



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: FIN DPA 7-3-0-0 | 3rd Read 18-11-1-0

House: WM DP 6-4-0-0

SB 1093: property tax; class one; equalization assistance

Sponsor: Senator Mesnard, LD 17

Caucus & COW

Overview

Reduces the assessed valuation percentage on all class one properties over two years to 15% by 2027 and sets the state equalization assistance tax rate (SETR) for Tax Year (TY) 2022 through TY 2027.

History

Class one property consists of commercial and industrial properties including:

- 1) Mining;
- 2) Telecommunication companies;
- 3) Utilities;
- 4) Standing timber;
- 5) Airport fuel delivery;
- 6) Oil and gas production;
- 7) Pipelines;
- 8) Shopping centers;
- 9) Golf courses; and
- 10) Most other commercial uses ([A.R.S. § 42-12001](#)).

Class one properties currently have an assessment ratio of 17.5%, which reduces by 0.5% annually until it reaches 16% ([A.R.S. § 42-15001](#)).

The county board of supervisors for each county is responsible for levying the state equalization property tax and the county treasurer shall apportion all monies collected from the state equalization assistance property tax levy to the school districts within the county ([A.R.S. § 15-994](#)). The SETR in TY 2021 is \$0.4263 ([A.R.S. § 41-1276](#)).

Provisions

1. Lowers the class one property assessment ratio to 15.5% in TY 2026 then 15% in TY 2027 and thereafter. (Sec. 2)
2. Sets the SETR at:
 - a) \$0.4109 in TY 2022;
 - b) \$0.3990 in TY 2023;
 - c) \$0.3891 in TY 2024;
 - d) \$0.3806 in TY 2025;
 - e) \$0.3279 in TY 2026; and
 - f) \$0.2856 in TY 2027. (Sec. 1)
3. Makes technical changes. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input checked="" type="checkbox"/> Fiscal Note
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