

REFERENCE TITLE: property tax assessments; one-year cycle

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

HB 2253

Introduced by
Representative Mitchell

AN ACT

AMENDING SECTIONS 15-994, 42-11001, 42-12102, 42-12103, 42-13003, 42-13051, 42-13204, 42-13251, 42-13254, 42-13255, 42-13302, 42-15053 AND 42-15101, ARIZONA REVISED STATUTES; REPEALING SECTION 42-15105, ARIZONA REVISED STATUTES; AMENDING SECTIONS 42-15153, 42-15155, 42-16051, 42-16053, 42-16055, 42-16104, 42-16105, 42-16108, 42-16157, 42-16159, 42-16165, 42-16166, 42-16201 AND 42-16202, ARIZONA REVISED STATUTES; REPEALING SECTION 42-16205, ARIZONA REVISED STATUTES; AMENDING SECTIONS 42-16205.01, 42-16212, 42-17055, 42-19006 AND 42-19007, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX ASSESSMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-994, Arizona Revised Statutes, is amended to
3 read:

4 **15-994. State equalization assistance property tax levy**

5 A. The board of supervisors of each county shall annually **LEVY**, at the
6 time of levying other taxes, **levy** a state equalization assistance property
7 tax on the property within the county. The tax levy for state equalization
8 assistance shall be at a rate determined pursuant to section 41-1276. The
9 tax levy provided for in this section shall not be subject to title 42,
10 chapter 17, articles 2 and 3. Except as provided in section 15-365, the
11 county treasurer shall apportion all monies collected from the state
12 equalization assistance property tax levy to the school districts within the
13 county in accordance with section 15-971, subsection C at the same time as
14 other tax levy monies are apportioned as provided in section 42-18001.

15 B. At the same time the county assessor is required to transmit values
16 to the county school superintendent as provided in section 42-17052, the
17 assessor of each county shall provide in electronic format to the
18 superintendent of public instruction the assessed valuation used for
19 determining the primary property tax rate and the secondary property tax rate
20 for each school district in the county, **. On or before January 15 the county**
assessor of each county shall provide in electronic format to the
superintendent of public instruction the actual assessed valuation used for
determining the primary property tax rate and the secondary property tax rate
for each school district in the county including any revisions made due to
25 changes in the valuation of personal property after the tax rates were
26 determined.

27 Sec. 2. Section 42-11001, Arizona Revised Statutes, is amended to
28 read:

29 **42-11001. Definitions**

30 In chapters 11 through 19 of this title, unless the context otherwise
31 requires:

32 1. "Assessed valuation" means the value derived by applying the
33 applicable percentage prescribed by chapter 15, article 1 of this title to
34 the full cash value or limited property value of the property, as applicable.

35 2. "Board" or "state board" means the state board of equalization.

36 3. "County board" means the county board of supervisors sitting as the
37 county board of equalization.

38 4. "Current usage" means the use to which property is put at the time
39 of valuation by the assessor or the department.

40 5. "Due date" means the next business day if a due date of any report,
41 claim, return, statement, payment, deposit, petition, notice or other
42 document or filing falls on Saturday, Sunday or a legal holiday.

1 6. "Full cash value" for property tax purposes means the value
2 determined as prescribed by statute. If no statutory method is prescribed,
3 full cash value is synonymous with market value which means the estimate of
4 value that is derived annually by using standard appraisal methods and
5 techniques. Full cash value is the basis for assessing, fixing, determining
6 and levying primary and secondary property taxes on property described in
7 section 42-13304. Full cash value shall not be greater than market value
8 regardless of the method prescribed to determine value for property tax
9 purposes.

10 7. "Limited property value" means the value determined pursuant to
11 section 42-13301. Limited property value is the basis for:

12 (a) Computing levy limitations for counties, cities, towns and
13 community college districts.

14 (b) Assessing, fixing, determining and levying primary and secondary
15 property taxes on all property except property described in section 42-13304.

16 8. "Net assessed value" means the assessed value minus any exempt
17 property.

18 9. "Person" means a natural person, individual, proprietor,
19 proprietorship, company, corporation, organization, association, joint
20 venture, partner, partnership, trust, estate or limited liability company,
21 the federal or state government, a political subdivision of a state or any
22 other legal entity or combination of entities that owns, controls or has
23 possession of real or personal property.

24 10. "Personal property" includes property of every kind, both tangible
25 and intangible, not included in the term real estate.

26 11. "Primary property taxes" means all ad valorem taxes except for
27 secondary property taxes.

28 12. "Producing mine" or "mining claim" means a mine or mining claim
29 from which coal or any other mineral or mineral substance, except for clay,
30 sand, gravel, building stone or a mineral or mineral substance that is
31 normally processed into artificial stone, has been extracted for commercial
32 purposes at any time during a period of one year before the first Monday in
33 January of the valuation year.

34 13. "Real estate" includes the ownership of, claim to, possession of or
35 right of possession to lands or patented mines.

36 14. "Roll" means the assessment and tax roll.

37 15. "Secondary property taxes" means:

38 (a) Ad valorem taxes or special property assessments that are used to
39 pay the principal of and the interest and redemption charges on bonded
40 indebtedness or other lawful long-term obligations that are issued or
41 incurred for a specific capital purpose by a municipality, county or taxing
42 district.

43 (b) Ad valorem taxes or assessments levied by or for special taxing
44 districts and assessment districts other than school districts and community
45 college districts.

(c) Amounts levied pursuant to an election to exceed a budget, expenditure or tax limitation.

16. "Tax year" for all property means the calendar year in which the taxes are levied.

17. "Valuation" means the full cash value or limited property value that is determined for real or personal property, as applicable.

18. "Valuation date", for the purposes of real property and property valued by the department, means January 1 of the year preceding the year in which taxes are levied. MEANS:

(a) FOR REAL AND PERSONAL PROPERTY VALUED BY THE DEPARTMENT, JANUARY 1 OF THE YEAR PRECEDING THE YEAR IN WHICH TAXES ARE LEVIED.

(b) FOR REAL AND PERSONAL PROPERTY VALUED BY THE ASSESSOR, JANUARY 1 OF THE YEAR IN WHICH TAXES ARE LEVIED.

19. "Valuation year" means:

(a) For real **property** and **PERSONAL** property valued by the department, the calendar year preceding the year in which the taxes are levied.

(b) For **REAL AND** personal property **VALUED BY THE ASSESSOR**, the calendar year in which the taxes are levied.

Sec. 3. Section 42-12102, Arizona Revised Statutes, is amended to read:

42-12102. Application for classification as historic property:
period of classification

A. An owner of property who desires that it be classified as historic property for purposes of taxation shall:

1. Apply to the county assessor on forms that are approved by the department.

2. Consent in writing to allow the state historic preservation officer to view the property.

B. Applications shall be filed with the assessor during the ~~valuation~~ year preceding the first tax year for which classification is requested.

C. Classification as class six property under section 42-12006 may be granted only for the fifteen consecutive tax years immediately following the calendar year in which the application is filed. The assessor may accept an application by the owner during the final year of each fifteen year assessment period for continuation of the classification for a succeeding period of fifteen years.

D. Classification as class seven property under section 42-12007 or class eight property under section 42-12008 may be granted only for the ten consecutive tax years immediately following the calendar year in which the application is filed.

E. Within ten days after receiving each application, the county assessor shall refer the application to the state historic preservation officer.

1 Sec. 4. Section 42-12103, Arizona Revised Statutes, is amended to
2 read:

42-12103. Review of application by state historic preservation officer; approval or denial

5 A. The state historic preservation officer, with the assistance of the
6 Arizona historical advisory commission, shall review the application and may
7 view the premises.

8 B. The state historic preservation officer shall notify the county
9 assessor and the applicant of the approval or denial of the application on or
10 before August 1 of the ~~valuation~~ year **PRECEDING THE FIRST TAX YEAR FOR WHICH**
11 **CLASSIFICATION IS REQUESTED**. An application that is not approved by August 1
12 is considered to be denied.

13 C. The state historic preservation officer shall not deny an
14 application solely because of the potential loss of revenue that may result
15 from granting the application if the officer finds that the property is
16 historic property. The state historic preservation officer may approve the
17 application with respect to only part of the property that is subject to the
18 application.

19 D. If any part of the application is denied, or at any time before
20 approval, the applicant may withdraw the application.

21 E. An owner whose application has been denied may appeal to either the
22 tax court or the superior court pursuant to section 12-163, subsection B.

23 F. If the state historic preservation officer determines that the
24 property qualifies for classification as historic property, the officer shall
25 certify the determination in writing and shall file a copy of the certificate
26 with the county assessor within ten days. The certificate shall state the
27 facts on which the approval was based.

28 Sec. 5. Section 42-13003, Arizona Revised Statutes, is amended to
29 read:

42-13003. Report on property that has not been appraised

31 A. On or before ~~November~~ SEPTEMBER 15 of each year, each county
32 assessor shall report to the department each parcel of property that has not
33 been appraised during the preceding three years. The assessor shall include
34 a statement of the reasons for the failure to appraise each such parcel.

35 B. The department may direct the assessor to adjust the valuation of
36 any such parcel to reflect its full cash value.

37 Sec. 6. Section 42-13051, Arizona Revised Statutes, is amended to
38 read:

42-13051. Duties of county assessor

40 A. Not later than December 15 of each year PRECEDING THE YEAR IN WHICH
41 TAXES ARE LEVIED, the county assessor shall identify by diligent inquiry and
42 examination all real property in the county that is subject to taxation and
43 that is not otherwise valued by the department as provided by law.

1 B. The assessor shall:

2 1. Determine the names of all persons who own, claim, possess or
3 control the property, including properties subject to the government property
4 lease excise tax pursuant to chapter 6, article 5 of this title.

5 2. Determine the full cash value of all such property as of January 1
6 of the next year by using the manuals furnished and procedures prescribed by
7 the department.

8 3. List the property with the determined valuation for use on the tax
9 roll and report to the department of education the determined valuations of
10 properties that are subject to the government property lease excise tax
11 pursuant to chapter 6, article 5 of this title.

12 C. In identifying property pursuant to this section, the assessor
13 shall use aerial photography, applicable department of revenue records,
14 building permits and other documentary sources and technology.

15 Sec. 7. Section 42-13204, Arizona Revised Statutes, is amended to
16 read:

17 42-13204. Election to use income method of valuation initially

18 In lieu of valuation under section 42-13203, the owner of a shopping
19 center may elect to have the valuation of the shopping center determined by
20 the income method commonly known as the straight line building residual
21 method if the owner submits all reasonably necessary income and expense
22 information for the owner's three most recent fiscal years to the county
23 assessor before September 1 of the year ~~immediately~~ preceding the year ~~for IN~~
24 which ~~the property will be valued~~ TAXES ARE LEVIED.

25 Sec. 8. Section 42-13251, Arizona Revised Statutes, is amended to
26 read:

27 42-13251. Equalization of valuations by department

28 A. The department may adopt ~~a schedule of examining and comparing~~ AND
29 ~~COMPARE~~ the valuations of property in the several counties every year.

30 B. The review shall be according to and consistent with the valuation
31 directives, rules and guidelines adopted by the department.

32 C. Each county assessor shall provide complete copies of data files
33 and proposed assessments to the department on or before ~~December~~ SEPTEMBER 15
34 of the year preceding the ~~valuation~~ year ~~IN WHICH TAXES ARE LEVIED~~. If the
35 data is not complete or is in a format that is not readable by the
36 department, the department may use the latest available data for the purposes
37 of complying with this article.

38 D. THE DEPARTMENT SHALL CONDUCT SALES-RATIO STUDIES PURSUANT TO
39 SECTION 42-13005 AND ISSUE A LETTER OF CONCERN TO THE ASSESSOR FOR THE AREAS
40 IDENTIFIED BY THE DEPARTMENT THAT ARE INCONSISTENT WITH THE VALUATION
41 DIRECTIVES, RULES AND GUIDELINES ISSUED BY THE DEPARTMENT.

42 E. THE ASSESSOR OR ASSESSORS SHALL ADDRESS THE CONCERNS OF THE
43 DEPARTMENT AND SUBMIT COMPLETE COPIES OF THEIR DATA FILES TO THE DEPARTMENT
44 FOR EXAMINATION.

1 F. THE DEPARTMENT SHALL CONDUCT SUBSEQUENT SALES-RATIO STUDIES
2 PURSUANT TO SECTION 42-13005 AND ISSUE AN EQUALIZATION ORDER TO THE ASSESSOR
3 FOR THE AREAS IDENTIFIED BY THE DEPARTMENT THAT ARE INCONSISTENT WITH THE
4 VALUATION DIRECTIVES, RULES AND GUIDELINES ISSUED BY THE DEPARTMENT ON OR
5 BEFORE NOVEMBER 30.

6 G. THE ASSESSOR OR ASSESSORS SHALL COMPLY WITH THE EQUALIZATION ORDER
7 AND SUBMIT COMPLETE COPIES OF THEIR DATA FILES TO THE DEPARTMENT OR FILE AN
8 APPEAL WITH THE STATE BOARD OF EQUALIZATION ON OR BEFORE DECEMBER 31.

9 Sec. 9. Section 42-13254, Arizona Revised Statutes, is amended to
10 read:

11 42-13254. Date of issue; effective date

12 A. The department shall issue an equalization order no later than
13 ~~January 15 of the valuation year~~ NOVEMBER 30 OF THE YEAR PRECEDING THE YEAR
14 IN WHICH TAXES ARE LEVIED.

15 B. The equalization order is for the ~~valuation~~ year in which the ~~order~~
16 ~~is issued~~ TAXES ARE LEVIED.

17 C. The assessor shall not issue a notice for property affected by the
18 equalization order pursuant to section 42-15101 until the assessor has
19 complied with the equalization order issued pursuant to this article and the
20 compliance is confirmed by the department, unless the assessor has filed an
21 appeal with the court pursuant to section 42-16212. On a showing of good
22 cause, the department may extend the date for issuing the notice of valuation
23 under section 42-15101 for not more than fifteen days.

24 Sec. 10. Section 42-13255, Arizona Revised Statutes, is amended to
25 read:

26 42-13255. Appeal

27 The county assessor who receives an equalization order may appeal the
28 order to the state board of equalization pursuant to section 42-16159 on or
29 before ~~February 15 of the valuation year~~ DECEMBER 31 OF THE YEAR PRECEDING
30 THE YEAR IN WHICH TAXES ARE LEVIED.

31 Sec. 11. Section 42-13302, Arizona Revised Statutes, is amended to
32 read:

33 42-13302. Determining limited value in cases of omissions and
34 changes

35 A. In the following circumstances the limited property value shall be
36 established at a level or percentage of full cash value that is comparable to
37 that of other properties of the same or similar use or classification:

38 1. Property that was erroneously totally or partially omitted from the
39 property tax rolls in the preceding tax year.

40 2. Property for which a change in use has occurred since the preceding
41 tax year.

42 3. Property that has been modified by construction, destruction or
43 demolition since the preceding valuation year.

1 4. Property that has been split, subdivided or consolidated ~~from January 1 through September 30 of the valuation year~~, except for cases that
2 result from an action initiated by a governmental entity.

3 B. ~~In the case of property that is split or consolidated after September 30 through December 31 of the valuation year, except for cases that result from an action initiated by a governmental entity, the total limited property value of the new parcel or parcels shall be the same as the total limited property value of the original parcel or parcels. For the following valuation year, the limited property value shall be established at a level or percentage of full cash value that is comparable to that of other properties of the same or similar use or classification. The new parcel or parcels shall retain the same value adding characteristics that applied to the original parcel before being split or consolidated, except as provided in subsection A, paragraph 3 of this section.~~

4 C. ~~In the case of property that was split, subdivided or consolidated from January 1 through September 30 of the valuation year as a result of an action initiated by a governmental entity, the limited value is the lower of either:~~

5 1. ~~The level or percentage of full cash value that is comparable to that of other properties of the same or similar use or classification.~~

6 2. ~~The total limited value for the original parcel or parcels as determined under section 42-13301, and in the following valuation year, the limited property value shall be established pursuant to section 42-13301.~~

7 D. B. In the case of property that was split, subdivided or consolidated ~~after September 30 through December 31 of the valuation year~~ as a result of an action initiated by a governmental entity, the total limited value for the resulting parcel or parcels is the same **RATIO TO THE FULL CASH VALUE** as the total limited value for the original parcel or parcels. ~~as determined under section 42-13301, and~~ In the following **valuation** year, the limited property value shall be established as the lower of either:

8 1. The level or percentage of full cash value that is comparable to that of other properties of the same or similar use or classification.

9 2. The limited property value established pursuant to section 42-13301.

10 Sec. 12. Section 42-15053, Arizona Revised Statutes, is amended to read:

11 42-15053. **Duty to report personal property; confidentiality**

12 A. On or before ~~February~~ **JANUARY** 1 of each year, the assessor shall mail a form, notice or demand to each person who owns or has charge or control of taxable personal property in the state. Each person shall prepare and deliver to the assessor a correct report of property on or before April 1 of each year, except for property that is not required to be reported as provided by subsection C of this section. On written request and for good cause shown, the assessor may extend for up to thirty days the time for filing the report.

1 B. The duty to report taxable property pursuant to this section
2 applies regardless of whether the person or entity that owns or has charge or
3 control of the personal property also owns real property in the county with a
4 value of two hundred dollars or more.

5 C. The assessor shall not require a report of:

6 1. The breed, number, age or location of livestock on hand from
7 individuals, corporations, partnerships or any other business if the
8 livestock is exempt from taxation pursuant to article IX, section 13,
9 Constitution of Arizona.

10 2. The personal property that is class two (P) property used for
11 agricultural purposes or that is class one, subclasses 8 through 11 and 13
12 property used in a trade or business that is exempt from taxation pursuant to
13 article IX, section 2, subsection (6), Constitution of Arizona.

14 D. Every assessment made against property subject to taxation is valid
15 whether or not the form, notice or demand was sent or received.

16 E. The department shall prescribe in detail the contents of property
17 reports, including the specific wording to be used by county assessors and
18 the method of reporting property. The report shall not include any question
19 that is not germane to the valuation function.

20 F. A report that is furnished under this section:

21 1. Is not open to public inspection, but the report may be used as
22 evidence in any prosecution brought under section 42-15055.

23 2. May be subject to audit. On completing an audit or on discovering
24 property that has not been reported, any property that was found to have
25 escaped taxation is liable for the amount of taxes due determined under
26 chapter 16, article 6 of this title, plus a penalty equal to ten per cent of
27 that amount. The county treasurer shall credit monies received as penalties
28 under this paragraph to the county general fund.

29 Sec. 13. Section 42-15101, Arizona Revised Statutes, is amended to
30 read:

31 42-15101. Annual notice of full cash value: amended notice of
32 valuation

33 A. Except as provided by section 42-13254, on any date before ~~March~~
34 ~~FEBRUARY~~ 1 of each year the county assessor shall notify each owner of
35 record, or purchaser under a deed of trust or an agreement of sale, of ~~REAL~~
36 property ~~AND EACH OWNER OF MOBILE HOME PERSONAL PROPERTY~~ that is valued by
37 the assessor as to the property's full cash value and the limited property
38 value, if applicable, to be used for assessment purposes.

39 B. The notice under this section shall be in writing and shall be
40 mailed, delivered by common carrier, or on request of the taxpayer
41 transmitted electronically to the person's last known mailing, delivery or
42 electronic address. With respect to any property transferred by a
43 beneficiary deed pursuant to section 33-405, until the county assessor is
44 notified by the beneficiary in writing, accompanied by a certified copy of
45 the last surviving owner's death certificate and the change of address,

1 mailing of the notice to the last known address of the deceased owner is
2 deemed a mailing to the beneficiary's last known mailing, delivery or
3 electronic address as required by this section.

4 C. On the same date each year the assessor shall certify to the board
5 of supervisors and the department the date on which all notices under this
6 section were mailed.

7 D. The director may extend the final date for mailing notices beyond
8 ~~March~~ FEBRUARY 1 for a period of not more than ~~thirty~~ FIFTEEN days for delays
9 caused by an act of God, flood or fire. If the director extends the mailing
10 date, the extension applies to all property valued by the assessor.

11 E. Within sixty days after the mailing of the notice of valuation
12 pursuant to this section, if the assessor discovers that property
13 characteristic data applicable to a grouping of properties delineated by
14 neighborhood or classification resulted in an incorrect opinion of value, the
15 assessor may amend the notice of valuation and, if amended, shall notify the
16 property owner of the amended value pursuant to subsection B of this section.
17 The assessor shall transmit any proposed amendments made under this
18 subsection to the department as provided by section 42-11056, subsections B
19 and C, in a format prescribed by the department. The assessor shall not mail
20 the amended notices of valuation until the proposed amendments are
21 transmitted to the department and the department approves the amended values.
22 The assessor shall certify the amended notices of valuation pursuant to
23 subsection C of this section.

24 F. After the mailing date of the notice, any person who owns, claims,
25 possesses or controls property that is valued by the assessor may inquire of
26 and be advised by the assessor as to the valuation of the property determined
27 by the assessor, but the assessor shall not change the roll except as
28 provided by chapter 16, article 2 of this title or as otherwise provided by
29 law.

30 Sec. 14. Repeal

31 Section 42-15105, Arizona Revised Statutes, is repealed.

32 Sec. 15. Section 42-15153, Arizona Revised Statutes, is amended to
33 read:

34 42-15153. Completion and delivery of property lists and
35 assessment roll

36 A. On or before ~~December 20~~ THE THIRD MONDAY IN AUGUST of each year,
37 the county assessor shall complete the assessment roll and attach the
38 assessor's certificate to the roll with a cross-index of all property listed
39 in the roll, showing the ownership of the property and all assessment lists
40 from which the roll was compiled.

41 B. The assessor shall deliver the lists and certified roll to the
42 clerk of the board of supervisors who shall file them in the clerk's office.

43 C. ~~The county board of equalization and~~ The state board of
44 equalization may use the lists for any lawful purpose.

1 Sec. 16. Section 42-15155, Arizona Revised Statutes, is amended to
2 read:

3 **42-15155. Abstract of assessment roll: contents: distribution**

4 A. On or before ~~January 20~~ FEBRUARY 10 of each year, the ~~clerk of the~~
5 ~~board of supervisors~~ ASSESSOR shall make an abstract of the roll containing
6 the valuations by taxing jurisdictions of all property in the county
7 including:

8 ~~1. The total personal property tax roll as provided by section~~
9 ~~42-17053.~~

10 1. ALL PROPERTY, LESS ESTIMATED EXEMPTIONS, APPEARING ON THE TAX ROLL
11 FOR THE CURRENT TAX YEAR FOR WHICH THE NOTICES WERE PREPARED FOR MAILING
12 PURSUANT TO SECTION 42-15101.

13 2. AN ESTIMATE OF THE VALUE OF THE PROPERTY ON THE PERSONAL PROPERTY
14 TAX ROLL DETERMINED PURSUANT TO SECTION 42-17053.

15 3. THE VALUE OF THE PROPERTY VALUED BY THE DEPARTMENT AND TRANSMITTED
16 TO THE ASSESSOR PURSUANT TO CHAPTER 14 OF THIS TITLE.

17 ~~2. 4.~~ Such other information as prescribed by the department.

18 B. The ~~clerk~~ ASSESSOR shall file one copy of the abstract in the
19 office of the board of supervisors and shall transmit additional copies to
20 the state or county board of equalization, as appropriate, and to the
21 department.

22 Sec. 17. Section 42-16051, Arizona Revised Statutes, is amended to
23 read:

24 **42-16051. Petition for assessor review of improper valuation or**
25 **classification**

26 A. An owner of property that in the owner's opinion has been valued
27 too high or otherwise improperly valued or listed on the roll may file a
28 petition with the assessor on a written form prescribed by the department.

29 B. The petition shall state the owner's opinion of the full cash value
30 of the property and substantial information that justifies ~~that opinion of~~
31 ~~value for the assessor to consider for purposes of basing~~ a change in
32 classification or ~~correction of the~~ valuation. For THE purposes of this
33 subsection, ~~the owner provides~~ substantial information ~~to justify the opinion~~
34 ~~of value by stating~~ FOR the method or methods of valuation on which the
35 opinion is based ~~and~~ INCLUDES:

36 1. Under the income approach, including the information required in
37 section 42-16052.

38 2. Under the market approach, including the full cash value of at
39 least one comparable property in the same geographic area or the sale of the
40 subject property.

41 3. Under the cost approach, including the cost to build or rebuild the
42 property plus the land value.

43 C. The petition may include more than one parcel of property if they
44 are part of the same economic unit according to department guidelines or if
45 they are owned by the same owner, have the same use, are appealed on the same

1 basis and are located in the same geographic area, as determined pursuant to
2 department guidelines, and are on a form prescribed by the department.

3 D. The petition shall be filed within ~~sixty~~ THIRTY days after the date
4 the assessor mailed the notice of valuation or the amended notice of
5 valuation under section 42-15101. United States postal service postmark
6 dates are evidence of the date petitions were filed for purposes of this
7 subsection.

8 E. The petition for review form for property that is listed as class
9 three pursuant to section 42-12003 shall contain simplified instructions and
10 shall be separate from the petition forms used for other classes of property.

11 Sec. 18. Section 42-16053, Arizona Revised Statutes, is amended to
12 read:

13 42-16053. Rejection of petition for failure to include
14 substantial information; amended petition; appeal

15 If the county assessor rejects a petition because it fails to include
16 substantial information required by sections 42-16051 and 42-16052, and if
17 the notice of rejection is mailed:

18 1. On or before ~~June 15~~ APRIL 30, the petitioner may file an amended
19 petition with the assessor within fifteen days after the notice of rejection
20 is mailed.

21 2. After ~~June 15~~ APRIL 30, the petitioner may appeal within fifteen
22 days to:

23 (a) the ~~county~~ board of equalization as provided by article 3 of this
24 chapter. ~~, if a county board is established in the county.~~

25 (b) ~~The state board of equalization, if a county board is not~~
26 ~~established in the county.~~

27 Sec. 19. Section 42-16055, Arizona Revised Statutes, is amended to
28 read:

29 42-16055. Ruling on petition

30 A. In all cases the assessor shall consider the petition and shall
31 rule on each petition filed under this article by ~~August 15~~ APRIL 30 of each
32 year.

33 B. In considering a petition filed under this article the assessor
34 shall consider the valuation fixed by the assessor on other similar property
35 that is similarly situated.

36 Sec. 20. Section 42-16104, Arizona Revised Statutes, is amended to
37 read:

38 42-16104. Operation of county board

39 A. One or more members of the county board or a hearing officer of the
40 county board may hold hearings and take testimony to be reported for action
41 by the county board.

42 B. The county board or hearing officer shall meet as often as
43 necessary to hear all petitions filed under section 42-16105. The county
44 board shall mail notice of each hearing to all parties at least fourteen days
45 before the date of the hearing unless all parties waive the notice

1 requirement. The county board shall complete all hearings and issue all
2 decisions under this section on or before ~~October 15~~ JUNE 30 of each year.

3 C. The county board may change any valuation or legal classification
4 of property that is valued by the assessor or hearing officer, if one is
5 appointed.

6 Sec. 21. Section 42-16105, Arizona Revised Statutes, is amended to
7 read:

8 42-16105. Appeal of valuation or legal classification from
9 county assessor to county board

10 A. If the county assessor denies all or part of a petition under
11 section 42-16055 OR 42-19051, ~~and if a county board of equalization has been~~
12 ~~established in the county~~, the petitioner may appeal the assessor's decision
13 to the county board by filing with the clerk of the county board, within
14 ~~twenty-five~~ TWENTY days after the date that the assessor's decision was
15 mailed to the petitioner, a copy of the written basis of the decision
16 according to the instructions on the petition.

17 B. The department may contest any proposed valuation or classification
18 or any proposed change in valuation or classification before the county
19 board. If, in the director's opinion, a decision of an assessor is
20 erroneous, the director may appeal the assessor's decision to the county
21 board within ~~twenty-five~~ TWENTY days after the assessor's decision was mailed
22 to the taxpayer and the department. In such an action the taxpayer shall
23 raise any defense the taxpayer has to liability for the tax and any
24 additional tax sought to be imposed. If issues other than valuation or
25 classification are raised by either party, the action shall be tried as if it
26 were an action pursuant to section 42-11005 or 42-11052.

27 C. ~~A property owner that receives a notice of valuation under section~~
28 ~~42-15105 may appeal the valuation or legal classification to the county board~~
29 ~~as provided in subsection A of this section within twenty-five days after the~~
30 ~~date of the assessor's notice.~~

31 Sec. 22. Section 42-16108, Arizona Revised Statutes, is amended to
32 read:

33 42-16108. Decision

34 A. Except as provided in subsection B of this section, the county
35 board shall either grant or refuse the request of the petitioner, in whole or
36 in part, as it considers just and proper within ten days after the date of
37 the hearing, and in any event not later than ~~October 15~~ JUNE 30.

38 B. ~~In the case of an appeal under section 42-16105, subsection C, the~~
39 ~~county board shall complete the hearing and issue a decision on or before the~~
40 ~~third Friday in November of the calendar year preceding the year in which the~~
41 ~~taxes are levied.~~

42 C. B. In the case of a personal property appeal under section
43 42-19052, the county board of equalization shall complete the hearing and
44 issue a decision on or before December 1 of the calendar year ~~on~~ IN which the
45 taxes are levied.

1 D. C. Within ten days after its decision the county board shall mail
2 a copy of the decision to the county assessor and to the petitioner at the
3 address shown on the petition.

4 Sec. 23. Section 42-16157, Arizona Revised Statutes, is amended to
5 read:

6 42-16157. Appeal of valuation or legal classification from
7 county assessor to state board of equalization

8 A. ~~Except as provided in subsection C or D of this section,~~ If the
9 county assessor denies all or part of a petition under section 42-16055 **OR**
10 **42-19051**, and if a county board of equalization is not established in the
11 county where the property is located, the petitioner may appeal the
12 assessor's decision to the state board of equalization by filing with the
13 state board, within **twenty-five TWENTY** days after the date that the
14 assessor's decision was mailed to the petitioner, a copy of the written basis
15 of the decision according to the instructions on the petition.

16 B. The department may contest any proposed valuation or classification
17 or any proposed change in valuation or classification before the state board.
18 If, in the director's opinion, a decision of an assessor is erroneous, the
19 director may appeal the assessor's decision to the state board within
20 **twenty-five TWENTY** days after the assessor's decision was mailed to the
21 taxpayer and the department. In such an action the taxpayer shall raise any
22 defense the taxpayer has to liability for the tax and any additional tax
23 sought to be imposed. If issues other than valuation or classification are
24 raised by either party, the action shall be tried as if it were an action
25 pursuant to section 42-11005 or 42-11052.

26 C. ~~A property owner who receives a notice of valuation under section~~
27 ~~42-15105 may appeal the valuation or legal classification to the state board~~
28 ~~as provided in subsection A of this section within twenty-five days after the~~
29 ~~date of the assessor's notice.~~

30 D. ~~A property owner whose petition is denied, in whole or in part,~~
31 ~~pursuant to section 42-19051 may only appeal the valuation or legal~~
32 ~~classification to the state board as provided in subsection A of this section~~
33 ~~within twenty days after the date of the assessor's notice of refusal or~~
34 ~~decision.~~

35 E. C. The state board may contract with any county with a population
36 of less than five hundred thousand persons according to the most recent
37 United States decennial census to review and hold hearings and make decisions
38 on petitions filed under section 42-16105. These hearings shall be conducted
39 in the county in which the property of the subject hearings is located.

40 Sec. 24. Section 42-16159, Arizona Revised Statutes, is amended to
41 read:

42 42-16159. Hearing on department equalization order

43 A. At the request of a county assessor who receives an equalization
44 order issued by the department under chapter 13, article 6 of this title, the

1 state board shall hold a hearing and issue its decision within fifteen days
2 after receipt of an appeal pursuant to section 42-13255.

3 B. The state board shall receive testimony from the department and the
4 assessor on the merits of the equalization order as to:

5 1. The proper application of standard appraisal methods and
6 techniques.

7 2. The rules and guidelines of the department as they relate to the
8 order.

9 3. Any errors in the information or methodology used by the department
10 to determine the necessity for the order, including changes in the valuation
11 of property that were not included in the information used by the department.

12 4. Any other evidence relating to the validity of the order.

13 C. Revisions to the equalization order are effective for the ~~valuation~~
14 year in which the equalization order was issued.

15 Sec. 25. Section 42-16165, Arizona Revised Statutes, is amended to
16 read:

17 42-16165. Deadlines for issuing decisions

18 The state board shall complete all hearings and issue all decisions
19 under this article on or before ~~October 15~~ JUNE 30 of each year, except for:

20 1. Cases involving property valued by the department, in which case
21 the decisions shall be issued on or before November 15.

22 ~~2. An appeal under section 42-16157, subsection C, which shall be~~
23 ~~completed on or before the third Friday in November of the calendar year~~
24 ~~preceding the year in which the taxes are levied.~~

25 ~~3.~~ 2. In the case of a personal property appeal under section
26 42-19052, the state board of equalization shall complete the hearing and
27 issue a decision on or before December 1 of the calendar year in which the
28 taxes are levied.

29 Sec. 26. Section 42-16166, Arizona Revised Statutes, is amended to
30 read:

31 42-16166. Transmitting changes in valuations or legal
32 classifications

33 ~~On or before the fourth Friday in November of each year~~ The state board
34 shall transmit to:

35 1. The assessor of each county ~~ON OR BEFORE JULY 15~~ a statement of
36 changes, if any, that it has made in the valuation or legal classification of
37 any property in the county that is valued by the county assessor.

38 2. The department a statement of changes, if any, that it has made in
39 the valuation or legal classification of:

40 (a) Any property that is valued by the department, ~~ON OR BEFORE~~
41 ~~NOVEMBER 30 OF THE PRECEDING YEAR~~.

42 (b) Property of taxpayers who pay their taxes to the department,
43 except that in the case of private car companies, the statement shall be
44 transmitted on or before October 31.

1 Sec. 27. Section 42-16201, Arizona Revised Statutes, is amended to
2 read:

3 **42-16201. Appeal from county assessor to court**

4 A. A property owner who is dissatisfied with the valuation or
5 classification of the property as determined by the county assessor **PURSUANT**
6 **TO SECTION 42-15101** may appeal directly to the court as provided by this
7 article on or before **December AUGUST** 15 regardless of whether the person has
8 exhausted the administrative remedies under this chapter, except as provided
9 in subsection B of this section.

10 B. A person who files a petition with the county assessor pursuant to
11 section 42-16051 may file an appeal with the court within sixty days after
12 the date of mailing the most recent administrative decision relating to the
13 petition or subsequent administrative appeal.

14 C. A PROPERTY OWNER WHO IS DISSATISFIED WITH THE VALUATION OR
15 CLASSIFICATION OF THE PROPERTY AS DETERMINED BY THE COUNTY ASSESSOR PURSUANT
16 TO SECTION 42-19002 MAY APPEAL DIRECTLY TO THE COURT WITHIN SIXTY DAYS AFTER
17 THE NOTICE OF VALUATION MAILED PURSUANT TO SECTION 42-19006 REGARDLESS OF
18 WHETHER THE PERSON HAS EXHAUSTED THE ADMINISTRATIVE REMEDIES UNDER THIS
19 CHAPTER.

20 **C.** D. Filing an appeal with the court suspends and renders subject to
21 dismissal any pending administrative proceeding filed by the taxpayer
22 relating to any issue that is or may be determined by the court under a
23 pending appeal.

24 Sec. 28. Section 42-16202, Arizona Revised Statutes, is amended to
25 read:

26 **42-16202. Appeal from county board of equalization to court**

27 A. A property owner who is dissatisfied with the valuation or
28 classification of the property as determined by a county board of
29 equalization or a petitioner whose petition is denied by the county board of
30 equalization, in whole or in part, may appeal directly to court within sixty
31 days after the date of mailing of the decision, or by **December AUGUST** 15,
32 whichever is later.

33 B. If the county board orders the valuation of any property to be
34 reduced, the assessor or the department may appeal the decision to court in
35 the same manner as provided by subsection A **OF THIS SECTION**.

36 **Sec. 29. Repeal**

37 Section **42-16205**, Arizona Revised Statutes, is repealed.

38 Sec. 30. Section 42-16205.01, Arizona Revised Statutes, is amended to
39 read:

40 **42-16205.01. New owner of property; review and appeal**

41 A. If a former owner of property did not have a pending court appeal
42 or receive final judgment or dismissal in court regarding the appeal of the
43 valuation or legal classification, **both of the following apply to the new**
owner of property:

1 1. a new owner of property that was valued by the assessor and that
2 changed ownership before ~~December AUGUST~~ 15 ~~of the valuation year~~ may appeal
3 the valuation or legal classification to court on or before ~~December AUGUST~~
4 15 ~~of the valuation year~~.

5 2. ~~If the change of ownership occurs after December 15 of the
6 valuation year, the new owner may appeal to tax court by December 15 of the
7 year in which the taxes are levied.~~

8 B. A new owner may intervene, assume, consolidate, maintain or
9 continue the former owner's position in any pending petition for review or
10 tax appeal under this article for the tax years in which the new owner owns
11 the property.

12 C. This section does not limit the new owner's right to file in tax
13 court under subsection A or B of this section.

14 Sec. 31. Section 42-16212, Arizona Revised Statutes, is amended to
15 read:

16 42-16212. Hearing

17 A. If two or more actions have been filed under this article for the
18 same taxable year with respect to the same property, the actions shall be
19 consolidated for the purpose of the hearing.

20 B. At the hearing both parties may present evidence of any matters
21 that relate to the classification or to the full cash value of the property
22 in question as of the date of its assessment. The valuation or
23 classification as approved by the appropriate state or county authority is
24 presumed to be correct and lawful.

25 C. For appeals from the state board relating to equalization orders
26 issued by the department, the court shall hear the appeal and render its
27 decision by ~~September 1~~ FEBRUARY 15 of the year in which the appeal is filed.

28 Sec. 32. Section 42-17055, Arizona Revised Statutes, is amended to
29 read:

30 42-17055. Public inspection of values used in computing levy
31 limitation

32 A. On or before ~~February~~ MARCH 15 of the tax year, the governing body
33 of each county, city, town, community college district and fire district
34 shall make available for public inspection the values determined in each
35 numbered paragraph of section 42-17051, subsection A and in section 48-807.

36 B. The property tax oversight commission shall not alter the values
37 that have been determined and made available for public inspection under this
38 section unless the county assessor transmits and certifies new values to the
39 governing body. The new values shall be made available for public inspection
40 on the request of any individual.

1 Sec. 33. Section 42-19006, Arizona Revised Statutes, is amended to
2 read:

3 **42-19006. Notice of valuation**

4 A. On or before August 30, the assessor shall ~~mail~~ NOTIFY PERSONS
5 REQUIRED TO REPORT PERSONAL PROPERTY PURSUANT TO SECTION 42-15053 BY MAILING
6 a notice of valuation, in the form prescribed by the department, to either:
7 1. The owner of the personal property, if known.
8 2. The person in whose possession it is found at the time of
9 valuation.

10 B. The owner or person in possession of the property may petition the
11 assessor for review pursuant to section 42-19051.

12 Sec. 34. Section 42-19007, Arizona Revised Statutes, is amended to
13 read:

14 **42-19007. Certification of personal property roll to county**
15 board of supervisors; filing; use

16 ~~A. On or before August 25 the assessor shall transmit the personal~~
17 ~~property valuations to the county treasurer.~~

18 A. ON THE DATE FOR WHICH THE NOTICES ARE PREPARED FOR MAILING PURSUANT
19 TO SECTION 42-19006, THE ASSESSOR SHALL COMPLETE THE PERSONAL PROPERTY ROLL
20 AND ATTACH THE ASSESSOR'S CERTIFICATE TO THE ROLL WITH A CROSS-INDEX OF ALL
21 PROPERTY LISTED IN THE ROLL, SHOWING THE OWNERSHIP OF THE PROPERTY AND ALL
22 ASSESSMENT LISTS FROM WHICH THE ROLL WAS COMPILED.

23 B. The personal property ~~tax~~ roll shall contain all valuations of
24 personal property made by the assessor since the last preceding personal
25 property ~~tax~~ roll.

26 C. THE ASSESSOR SHALL DELIVER THE LISTS AND CERTIFIED ROLL TO THE
27 CLERK OF THE BOARD OF SUPERVISORS WHO SHALL FILE THEM IN THE CLERK'S OFFICE.

28 D. THE COUNTY BOARD OF EQUALIZATION AND THE STATE BOARD OF
29 EQUALIZATION MAY USE THE LISTS FOR ANY LAWFUL PURPOSE.

30 Sec. 35. Short title

31 This act may be cited as "The Property Owners Protection Act".

32 Sec. 36. Effective date

33 A. Sections 1 through 10 of this act are effective from and after
34 December 31, 2016.

35 B. Sections 11 through 34 of this act are effective from and after
36 December 31, 2017.