

Proposition 312
Property Tax; Refund; Nuisance Enforcement
Fiscal Analysis

Estimated Impact

Beginning in Tax Year 2025, Proposition 312 would allow a property owner to apply to the Arizona Department of Revenue (ADOR) for a primary property tax refund if the owner documents expenses caused by a city, town, or county that either (1) declines to enforce existing laws prohibiting illegal camping, obstructing public thoroughfares, loitering, panhandling, public urination or defecation, public consumption of alcoholic beverages or use of illegal substances, or (2) maintains a public nuisance. Proposition 312 is repealed on January 1, 2036.

The refund under Proposition 312 is equal to the documented expenses incurred by the property owner to mitigate the effects of the public nuisance on the owner's property. The refund is limited to the amount of primary property taxes paid by the owner to the municipality or county in the prior tax year. The property owner can apply for a refund on an annual basis.

Based on the documented expenses, ADOR would pay the refund to the property owner. Proposition 312 requires the State Treasurer to withhold from the affected city or county state-shared revenues (from the state Transaction Privilege Tax) equal to the total amount of refunds issued for that government entity. The State Treasurer would reimburse ADOR for the cost of the refund.

ADOR may have expenses associated with administering the refund process. Those costs would depend on the number of refund requests, which cannot be determined in advance.

7/18/24