

State of Arizona
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1996

FILED

**Jane Dee Hull
Secretary of State**

CHAPTER 22

SENATE BILL 1115

AN ACT

AMENDING SECTIONS 42-274 AND 42-274.01, ARIZONA REVISED STATUTES; RELATING TO TAX EXEMPT PROPERTY.

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

2 Section 1. Section 42-274, Arizona Revised Statutes, is amended to
3 read:

4 42-274. Affidavit

5 A. Except as provided in ~~section 42-274.01~~ and subsection B of this
6 section AND EXCEPT FOR PROPERTY DESCRIBED IN SECTION 42-274.01, a person
7 claiming exemption from taxation under the provisions of article IX, section
8 2, 2.1 or 2.2, Constitution of Arizona, shall appear before the county
9 assessor when such exemption is claimed for the first time and in subsequent
10 years shall appear before the county assessor or a notary public and make an
11 affidavit as to his eligibility, answering fully all questions appearing on
12 a form provided by the county assessor for such purpose or otherwise
13 propounded, but a person in the military service of the United States who is
14 absent from the state, or who is confined in a veterans' hospital or in any
15 licensed hospital, may make the required affidavit in the presence of any
16 officer authorized to administer oaths upon a form obtained from the county
17 assessor.

18 B. Within ten days of receipt of an initial affidavit of eligibility
19 submitted by a nonprofit organization owning property used primarily for
20 religious worship pursuant to section 42-271, subsection A, paragraph 7, the
21 assessor shall upon request issue a receipt to the applicant for the
22 affidavit. If the organization files with the assessor evidence of the

1 organization's tax exempt status under section 501(c)(3) of the internal
 2 revenue code or section 43-1201, the organization is exempt from the
 3 requirement of filing subsequent affidavits under subsection A of this
 4 section until either:

5 1. All or part of the property is conveyed to a new owner.

6 2. All or part of the property is no longer used for religious worship
 7 pursuant to section 42-271, subsection A, paragraph 7, at which time the
 8 church shall notify the assessor in writing of the change.

9 C. A nonprofit organization upon obtaining title to property
 10 previously owned by another nonprofit organization must comply with this
 11 section to qualify and establish its eligibility for exemption.

12 D. In the case of a nonprofit organization holding title to property
 13 used primarily for religious worship that fails to file the affidavit
 14 required by this section in a timely manner, but otherwise qualifies for
 15 exemption, the county board of supervisors, on petition by the organization,
 16 shall direct the county treasurer to:

17 1. Refund any property taxes paid by the organization for any taxable
 18 year if the organization submits a claim for the refund to the county
 19 treasurer within one year of the date such taxes were paid. The county
 20 treasurer shall pay the claim within thirty days after it is submitted to the
 21 treasurer. The county treasurer is entitled to credit for the refund in the
 22 next accounting period with the state and each political subdivision to which
 23 the tax monies may have been transmitted.

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

26 E. A false statement made or sworn to in the affidavit shall
 27 constitute and be punishable as perjury.

28 Sec. 2. Section 42-274.01, Arizona Revised Statutes, is amended to
 29 read:

30 42-274.01. Inventory, materials and products; productive
 31 livestock and animals; tax exemption

32 ~~A-~~ Pursuant to article IX, section 13 and section 2, paragraph 1,
 33 Constitution of Arizona, the following are exempt from taxation:

34 1. Stocks of raw or unfinished materials, unassembled parts, work in
 35 process or finished products constituting inventory of a retailer, wholesaler
 36 or manufacturer located within this state and principally engaged in the
 37 resale of such materials, parts or products.

38 2. Livestock and poultry as defined in section 3-1201, aquatic animals
 39 as defined in section 3-2901 and colonies of bees as defined in section
 40 3-801. For purposes of this section, "poultry" includes ratites.

41 ~~B. The department shall provide a place on its personal property tax~~
 42 ~~reporting forms for the taxpayer to indicate that he has inventory for which~~
 43 ~~an exemption is being claimed.~~

1 ~~C. The assessor may require additional proof of the facts which are~~
2 ~~the basis for the claim for an exemption.~~

3 ~~D. Failure of a taxpayer to claim the exemption as prescribed in~~
4 ~~subsection A of this section or to provide the additional proof prescribed~~
5 ~~in subsection C of this section is deemed a waiver of the exemption.~~

APPROVED BY THE GOVERNOR MARCH 21, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 22, 1996