

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: **property tax classification; conservation easement**

State of Arizona
House of Representatives
Forty-fifth Legislature
Second Regular Session
2002

HB 2106

Introduced by
Representatives Huffman, Hershberger, Gullett, O'Halleran, Senators
Valadez: Bee

AN ACT

AMENDING SECTION 42-12006, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX CLASSIFICATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-12006, Arizona Revised Statutes, is amended to
3 read:
4 42-12006. Class six property
5 For purposes of taxation, class six is established consisting of:
6 1. Noncommercial historic property as defined in section 42-12101 and
7 valued at full cash value.
8 2. Real and personal property that is located within the area of a
9 foreign trade zone or subzone established under 19 United States Code section
10 81 and title 44, chapter 18, that is activated for foreign trade zone use by
11 the district director of the United States customs service pursuant to 19
12 Code of Federal Regulations section 146.6 and that is valued at full cash
13 value.
14 3. Real and personal property and improvements that are located in a
15 military reuse zone that is established under title 41, chapter 10, article 3
16 and that is devoted to providing aviation or aerospace services or to
17 manufacturing, assembling or fabricating aviation or aerospace products,
18 valued at full cash value and subject to the following terms and conditions:
19 (a) Property may not be classified under this paragraph for more than
20 five tax years.
21 (b) Any new addition or improvement to property already classified
22 under this paragraph qualifies separately for classification under this
23 paragraph for not more than five tax years.
24 (c) If a military reuse zone is terminated, the property in that zone
25 that was previously classified under this paragraph shall be reclassified as
26 prescribed by this article.
27 4. Real and personal property and improvements that are located in an
28 enterprise zone, that are owned or used by a small manufacturing business
29 that is certified by the department of commerce pursuant to section
30 41-1525.01 and that are valued at full cash value. Property may not be
31 classified under this paragraph for more than five tax years. This paragraph
32 applies only to classification of property for primary property tax purposes
33 unless this limitation is finally adjudicated to be invalid, in which case
34 this paragraph applies to classification of property for both primary and
35 secondary property tax purposes.
36 5. Real and personal property and improvements or a portion of such
37 property comprising a qualified environmental technology manufacturing,
38 producing or processing facility as described in section 41-1514.02, valued
39 at full cash value and subject to the following terms and conditions:
40 (a) Property shall be classified under this paragraph for twenty tax
41 years from the date placed in service.
42 (b) Any addition or improvement to property already classified under
43 this paragraph qualifies separately for classification under this subdivision
44 for an additional twenty tax years from the date placed in service.

1 (c) After revocation of certification under section 41-1514.02,
2 property that was previously classified under this paragraph shall be
3 reclassified as prescribed by this article.

4 6. That portion of real and personal property that is used on or after
5 January 1, 1999 specifically and solely for remediation of the environment by
6 an action that has been determined to be reasonable and necessary to respond
7 to the release or threatened release of a hazardous substance by the
8 department of environmental quality pursuant to section 49-282.06 or pursuant
9 to its corrective action authority under rules adopted pursuant to section
10 49-922, subsection B, paragraph 4 or by the United States environmental
11 protection agency pursuant to the national contingency plan (40 Code of
12 Federal Regulations part 300) and that is valued at full cash
13 value. Property that is not being used specifically and solely for the
14 remediation objectives described in this paragraph shall not be classified
15 under this paragraph. For purposes of this paragraph, "remediation of the
16 environment" means one or more of the following actions:

17 (a) Monitoring, assessing or evaluating the release or threatened
18 release.

19 (b) Excavating, removing, transporting, treating and disposing of
20 contaminated soil.

21 (c) Pumping and treating contaminated water.

22 (d) Treatment, containment or removal of contaminants in groundwater
23 or soil.

24 7. BEGINNING FOR THE 2003 VALUATION YEAR, REAL PROPERTY THAT IS
25 SUBJECT TO A CONSERVATION EASEMENT CREATED AND RECORDED PURSUANT TO TITLE 33,
26 CHAPTER 2, ARTICLE 4 AND THAT IS NOT LIMITED IN DURATION.