



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

HB 2454: statutory conformity; property tax exemptions

Sponsor: Representative Carter, LD 8

Committee on Ways & Means

Overview

Establishes that property belonging to resident veterans with a service or nonservice connected disability is exempt from taxation. Updates property tax exemption amounts and household income limits. Conditions the enactment of this legislation on voter approval of HCR2017 to amend the constitution, consolidating and reorganizing provisions related to property tax.

History

Property belonging to widows and widowers, persons with disabilities and honorably discharged veterans with a service or nonservice connected disability is exempt from property tax to the amounts allowed by the state Constitution. Widows, widowers and persons with disabilities are entitled to an exemption of \$3,000, so long as the person's total assessment does not exceed \$20,000 ([A.R.S. § 42-1111](#)).

The Legislature may exempt personal property used for agricultural purposes or in trade or business to the amount of \$50,000 of full cash value ([Arizona Constitution art. IX, § 2](#); [A.R.S. § 42-11127](#)).

Provisions

1. Establishes that property belonging to veterans with service or nonservice connected disabilities is exempt from taxation as provided in the State Constitution. (Sec. 2)
2. Exempts property belonging to widows and widowers, persons with total and permanent disabilities and veterans with service or nonservice connected disabilities to the amount of \$4,200, so long as the person's total assessment does not exceed \$30,000. (Sec. 2)
3. Limits the \$4,200 exemption for veterans with service or nonservice connected disabilities by multiplying the total exemption amount by the percentage of the veterans' disability, as rated by the U.S. Department of Veterans Affairs. (Sec. 2)
4. Updates the household income limits to:
 - a) \$35,000 if none of the claimant's children lived in the claimant's residence; and
 - b) \$42,000 if the claimant's child residing in the claimant's residence was under 18 years old or had a total and permanent disability. (Sec. 2)
5. States that veterans with a service or nonservice connected disability must initially file an affidavit with the county assessor to establish eligibility for this exemption and must notify the county assessor in writing if any event disqualifies them from this exemption. (Sec. 2)
6. Defines *GDP price deflator* and *veteran*. (Sec. 2)
7. Establishes that the maximum amount exempted for personal property used for agricultural purposes and in a trade or business is \$220,000 of full cash value. (Sec. 3)
8. Makes technical and conforming changes. (Sec. 1, 2, 3, 4, 5)

9. Conditions the enactment of this legislation on an amendment of the constitution by the vote of the people in the next general election, consolidating and reorganizing provisions related to property tax. (Sec. 6)