

REFERENCE TITLE: **one-year property tax assessments**

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

HB 2516

Introduced by
Representatives Mitchell: Allen J

AN ACT

AMENDING SECTIONS 11-543, 11-1135, 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 11-543, Arizona Revised Statutes, is amended to
3 read:

4 11-543. Liability for taxes on property unassessed through
5 negligence

6 The assessor and ~~his~~ THE ASSESSOR'S sureties ~~shall be~~ ARE liable for
7 all taxes on taxable property within the county ~~which~~ THAT, through the
8 neglect of the assessor, remains unassessed. The county attorney of the
9 county ~~shall~~, in such instances, SHALL sue the assessor and ~~his~~ THE
10 ASSESSOR'S sureties ~~therefor~~ FOR THE UNASSESSED TAXES, but not until after
11 the assessment roll is completed.

12 Sec. 2. Section 11-1135, Arizona Revised Statutes, is amended to
13 read:

14 11-1135. Transmitting affidavit or data to county assessor,
15 Arizona state library, archives and public records
16 and department of revenue

17 A. The county recorder shall:

18 1. Place the fee or recording number of the deed and the date of
19 recording on the original affidavit.

20 2. Scan the affidavit and transmit an electronic copy to the
21 department OF REVENUE and the Arizona state library, archives and public
22 records, and transmit either the original or an electronic copy of the
23 original to the county assessor.

24 B. The county assessor shall transmit the data contained within the
25 affidavit to the department OF REVENUE.

26 C. The county shall transmit the original affidavit, when no longer
27 in active use, to the Arizona state library, archives and public records.

28 Sec. 3. Section 15-994, Arizona Revised Statutes, is amended to
29 read:

30 15-994. State equalization assistance property tax levy

31 A. The board of supervisors of each county shall annually LEVY, at
32 the time of levying other taxes, ~~levy~~ a state equalization assistance
33 property tax on the property within the county. The tax levy for state
34 equalization assistance shall be at a rate determined pursuant to section
35 41-1276. The tax levy provided for in this section shall not be subject
36 to title 42, chapter 17, articles 2 and 3. Except as provided in section
37 15-365, the county treasurer shall apportion all monies collected from the
38 state equalization assistance property tax levy to the school districts
39 within the county in accordance with section 15-971, subsection C at the
40 same time as other tax levy monies are apportioned as provided in section
41 42-18001.

42 B. At the same time the county assessor is required to transmit
43 values to the county school superintendent as provided in section
44 42-17052, the assessor of each county shall provide in electronic format
45 to the superintendent of public instruction the assessed valuation used
46 for determining the primary property tax rate and the secondary property

1 tax rate for each school district in the county, ~~On or before January~~
2 ~~15 the county assessor of each county shall provide in electronic format~~
3 ~~to the superintendent of public instruction the actual assessed valuation~~
4 ~~used for determining the primary property tax rate and the secondary~~
5 ~~property tax rate for each school district in the county~~ including any
6 revisions made due to changes in the valuation of personal property after
7 the tax rates were determined.

8 Sec. 4. Section 42-11001, Arizona Revised Statutes, is amended to
9 read:

10 42-11001. Definitions

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

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

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

18 3. "County board" means the county board of supervisors sitting as
19 the county board of equalization.

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

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

25 6. "Full cash value" for property tax purposes means the value
26 determined as prescribed by statute. If no statutory method is
27 prescribed, full cash value is synonymous with market value, which means
28 the estimate of value that is derived annually by using standard appraisal
29 methods and techniques. Full cash value is the basis for assessing,
30 fixing, determining and levying primary and secondary property taxes on
31 property described in section 42-13304. Full cash value shall not be
32 greater than market value regardless of the method prescribed to determine
33 value for property tax purposes.

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

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

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

41 8. "Net assessed value" means the assessed value minus any exempt
42 property.

43 9. "Person" means a natural person, individual, proprietor,
44 proprietorship, company, corporation, organization, association, joint
45 venture, partner, partnership, trust, estate or limited liability company,
46 the federal or state government, a political subdivision of a state or any

1 other legal entity or combination of entities that owns, controls or has
2 possession of real or personal property.

3 10. "Personal property" includes property of every kind, both
4 tangible and intangible, **THAT IS** not included in the term "real estate".

5 11. "Primary property taxes" means all ad valorem taxes except for
6 secondary property taxes.

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

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

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

16 15. "Secondary property taxes" means:

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

22 (b) Ad valorem taxes or assessments levied by or for special taxing
23 districts and assessment districts other than school districts and
24 community college districts.

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

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

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

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

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

36 (b) **FOR REAL AND PERSONAL PROPERTY VALUED BY THE ASSESSOR, JANUARY**
37 **1 OF THE YEAR IN WHICH THE TAXES ARE LEVIED.**

38 19. "Valuation year" means:

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

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

1 Sec. 5. Section 42-12102, Arizona Revised Statutes, is amended to
2 read:

3 42-12102. Application for classification as historic
4 property; period of classification

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

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

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

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

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

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

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

27 Sec. 6. Section 42-12103, Arizona Revised Statutes, is amended to
28 read:

29 42-12103. Review of application by state historic
30 preservation officer; approval or denial

31 A. The state historic preservation officer, with the assistance of
32 the Arizona historical advisory commission, shall review the application
33 and may view the premises.

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

39 C. The state historic preservation officer shall not deny an
40 application solely because of the potential loss of revenue that may
41 result from granting the application if the officer finds that the
42 property is historic property. The state historic preservation officer
43 may approve the application with respect to only part of the property that
44 is subject to the application.

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

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

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

9 Sec. 7. Section 42-13003, Arizona Revised Statutes, is amended to
10 read:

11 42-13003. Report on property that has not been appraised

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

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

19 Sec. 8. Section 42-13051, Arizona Revised Statutes, is amended to
20 read:

21 42-13051. Duties of county assessor

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

27 B. The assessor shall:

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

31 2. Determine the full cash value of all such property as of January
32 1 of the next year by using the manuals furnished and procedures
33 prescribed by the department.

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

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

41 Sec. 9. Section 42-13204, Arizona Revised Statutes, is amended to
42 read:

43 42-13204. Election to use income method of valuation
44 initially

45 In lieu of valuation under section 42-13203, the owner of a shopping
46 center may elect to have the valuation of the shopping center determined

1 by the income method commonly known as the straight line building residual
2 method if the owner submits all reasonably necessary income and expense
3 information for the owner's three most recent fiscal years to the county
4 assessor before September 1 of the year ~~immediately~~ preceding the year ~~for~~
5 ~~IN~~ which ~~the property will be valued~~ TAXES ARE LEVIED.

6 Sec. 10. Section 42-13251, Arizona Revised Statutes, is amended to
7 read:

8 42-13251. Equalization of valuations by department

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

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

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

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

23 E. THE ASSESSOR OR ASSESSORS SHALL ADDRESS THE CONCERNS OF THE
24 DEPARTMENT AND SUBMIT COMPLETE COPIES OF THEIR DATA FILES TO THE
25 DEPARTMENT FOR EXAMINATION.

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

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

35 Sec. 11. Section 42-13254, Arizona Revised Statutes, is amended to
36 read:

37 42-13254. Date of issue; effective date

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

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

43 C. The assessor shall not issue a notice for property affected by
44 the equalization order pursuant to section 42-15101 until the assessor has
45 complied with the equalization order issued pursuant to this article and
46 the compliance is confirmed by the department, unless the assessor has

1 filed an appeal with the court pursuant to section 42-16212. On a showing
2 of good cause, the department may extend the date for issuing the notice
3 of valuation under section 42-15101 for not more than fifteen days.

4 Sec. 12. Section 42-13255, Arizona Revised Statutes, is amended to
5 read:

6 42-13255. Appeal

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

11 Sec. 13. Section 42-13302, Arizona Revised Statutes, is amended to
12 read:

13 42-13302. Determining limited value in cases of omissions and
14 changes

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

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

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

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

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

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

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

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

1 ~~2. The total limited value for the original parcel or parcels as~~
2 ~~determined under section 42-13301, and in the following valuation year,~~
3 ~~the limited property value shall be established pursuant to section~~
4 ~~42-13301.~~

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

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

15 2. The limited property value established pursuant to section
16 42-13301.

17 Sec. 14. Section 42-15053, Arizona Revised Statutes, is amended to
18 read:

19 **42-15053. Duty to report personal property; confidentiality**

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

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

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

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

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

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

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

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

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

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

10 Sec. 15. Section 42-15101, Arizona Revised Statutes, is amended to
11 read:

12 42-15101. Annual notice of full cash value; amended notice of
13 valuation

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

20 B. The notice under this section shall be in writing and shall be
21 mailed, delivered by common carrier, or on request of the taxpayer
22 transmitted electronically to the person's last known mailing, delivery or
23 electronic address. With respect to any property transferred by a
24 beneficiary deed pursuant to section 33-405, until the county assessor is
25 notified by the beneficiary in writing, accompanied by a certified copy of
26 the last surviving owner's death certificate and the change of address,
27 mailing of the notice to the last known address of the deceased owner is
28 deemed a mailing to the beneficiary's last known mailing, delivery or
29 electronic address as required by this section.

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

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

38 E. Within ~~sixty~~ ~~THIRTY~~ days after the mailing of the notice of
39 valuation pursuant to this section, if the assessor discovers that
40 property characteristic data applicable to a grouping of properties
41 delineated by neighborhood or classification resulted in an incorrect
42 opinion of value, the assessor may amend the notice of valuation and, if
43 amended, shall notify the property owner of the amended value pursuant to
44 subsection B of this section. The assessor shall transmit any proposed
45 amendments made under this subsection to the department as provided by
46 section 42-11056, subsections B and C, in a format prescribed by the

1 department. The assessor shall not mail the amended notices of valuation
2 until the proposed amendments are transmitted to the department and the
3 department approves the amended values. The assessor shall certify the
4 amended notices of valuation pursuant to subsection C of this section.

5 F. After the mailing date of the notice, any person who owns,
6 claims, possesses or controls property that is valued by the assessor may
7 inquire of and be advised by the assessor as to the valuation of the
8 property determined by the assessor, but the assessor shall not change the
9 roll except as provided by chapter 16, article 2 of this title or as
10 otherwise provided by law.

11 Sec. 16. Repeal

12 Section ~~42-15105~~, Arizona Revised Statutes, is repealed.

13 Sec. 17. Section 42-15153, Arizona Revised Statutes, is amended to
14 read:

15 ~~42-15153.~~ Completion and delivery of property lists and
16 assessment roll

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

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

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

27 Sec. 18. Section 42-15155, Arizona Revised Statutes, is amended to
28 read:

29 ~~42-15155.~~ Abstract of assessment roll; contents; distribution

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

34 ~~1. The total personal property tax roll as provided by section~~
35 ~~42-17053.~~

36 1. ALL PROPERTY, MINUS ESTIMATED EXEMPTIONS, APPEARING ON THE TAX
37 ROLL FOR THE CURRENT TAX YEAR FOR WHICH THE NOTICES WERE PREPARED FOR
38 MAILING PURSUANT TO SECTION 42-15101.

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

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

43 ~~2.~~ 4. Such other information as prescribed by the department.

44 B. The ~~clerk~~ ASSESSOR shall file one copy of the abstract in the
45 office of the board of supervisors and shall transmit additional copies to

1 the state or county board of equalization, as appropriate, and to the
2 department.

3 Sec. 19. Section 42-16051, Arizona Revised Statutes, is amended to
4 read:

5 42-16051. Petition for assessor review of improper valuation
6 or classification

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

10 B. The petition shall state the owner's opinion of the full cash
11 value of the property and substantial information that justifies ~~that~~
12 ~~opinion of value for the assessor to consider for purposes of basing~~ a
13 change in classification or ~~correction of the~~ valuation. For THE purposes
14 of this subsection, ~~the owner provides~~ substantial information ~~to justify~~
15 ~~the opinion of value by stating~~ FOR the method or methods of valuation on
16 which the opinion is based ~~and~~ INCLUDES:

17 1. Under the income approach, including the information required in
18 section 42-16052.

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

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

24 C. The petition may include more than one parcel of property if
25 they are part of the same economic unit according to department guidelines
26 or if they are owned by the same owner, have the same use, are appealed on
27 the same basis and are located in the same geographic area, as determined
28 pursuant to department guidelines, and are on a form prescribed by the
29 department.

30 D. The petition shall be filed within ~~sixty~~ FORTY-FIVE days after
31 the date the assessor mailed the notice of valuation or the amended notice
32 of valuation under section 42-15101. United States postal service
33 postmark dates are evidence of the date petitions were filed for purposes
34 of this subsection.

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

39 Sec. 20. Section 42-16053, Arizona Revised Statutes, is amended to
40 read:

41 42-16053. Rejection of petition for failure to include
42 substantial information; amended petition; appeal

43 If the county assessor rejects a petition because it fails to
44 include substantial information required by sections 42-16051 and
45 42-16052, and if the notice of rejection is mailed:

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

4 2. After ~~June 15~~ APRIL 1, the petitioner may appeal within fifteen
5 days to:

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

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

10 Sec. 21. Section 42-16055, Arizona Revised Statutes, is amended to
11 read:

12 42-16055. Ruling on petition

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

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

19 Sec. 22. Section 42-16104, Arizona Revised Statutes, is amended to
20 read:

21 42-16104. Operation of county board

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

25 B. The county board or hearing officer shall meet as often as
26 necessary to hear all petitions filed under section 42-16105. The county
27 board shall mail notice of each hearing to all parties at least fourteen
28 days before the date of the hearing unless all parties waive the notice
29 requirement. The county board shall complete all hearings and issue all
30 decisions under this section on or before ~~October 15~~ JUNE 30 of each year.

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

34 Sec. 23. Section 42-16105, Arizona Revised Statutes, is amended to
35 read:

36 42-16105. Appeal of valuation or legal classification from
37 county assessor to county board

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

45 B. The department may contest any proposed valuation or
46 classification or any proposed change in valuation or classification

1 before the county board. If, in the director's opinion, a decision of an
2 assessor is erroneous, the director may appeal the assessor's decision to
3 the county board within ~~twenty-five~~ TWENTY days after the assessor's
4 decision was mailed to the taxpayer and the department. In such an action
5 the taxpayer shall raise any defense the taxpayer has to liability for the
6 tax and any additional tax sought to be imposed. If issues other than
7 valuation or classification are raised by either party, the action shall
8 be tried as if it were an action pursuant to section 42-11005 or 42-11052.

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

13 Sec. 24. Section 42-16108, Arizona Revised Statutes, is amended to
14 read:

15 42-16108. Decision

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

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

24 ~~C.~~ B. In the case of a personal property appeal under section
25 42-19052, the county board of equalization shall complete the hearing and
26 issue a decision on or before December 1 of the calendar year ~~or~~ IN which
27 the taxes are levied.

28 ~~D.~~ C. Within ten days after its decision the county board shall
29 mail a copy of the decision to the county assessor and to the petitioner
30 at the address shown on the petition.

31 Sec. 25. Section 42-16157, Arizona Revised Statutes, is amended to
32 read:

33 42-16157. Appeal of valuation or legal classification from
34 county assessor to state board of equalization

35 A. ~~Except as provided in subsection C or D of this section,~~ If the
36 county assessor denies all or part of a petition under section 42-16055 ~~OR~~
37 42-19051, and if a county board of equalization is not established in the
38 county where the property is located, the petitioner may appeal the
39 assessor's decision to the state board of equalization by filing with the
40 state board, within ~~twenty-five~~ TWENTY days after the date that the
41 assessor's decision was mailed to the petitioner, a copy of the written
42 basis of the decision according to the instructions on the petition.

43 B. The department may contest any proposed valuation or
44 classification or any proposed change in valuation or classification
45 before the state board. If, in the director's opinion, a decision of an
46 assessor is erroneous, the director may appeal the assessor's decision to

1 the state board within ~~twenty-five~~ TWENTY days after the assessor's
2 decision was mailed to the taxpayer and the department. In such an action
3 the taxpayer shall raise any defense the taxpayer has to liability for the
4 tax and any additional tax sought to be imposed. If issues other than
5 valuation or classification are raised by either party, the action shall
6 be tried as if it were an action pursuant to section 42-11005 or 42-11052.

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

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

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

22 Sec. 26. Section 42-16159, Arizona Revised Statutes, is amended to
23 read:

24 42-16159. Hearing on department equalization order

25 A. At the request of a county assessor who receives an equalization
26 order issued by the department under chapter 13, article 6 of this title,
27 the state board shall hold a hearing and issue its decision within fifteen
28 days after receipt of an appeal pursuant to section 42-13255.

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

31 1. The proper application of standard appraisal methods and
32 techniques.

33 2. The rules and guidelines of the department as they relate to the
34 order.

35 3. Any errors in the information or methodology used by the
36 department to determine the necessity for the order, including changes in
37 the valuation of property that were not included in the information used
38 by the department.

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

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

1 Sec. 27. Section 42-16165, Arizona Revised Statutes, is amended to
2 read:

3 42-16165. Deadlines for issuing decisions

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

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

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

12 ~~3.~~ 2. In the case of a personal property appeal under section
13 42-19052, the state board of equalization shall complete the hearing and
14 issue a decision on or before December 1 of the calendar year in which the
15 taxes are levied.

16 Sec. 28. Section 42-16166, Arizona Revised Statutes, is amended to
17 read:

18 42-16166. Transmitting changes in valuations or legal
19 classifications

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

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

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

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

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

32 Sec. 29. Section 42-16201, Arizona Revised Statutes, is amended to
33 read:

34 42-16201. Appeal from county assessor to court

35 A. A property owner who is dissatisfied with the valuation or
36 classification of the property as determined by the county assessor
37 PURSUANT TO SECTION 42-15101 may appeal directly to the court as provided
38 by this article on or before ~~December~~ AUGUST 15 regardless of whether the
39 person has exhausted the administrative remedies under this chapter,
40 except as provided in subsection B of this section.

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

45 C. A PROPERTY OWNER WHO IS DISSATISFIED WITH THE VALUATION OR
46 CLASSIFICATION OF THE PROPERTY AS DETERMINED BY THE COUNTY ASSESSOR

1 PURSUANT TO SECTION 42-19002 MAY APPEAL DIRECTLY TO THE COURT WITHIN SIXTY
2 DAYS AFTER THE NOTICE OF VALUATION MAILED PURSUANT TO SECTION 42-19006
3 REGARDLESS OF WHETHER THE PERSON HAS EXHAUSTED THE ADMINISTRATIVE REMEDIES
4 UNDER THIS CHAPTER.

5 ~~e.~~ D. Filing an appeal with the court suspends and renders subject
6 to dismissal any pending administrative proceeding filed by the taxpayer
7 relating to any issue that is or may be determined by the court under a
8 pending appeal.

9 Sec. 30. Section 42-16202, Arizona Revised Statutes, is amended to
10 read:

11 42-16202. Appeal from county board of equalization to court

12 A. A property owner who is dissatisfied with the valuation or
13 classification of the property as determined by a county board of
14 equalization or a petitioner whose petition is denied by the county board
15 of equalization, in whole or in part, may appeal directly to court within
16 sixty days after the date of mailing of the decision, or by ~~December~~
17 AUGUST 15, whichever is later.

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

21 Sec. 31. Repeal

22 Section ~~42-16205~~, Arizona Revised Statutes, is repealed.

23 Sec. 32. Section 42-16205.01, Arizona Revised Statutes, is amended
24 to read:

25 42-16205.01. New owner of property: review and appeal

26 A. If a former owner of property did not have a pending court
27 appeal or receive final judgment or dismissal in court regarding the
28 appeal of the valuation or legal classification, ~~both of the following~~
29 ~~apply to the new owner of property:~~

30 ~~1. a new owner of property that was valued by the assessor and that~~
31 ~~changed ownership before AFTER December AUGUST 15 of the valuation year~~
32 ~~may appeal the valuation or legal classification to court on or before~~
33 ~~December 31 15 of the valuation year.~~

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

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

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

1 Sec. 33. Section 42-16212, Arizona Revised Statutes, is amended to
2 read:

3 42-16212. Hearing

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

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

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

16 Sec. 34. Section 42-17055, Arizona Revised Statutes, is amended to
17 read:

18 42-17055. Public inspection of values used in computing levy
19 limitation

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

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

30 Sec. 35. Section 42-19006, Arizona Revised Statutes, is amended to
31 read:

32 42-19006. Notice of valuation

33 A. On or before August 30, the assessor shall ~~mail~~ NOTIFY PERSONS
34 REQUIRED TO REPORT PERSONAL PROPERTY PURSUANT TO SECTION 42-15053 BY
35 MAILING a notice of valuation, in the form prescribed by the department,
36 to either:

- 37 1. The owner of the personal property, if known.
38 2. The person in whose possession it is found at the time of
39 valuation.

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

1 Sec. 36. Section 42-19007, Arizona Revised Statutes, is amended to
2 read:

3 42-19007. Certification of personal property roll to county
4 board of supervisors; filing; use

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

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

12 B. The personal property ~~tax~~ roll shall contain all valuations of
13 personal property made by the assessor since the last preceding personal
14 property ~~tax~~ roll.

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

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

20 Sec. 37. Short title

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

22 Sec. 38. Effective date

23 A. Sections 1 through 12 of this act are effective from and after
24 December 31, 2018.

25 B. Sections 13 through 36 of this act are effective from and after
26 December 31, 2019.