

Senate Engrossed

State of Arizona  
Senate  
Forty-sixth Legislature  
Second Regular Session  
2004

CHAPTER 329

# SENATE BILL 1004

AN ACT

AMENDING SECTION 42-11111, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-11111, Arizona Revised Statutes, is amended to  
3 read:

4 42-11111. Exemption for property of widows, widowers and  
5 disabled persons

6 A. The property of widows, widowers and disabled persons who are  
7 residents of this state is exempt from taxation to the extent allowed by  
8 article IX, sections 2, 2.1, 2.2 and 2.3, Constitution of Arizona, and  
9 subject to the conditions and limitations prescribed by this section.

10 B. Pursuant to article IX, section 2.3, Constitution of Arizona, the  
11 exemptions from taxation under this section are allowed in the amount of:

12 1. Three thousand dollars if the person's total assessment does not  
13 exceed ten TWENTY thousand dollars.

14 2. No exemption if the person's total assessment exceeds ten TWENTY  
15 thousand dollars.

16 C. ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DEPARTMENT SHALL  
17 INCREASE THE TOTAL ASSESSMENT LIMITATION AMOUNTS UNDER SUBSECTION B OF THIS  
18 SECTION BASED ON THE AVERAGE ANNUAL PERCENTAGE INCREASE, IF ANY, IN THE GDP  
19 PRICE DEFLATOR AS DEFINED IN SECTION 41-563.

20 ~~C.~~ D. For the purpose of determining the amount of the allowable  
21 exemption pursuant to subsection B OF THIS SECTION, the person's total  
22 assessment shall not include the value of any vehicle that is taxed under  
23 title 28, chapter 16, article 3.

24 ~~D.~~ E. Pursuant to article IX, section 2.3, Constitution of Arizona,  
25 to qualify for this exemption, the total income from all sources of the  
26 claimant and the claimant's spouse and the income from all sources of all of  
27 the claimant's children who resided with the claimant in the claimant's  
28 residence in the year immediately preceding the year for which the claimant  
29 applies for the exemption shall not exceed:

30 1. Thirteen thousand two hundred dollars if none of the claimant's  
31 children under eighteen years of age resided with the claimant in the  
32 claimant's residence.

33 2. Eighteen thousand eight hundred forty dollars if one or more of the  
34 claimant's children residing with the claimant in the claimant's residence  
35 was either:

36 (a) Under eighteen years of age.

37 (b) Totally and permanently, physically or mentally disabled, as  
38 certified by competent medical authority as provided by law.

39 ~~E.~~ F. For the purposes of subsection ~~D~~ E OF THIS SECTION, "income  
40 from all sources" means the sum of the following, but excluding the items  
41 listed in subsection ~~F~~ G OF THIS SECTION:

42 1. Adjusted gross income as defined by the department.

43 2. The amount of capital gains excluded from adjusted gross income.

44 3. Nontaxable strike benefits.

1           4. Nontaxable interest that is received from the federal government  
2 or any of its instrumentalities.

3           5. Payments that are received from a retirement program and paid by:

4           (a) This state or any of its political subdivisions.

5           (b) The United States through any of its agencies, instrumentalities  
6 or programs, except as provided in subsection ~~F~~ G OF THIS SECTION.

7           6. The gross amount of any pension or annuity that is not otherwise  
8 exempted.

9           ~~F~~ G. Notwithstanding subsection ~~E~~ F OF THIS SECTION, "income from  
10 all sources" does not include monies received from:

11           1. Cash public assistance and relief.

12           2. Railroad retirement benefits.

13           3. Payments under the federal social security act (49 Stat. 620).

14           4. Payments under the unemployment insurance laws of this state.

15           5. Payments from veterans disability pensions.

16           6. Workers' compensation payments.

17           7. "Loss of time" insurance.

18           8. Gifts from nongovernmental sources, surplus foods or other relief  
19 in kind supplied by a governmental agency.

20           ~~G~~ H. The exemption described by this section applies independently  
21 to:

22           1. The assessed valuation determined for secondary property tax  
23 purposes from the full cash value of the property and improvements owned by  
24 the individual.

25           2. The assessed valuation determined for primary property tax purposes  
26 from the limited property value of the property and improvements owned by the  
27 individual.

28           ~~H~~ I. Any dollar amount of exemption that is unused in a tax year  
29 against the limited property value of property and improvements owned by the  
30 individual may be applied for the tax year against the value of personal  
31 property subject to special property taxes including the taxes collected  
32 pursuant to title 5, chapter 3, article 3 and title 28, chapter 16,  
33 article 3.

34           ~~I~~ J. An individual is not entitled to property tax exemptions in the  
35 aggregate that exceed the maximum allowed to a widow, widower or disabled  
36 person even if the person is eligible for an exemption in more than one  
37 category.

APPROVED BY THE GOVERNOR JUNE 3, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 3, 2004.

Passed the House May 26, 20 04

Passed the Senate March 25, 20 04

by the following vote: 51 Ayes,

by the following vote: 28 Ayes,

4 Nays, 5 Not Voting

0 Nays, 2 Not Voting

Jake Flake  
Speaker of the House

Klu Blument  
President of the Senate

Norman L. Moore  
Chief Clerk of the House

Chapman Billings  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

27<sup>th</sup> day of May, 20 04

at 8:40 o'clock a. M.

Jennifer Uparra  
Secretary to the Governor

Approved this 3 day of

June, 20 04

at 3<sup>15</sup> o'clock P. M.

J. R. Ruppel  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 3 day of June, 20 04

at 4:22 o'clock P. M.

Janice K. Brewer  
Secretary of State

S.B. 1004