



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED

FACT SHEET FOR S.B. 1095

property tax; golf courses; valuation

Purpose

Modifies the conditions that apply to a golf course owner's deed restriction and the process a property owner and the county assessor must follow when a golf course property is split or combined or all or part of the property is converted to a use other than a golf course.

Background

A *golf course* is substantially undeveloped land with golf-related amenities for public or private club use, excluding commercial golf practice ranges, clubhouses, pro shops, restaurants or similar buildings associated with the golf course. To qualify for property tax valuation as a golf course, statute requires a golf course owner to record a deed restriction limiting the property to use as a golf course for a period of at least 10 years. Land comprising the golf course playing area, practice area and parking area is valued at \$500 an acre. Property that is not included in the deed restriction is valued comparably to similar commercial-use land.

The deed restriction must be refiled as necessary to ensure that the deed restriction always applies for at least 10 years. If a property that qualifies and is taxed as a golf course is converted to a different use during the prescribed 10-year period, the county assessor must add a penalty to the tax levied against the property. The penalty is equal to the difference between the total property tax that would have been charged if the property had not been valued as a golf course and the actual property taxes paid during the shorter of either: 1) the past ten years; or 2) the period the property was valued as a golf course (A.R.S §§ [42-13151](#); [42-13152](#); and [42-13154](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Specifies that a golf course owner must refile the property's deed restriction with the county assessor when the property is split or combined.
2. Specifies that a deed restriction requires the property to be used solely as a golf course.
3. Stipulates that a property must be used as a golf course for the duration of the deed restriction to maintain property tax valuation as a golf course and to avoid the statutory penalty for converting the property to a different use.

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4. Defines *converted to a different use* as:
 - a) a change that violates the statutory requirements for property tax valuation as a golf course;
or
 - b) the removal, expiration without replacement or violation of the property's deed restriction.
5. Requires a property owner, if any part of the golf course property is converted to a different use, to submit notification to the county assessor in person, electronically or by certified mail within 30 days following conversion.
6. Requires the county assessor to provide an electronic acknowledgement of receipt if the county assessor accepts electronic filings or notices.
7. Requires the county assessor to assess the statutory penalty for converting any part of the property to a different use after receiving notice from the property owner or after the county assessor discovers that any part of the property has been converted to a different use.
8. Makes technical and conforming changes.
9. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Stipulates that a property must be used as a golf course for the duration of the deed restriction to maintain property tax valuation as a golf course and to avoid the statutory penalty for converting the property to a different use.
2. Makes technical changes.

Senate Action

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Prepared by Senate Research

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