

ATRA OPPOSES HB 2106

Reclassifying conservation easements

Purpose

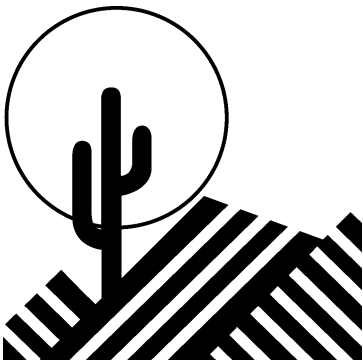
If passed, HB 2106 would reclassify conservation easement properties from class 2 at 16%, which includes agricultural and vacant land, to class 6 at 5%, which includes such properties as residential historic property, foreign trade, military reuse zones, and enterprise zone property, and qualifying environmental technology and remediation property beginning in the 2003 valuation year.

Basis for ATRA's opposition

- Every analysis of our property tax system comes to the same conclusion: there are already too many classes of property and those classes should be reduced. Adding more property taxpayers to the class 6, 5% assessment ratio category is a step in the wrong direction.
- Opposition to property tax reform understandably comes from taxpayers who are provided the most favorable treatment in the classification system (5% assessment ratio). Adding more taxpayers to class 6 creates more impediments to reform.
- Lastly, the properties carrying conservation easement designations are already provided property tax relief through reduced property valuations. The conservation easement designation is a voluntary decision made by the property owner that already results in reduced property taxes on the land.

Currently, vacant land subject to a conservation easement in Arizona is classified under class 2, which is assessed at 16%. Adding conservation easement properties to class 6, which is assessed at only 5%, would magnify the inequities already inherent within the property tax classification system.

***ATRA urges you to vote NO to creating further inequities
within Arizona's property tax system.***



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