

State Board of Equalization

JLBC: Steve Grunig
 OSPB: Tracie Andreasson

Subcommittee: Health & Welfare

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004		FY 2005	
			OSPB	JLBC	OSPB	JLBC
PROGRAM BUDGET						
State Board of Equalization	593,200	608,100	612,000	119,000	613,400	119,000
<i>Program Subtotal - State Board of Equalization</i>	593,200	608,100	612,000	119,000	613,400	119,000
6th SS Lump Sum Reduction SLI	0	(64,700)	(64,700)	(64,700)	(64,700)	(64,700)
AGENCY TOTAL	593,200	543,400	547,300	54,300	548,700	54,300

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	8.0	7.0	7.0	0.0	7.0	0.0
Personal Services	355,300	360,300	360,300	0	360,300	0
Employee Related Expenditures	78,500	78,200	86,000	0	86,000	0
Professional and Outside Services	0	8,500	8,500	119,000	8,500	119,000
Travel - In State	6,600	18,400	18,400	0	18,400	0
Travel - Out of State	1,100	0	0	0	0	0
Other Operating Expenditures	134,700	137,000	133,100	0	134,500	0
Equipment	17,000	5,700	5,700	0	5,700	0
OPERATING SUBTOTAL	593,200	608,100	612,000	119,000	613,400	119,000
Special Line Items (SLI)	0	(64,700)	(64,700)	(64,700)	(64,700)	(64,700)
AGENCY TOTAL	593,200	543,400	547,300	54,300	548,700	54,300

FUND SOURCES

General Fund	593,200	543,400	547,300	54,300	548,700	54,300
SUBTOTAL - Appropriated Funds	593,200	543,400	547,300	54,300	548,700	54,300
TOTAL - ALL SOURCES	593,200	543,400	547,300	54,300	548,700	54,300

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC		FY 2003 to FY 2005 JLBC		Biennial
	\$ Change	% Change	\$ Change	% Change	\$ Change
General Fund	(489,100)	(90.0%)	(489,100)	(90.0%)	(978,200)

AGENCY DESCRIPTION — *The State Board of Equalization consists of 17 members. The board hears property tax appeals for properties in Maricopa and Pima Counties. Property tax appeals in other counties continue to be heard by the respective County Boards of Equalization. Of the 17 members, the 7 gubernatorial appointments also hear appeals of centrally valued properties and equalization orders by the Department of Revenue.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• Tax appeals received	15,500	19,500	18,000	--
• % of tax appeals filed on-line	45	60	50	60
• Cost per petition/hearing (in \$)	25	24	23	23
• Average calendar days to process a property tax appeal from receipt to issuance	28	28	28	28
• % of rulings upheld in tax courts	100	100	100	100
• Administration as a % of total cost	15.8	26.7	15.8	25.0
• Customer satisfaction rating (Scale 1-8)	6.0	NA	6.0	6.1

Comments: The agency did not submit information for any measure labeled as "NA." The agency does not have quantifiable customer satisfaction data at this time.

RECOMMENDED CHANGES FROM FY 2003

		<u>FY 2004</u>	<u>FY 2005</u>
Standard Changes			
No Changes	GF	\$ 0	\$ 0

Elimination of Maricopa &

Pima County Services GF (489,100) (489,100)

The JLBC recommends a General Fund decrease to eliminate funding for valuation and classification hearings for property in Maricopa and Pima Counties. Funding would be continued for State Board of Equalization hearings of centrally valued properties and equalization orders by the Department of Revenue.

Hearings in other counties are heard by county boards of equalization, however, Yavapai, Mohave and Pinal Counties contract with the State Board of Equalization for services.

Maricopa and Pima Counties would take over responsibility for those hearings or could contract with the State Board of Equalization for these services.

This change would require statutory changes. *(See JLBC recommended statutory changes for more information.)*

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JLBC RECOMMENDED FORMAT — Lump Sum by Agency

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends amending A.R.S. § 42-16102 and other pertinent sections of Title 42 to have Maricopa and Pima Counties take over responsibility of valuation and classification hearings or to contract with the State Board of Equalization for these services. *(See the “Elimination of Maricopa and Pima County Services” policy issue for more information.)*

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