ACT

AMENDING SECTIONS 42-11109 AND 42-11153, ARIZONA REVISED STATUTES; RELATING
TO RELIGIOUS PROPERTY TAX EXEMPTION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-11109, Arizona Revised Statutes, is amended to
3 read:

4 42-11109. Exemption for religious property; affidavit

5 A. Property or buildings that are used or held primarily for religious
6 worship, including land, improvements, furniture and equipment, are exempt
7 from taxation if the property is not used or held for profit.

8 B. PROPERTY THAT A NONPROFIT RELIGIOUS ORGANIZATION OWNS BUT LEASES TO
9 ANOTHER NONPROFIT ORGANIZATION IS EXEMPT FROM TAXATION IF THE OTHER
10 ORGANIZATION:

11 1. IS EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OF THE INTERNAL
12 REVENUE CODE.

13 2. USES THE PROPERTY SOLELY FOR CHARITABLE PURPOSES.

14 ~~B.~~ C. Within ten days after receiving an initial affidavit of
15 eligibility submitted under section 42-11152 by a nonprofit organization that
16 owns property used primarily for religious worship, the county assessor, on
17 request, shall issue a receipt for the affidavit.

18 ~~C.~~ D. If the organization files with the assessor evidence of the
19 organization's tax exempt status under section 501(c)(3) of the internal
20 revenue code or section 43-1201, the organization is exempt from the
21 requirement of filing subsequent affidavits under section 42-11152 until all
22 or part of the property is conveyed to a new owner or is no longer used for
23 religious worship. At that time the organization shall notify the assessor
24 of the change in writing.

25 ~~D.~~ E. A nonprofit organization that obtains title to property that
26 was previously owned by another nonprofit organization and used primarily for
27 religious worship shall comply with the requirements of section 42-11152 to
28 qualify and establish eligibility for exemption.

29 ~~E.~~ F. If a nonprofit organization that holds title to property used
30 primarily for religious worship fails to file the affidavit required by
31 section 42-11152 in a timely manner, but otherwise qualifies for exemption,
32 the county board of supervisors, on petition by the organization, shall
33 direct the county treasurer to:

34 1. Refund any property taxes paid by the organization for a tax year
35 if the organization submits a claim for the refund to the county treasurer
36 within one year after the date the taxes were paid. The county treasurer
37 shall pay the claim within thirty days after it is submitted to the
38 treasurer. The county treasurer is entitled to credit for the refund in the
39 next accounting period with each taxing jurisdiction to which the tax monies
40 may have been transmitted.

41 2. Forgive and strike off from the tax roll any property taxes and
42 accrued interest and penalties that are due but not paid.

43

1 Sec. 2. Section 42-11153, Arizona Revised Statutes, is amended to
2 read:

3 42-11153. Deadline for filing affidavit

4 A. Except as provided in section 42-11109, subsection ~~B~~-C, a failure
5 by a taxpayer who is entitled to an exemption to make an affidavit or furnish
6 evidence required by this article between the first Monday in January and
7 March 1 of each year constitutes a waiver of the exemption.

8 B. If a widow, widower or disabled person whose property is exempt
9 from tax under section 42-11111, or an organization that is exempt from
10 federal income tax under section 501(c) of the internal revenue code and is
11 exempt from property tax under article 3 of this chapter, submits a petition
12 after the deadlines prescribed by subsection A of this section, the person or
13 organization may have the waiver redeemed by the county board of supervisors
14 at any regular meeting, except that no taxes that were due and payable before
15 the petition was submitted may be refunded or abated.