



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
Second Regular Session

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## **HCR2023: property tax; refund; nuisance enforcement.**

**Sponsor: Representative Toma, LD 27**

**Committee on Ways & Means**

### **Overview**

Allows a property owner to apply for a primary property tax refund if the fair market value (FMV) of their property is decreased, or they incur expenses caused by a city, town or county adopting a policy, pattern or practice which declines to enforce existing laws or the maintaining of a public nuisance.

### **History**

[Ariz. Const. art 9 § 2](#) states all property that is not exempt under law in Arizona is subject to taxation. *Primary property taxes* mean all ad valorem taxes except for secondary property taxes ([A.R.S. § 42-11001](#)).

The Department of Revenue (DOR) is responsible for providing a uniform system of tax administration and revenue collection for the state. From this revenue collection, a portion of TPT and severance taxes is allocated as the distribution base, which is distributed to cities, towns, counties and other purposes throughout Arizona. 25% of the monies designated as distribution base are designated to the various incorporated municipalities in Arizona in proportion to their population, which is to be used for any purpose ([A.R.S. § 42-5029](#)).

### **Provisions**

1. Allows a property owner to apply for a primary property tax refund in the city, town or county they are located if the FMV of their property is decreased from or they incur expenses to mitigate the city, town or county:
  - a) adopting a policy, pattern or practice that declines to enforce existing laws, ordinances or other legislation prohibiting illegal camping, loitering, panhandling, public urination or defecation, public consumption of alcoholic beverages or possession or use of illegal substances; or
  - b) maintaining a public nuisance. (Sec. 1)
2. Outlines the calculations and methods to refunding the tax (Sec. 1)
3. Requires the state treasurer to:
  - a) withhold monies to the affected city, town or county based on the aggregate amount of the refunds claimed; and
  - b) credit any monies withheld to the state general fund. (Sec. 1)
4. Places the burden of proof onto the city, town or county in any challenge to a refund. (Sec. 1)

Prop 105 (45 votes)

Prop 108 (40 votes)

Emergency (40 votes)

Fiscal Note

5. Removes the requirement that a property owner must submit a claim as a prerequisite to filing a claim for a refund. (Sec. 1)
6. Entitles a taxpayer to claim a refund once per tax year, for every year the policy, pattern practice or public nuisance remains in place. (Sec. 1)
7. States that the refund process is in addition to any other law. (Sec. 1)
8. Directs the DOR to administer the refund process and prescribe the procedure.
9. Outlines the specific acts or decisions that do not apply to the refund process. (Sec. 1)
10. Defines *fair market value* and *property owner*. (Sec. 1)
11. Repeals the refund process beginning January 1, 2036. (Sec. 2)
12. Requires the Secretary of State to submit the proposition to the voters at the next general election.
13. Becomes effective if approved by the voters and on proclamation of the Governor.