State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

CHAPTER 228

SENATE BILL 1266

AN ACT

AMENDING SECTIONS 28-7094, 42-11152 AND 42-16254, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX ADMINISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 28-7094, Arizona Revised Statutes, is amended to read:

28-7094. Property acquisition; future needs; highway properties fund; rental revenue

A. The authority provided by this article to acquire real property for transportation purposes includes authority to acquire for future needs if the board has an adopted and approved state route plan or airport site location showing a reasonable need for the property.

B. The director may:

1. Except as provided in paragraphs 3 and 4 OF THIS SUBSECTION, lease at fair rental value or for fair consideration TO allow the use of any land, improvement or portion of land or improvement that is held for transportation purposes and that is not presently needed for these purposes on terms and conditions determined by the director.

2. Maintain and care for the property described in paragraph 1 OF THIS SUBSECTION to secure rent from the property on terms consistent with this article.

3. If used for a public purpose, allow local agencies to use and maintain any land, improvement or portion of land or improvement that is held for transportation purposes and that is not presently needed for these purposes at fair rental value and on other terms and conditions determined by the director. The director may reduce the fair rental value by the costs of the maintenance of the land or improvement.

4. If used for a public purpose, lease to nonprofit organizations, state agencies or local agencies any historic property that is held for transportation purposes and that is not presently needed for these purposes at fair rental value and on other terms and conditions determined by the director. The director may reduce the fair rental value by the costs of the maintenance of the land or improvement.

C. The highway properties fund is established. The director shall deposit, pursuant to sections 35-146 and 35-147, rents received from property acquired in the state highway fund ESTABLISHED BY SECTION 28-6991, except that twenty-four percent PERCENT of all rents received shall be deposited in the highway properties fund. Net income received from rentals under this section shall be credited to the budgetary item from which the property was acquired.

D. If the director determines that any rental revenue collected under this section represents overpayment or payment in duplicate, the director may authorize the refund of the overpayment or payment in duplicate from the highway properties fund and the state highway fund ESTABLISHED BY SECTION 28-6991.

E. Not later than November 1 next following the close of any fiscal year, the department of administration shall pay the rents deposited in the highway properties fund to the county assessor TREASURER in the county.
in which the real property is situated. The director of the department of transportation shall certify to the department of administration the amount of the rentals attributable to each county and shall notify each county of the rental and location of each piece of rental property for which rents are deposited in the fund.

F. The county assessor TREASURER shall distribute any payment received by the county assessor TREASURER pursuant to this section to the county, to each revenue district for which the county assesses and collects real property taxes or assessments and to every other taxing agency within the county in which the property is situated. The amount distributable to the county and each such revenue district or other taxing agency shall be proportionate to the ratio that the amount of the taxes and assessments of each on similar real property similarly situated within that part of the county embracing the smallest in area of the revenue districts or other taxing agencies other than the county, levied for the fiscal year next preceding, bears to the combined amount of the taxes and assessments of all such districts and agencies, including the county, on such property levied for that year. The county assessor TREASURER shall determine and certify the amounts distributable to the board of supervisors, and the board shall order the distribution.

G. Any monies distributed pursuant to this section to any county, revenue district or other taxing agency shall be deposited to the credit of the same fund as any taxes or assessments on any taxable similar real property similarly situated. If a county receives a payment pursuant to this section of twenty-five dollars $25 or less for any parcel of leased property, all of the payment shall be distributed to the county for deposit in the county general fund.

H. The respective jurisdictions may spend the monies received by them under this section for any proper public purpose not prohibited by the state constitution.

Sec. 2. Section 42-11152, Arizona Revised Statutes, is amended to read:

42-11152. Affidavit; electronic submission; false statements
A. Except as provided in sections 42-11104, 42-11109, 42-11110, 42-11111 and 42-11131 and except for property described in sections 42-11125, 42-11127, 42-11132 and 42-11132.01, a person who claims exemption from taxation under article IX, section 2, 2.1 or 2.2, Constitution of Arizona, shall:

1. When initially claiming the exemption AND CLAIMING THE EXEMPTION IN SUBSEQUENT YEARS, appear before the county assessor to make FILE an affidavit WITH THE COUNTY ASSESSOR, SIGNED UNDER PENALTY OF PERJURY, as to the person's eligibility. If a personal appearance before the county assessor would create a severe hardship, the county assessor may arrange a mutually satisfactory meeting place to make an affidavit as to the person's eligibility.
2. When claiming the exemption in subsequent years, appear before the county assessor or a notary public to make an affidavit as to the person's eligibility.

3. Fully answer all questions on the eligibility form or otherwise required by the assessor for that purpose.

B. At the assessor's discretion, the assessor may require additional proof of the facts stated by the person before allowing an exemption.

C. A person who is in the United States military service and who is absent from this state or who is confined in a veterans' hospital or another licensed hospital may make the required affidavit in the presence of any officer who is authorized to administer oaths on a form obtained from the county assessor.

C. THE COUNTY ASSESSOR MAY ACCEPT AFFIDAVITS REQUIRED BY THIS SECTION ELECTRONICALLY. IF THE COUNTY ASSESSOR ACCEPTS ELECTRONIC AFFIDAVITS, THE COUNTY ASSESSOR SHALL PROVIDE AN ELECTRONIC ACKNOWLEDGEMENT OF RECEIPT TO THE PERSON WHO SUBMITTED THE AFFIDAVIT.

D. A false statement that is made or sworn to in the affidavit is perjury.

Sec. 3. Section 42-16254, Arizona Revised Statutes, is amended to read:

42-16254. Notice of claim; response; petition for review; appeal

A. If a taxpayer believes that the taxpayer's property has been assessed improperly as a result of a property tax error, the taxpayer shall file a notice of claim with the appropriate tax officer, either personally, ELECTRONICALLY or by certified mail, as follows:

1. If the alleged error concerns the valuation or classification of property by the county assessor, the notice shall be filed with the assessor. On receiving the notice, the assessor shall immediately transmit a copy to the department.

2. If the alleged error concerns the valuation or classification of property by the department, the notice shall be filed with the department.

3. If the alleged error concerns the imposition of any tax rate, the notice shall be filed with the county board of supervisors. The clerk of the board of supervisors shall notify each affected taxing entity to allow the entity to file a response to the claim.

B. The notice shall:

1. Be in a form prescribed by the department.

2. Clearly identify the subject property by tax parcel number or tax roll number and the year or years for which the correction is proposed.

3. State the claim and the evidence to support the claim for correcting the alleged error.
C. Within sixty days after receiving a notice of claim, the tax officer may file a written response to the taxpayer to either consent to or dispute the error and to state the grounds for disputing the error. A failure to file a written response within sixty days constitutes consent to the error, and the board of supervisors shall direct the county treasurer to correct the tax roll on the taxpayer's written demand supported by proof of the date of the notice of claim and the tax officer's failure to timely dispute the error.

D. If the tax officer disputes the error, the tax officer shall notify the taxpayer of a time and place for a meeting between a representative of the tax officer and the taxpayer or the taxpayer's representative within sixty days to discuss the basis for the dispute.

E. If, after the meeting, the parties agree on all or part of the notice of claim, the tax roll must be corrected promptly to the extent agreed on and any taxes that have been overpaid shall be refunded pursuant to section 42-16259.

F. If the parties fail to agree on all or part of the notice of claim, the taxpayer may file a petition with the board of equalization on a form prescribed by the department and shall send a copy to the tax officer by certified mail. The petition must be filed with the board within ninety days after the date of the meeting or it is barred. On receiving the petition, the board shall hold a hearing on the disputed issues in the notice of claim within thirty days and shall issue a written decision pursuant to the board's rules.

G. A party that is dissatisfied with the decision of the board may appeal the decision to court within sixty days after the date the board's decision is mailed, but any additional taxes that are determined to be due must be timely paid before delinquency for the court to retain jurisdiction of the matter. In addition, in order for a taxpayer to recover a refund for taxes paid in a preceding tax year as a result of an error, all taxes that were levied and assessed against the property for the tax year must be paid before delinquency in order for the court to retain jurisdiction of the matter.

H. IF A TAX OFFICER ACCEPTS ELECTRONIC NOTICE OF CLAIM FROM A TAXPAYER, THE TAX OFFICER SHALL PROVIDE AN ELECTRONIC ACKNOWLEDGEMENT OF RECEIPT TO THE TAXPAYER.