



Bill Number: H.B. 2403

**Crandell Floor Amendment**

**Reference to: CEM Committee amendment  
Amendment drafted by: Legislative Council**

**FLOOR AMENDMENT EXPLANATION**

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Under certain conditions, in the event that a lessee defaults on a lease utilized for the purpose of generating renewable energy, the lessor's assessed value is capped at the total amount of the lease payments collected during the tax year or the assessed value of the leased property being classified as Class 2 property – whichever is greater.

Amendment explanation prepared by Reed Spangler

4/21/2014

CRANDELL FLOOR AMENDMENT  
SENATE AMENDMENTS TO H.B. 2403  
(Reference to CEM amendment)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Title 42, chapter 13, Arizona Revised Statutes, is amended  
3 by adding article 11, to read:

4 ARTICLE 11. VALUATION OF ABANDONED LEASED PROPERTY

5 42-13501. Limit on valuation of real property with abandoned  
6 renewable energy equipment

7 A. THE ASSESSED VALUE OF A LEASED PORTION OF REAL PROPERTY THAT  
8 QUALIFIES UNDER SUBSECTION B OF THIS SECTION IS THE GREATER OF THE TOTAL  
9 LEASE PAYMENTS COLLECTED BY THE REAL PROPERTY OWNER DURING THE TAX YEAR OR  
10 THE ASSESSED VALUE OF THE LEASED PROPERTY IF IT WERE CLASSIFIED AS CLASS TWO  
11 PROPERTY.

12 B. THE REAL PROPERTY MUST MEET ALL OF THE FOLLOWING CONDITIONS:

13 1. THE REAL PROPERTY IS BEING LEASED BY THE REAL PROPERTY OWNER TO A  
14 LESSEE THAT MAINTAINS RENEWABLE ENERGY EQUIPMENT ON THE LEASED REAL PROPERTY.

15 2. THE REAL PROPERTY OWNER OR ANY AFFILIATE OF THE OWNER HAS NO  
16 OWNERSHIP INTEREST IN THE LESSEE OR ANY OF ITS AFFILIATES.

17 3. THE LESSEE IS IN DEFAULT ON THE LEASE, IS NOT MAKING LEASE PAYMENTS  
18 UNDER THE LEASE AND HAS ABANDONED ITS RENEWABLE ENERGY EQUIPMENT ON THE  
19 LEASED REAL PROPERTY.

20 4. THE LEASED REAL PROPERTY WAS CLASSIFIED AS CLASS TWO AGRICULTURAL  
21 PROPERTY FOR THE TAX YEAR BEFORE THE LEASE TERM COMMENCED.

22 5. THE TOTAL LEASE PAYMENTS COLLECTED BY THE REAL PROPERTY OWNER UNDER  
23 THE LEASE IN DEFAULT ARE LESS THAN THE ASSESSED VALUE OF THE LEASED REAL  
24 PROPERTY UNDER CLASS ONE."

25 Renumber to conform

26 Amend title to conform

2403cc2  
04/16/2014  
1:04 PM  
C: lrh