



**ARIZONA STATE SENATE**  
*Fifty-First Legislature, Second Regular Session*

**AMENDED**  
FACT SHEET FOR S.B. 1352

property tax roll; corrections

Purpose

Makes various technical and conforming changes to the tax roll correction statutes.

Background

On or before December 20 of each year, the County Assessor (Assessor) is required to complete the county assessment roll and attach the Assessor's certificate to the roll with a cross-index of all property listed in the roll, showing the ownership of the property and all assessment lists from which the roll was compiled. The Assessor must deliver the lists and certified roll to the clerk of the Board of Supervisors who must file them in the clerk's office (A.R.S. § 42-15153).

The Board of Supervisors (Board) can correct any error or mistake in the Assessor's valuation or legal classification under the law when the Board considers it necessary to list the property on the roll at its full cash value. In the absence of the Assessor, the Board must determine the valuation or legal classification of the omitted property and transmit the proposed valuation or legal classification to the Department of Revenue (DOR). The Assessor is required to make the necessary changes in the tax roll and records to reflect the Board's determination (A.R.S. § 42-16109).

If it is determined that any real or personal property has been assessed improperly as a result of a property tax error or if a taxpayer believes that property has been assessed improperly, statute provides for review and appeals processes to resolve the matter (A.R.S §§ 42-16252 and 42-16254).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

*Annual Notice of Full Cash Value*

1. Allows the Assessor to amend a notice of valuation within 60 days after mailing of the notice if it is discovered that the classification resulted in an incorrect opinion of value.
2. Requires the Assessor to notify the property owner if the property value is amended and to certify amended notices of valuation with the Board and DOR.

### *Notice of Proposed Correction*

3. Authorizes a taxpayer to appeal any valuation or legal classification issue that arises from proposed corrections.
4. Stipulates that after sending a proposed notice of correction, a tax officer is required to meet with a taxpayer that disputes a proposed correction to discuss the basis for the dispute.
5. Requires the tax roll to be corrected promptly if the parties, after the meeting, reach an agreement on the proposed correction.
6. Allows the taxpayer, after the meeting, to file a petition with the State Board of Equalization within 30 days after the date of the meeting if the parties fail to agree on the proposed correction.

### *Notice of Claim*

7. Allows the taxpayer that has filed a notice of claim regarding improperly assessed property to file a petition regarding a notice of claim with the Board within 90 days after the date of meeting.
8. Clarifies that taxes overpaid must be refunded with interest with a rate determined by the Internal Revenue Code.

### *Evidence*

9. Allows evidence regarding property tax errors regardless of whether the evidence was presented when the notice of proposed correction was filed.

### *Limitations*

10. Clarifies that a notice of proposed correction or claim can be limited to any future tax years for which a notice of value has been mailed pursuant to statute.
11. Specifies that roll corrections cannot be made to real property for which a certificate of purchase has been issued.
12. Prohibits an independent review of the overall valuation or legal classification of property.

### *Valuation of Property*

13. Clarifies that in valuing any property, the Assessor, DOR or the review body must use the valuation and legal classification criteria that were in effect on the valuation date for the tax year of correction.

***Correcting Tax Roll by County Treasurer***

14. Requires a property owner to be notified of the roll correction if an error or omission is determined and allows the owner to appeal the correction.

***Transmittal of Corrected Billing to Taxpayer***

15. Requires the County Treasurer to mail a corrected billing to the taxpayer on any of the following:
  - a) the consent of the taxpayer to the roll correction;
  - b) the consent of the taxing authority to the notice of claim;
  - c) the decision of the Board of Equalization; or
  - d) the final nonappealable ruling by a court of competent jurisdiction.
16. Specifies that any assessed taxes are considered delinquent if not paid within 90 days after the date the corrected billing is mailed to the taxpayer.
17. Requires overpaid taxes to be refunded with interest within 90 days after the roll is corrected.

***Miscellaneous***

18. Adds property that is destroyed after the lien date to the definition of *error*.
19. Defines *tax officer* as DOR, Assessor or the Board, whichever is appropriate under the circumstances.
20. Replaces *error* with *proposed correction* for the purposes of notice of proposed correction, reporting personal property tax error before notice of proposed correction is issued, evidence that may be considered, and limitations.
21. Defines *legal rate* as the rate set by the Internal Revenue Code.
22. Makes technical and conforming changes.
23. Becomes effective on the general effective date.

**Amendments Adopted by Committee**

- Makes various technical changes, defines legal rate, clarifies how overpaid taxes must be repaid, and allows the Assessor to amend a notice of valuation within 60 days of mailing the notice.

**Amendments Adopted by Committee of the Whole**

1. Clarifies overpaid taxes must be refunded with interest at the rate determined by the Internal Revenue Code and extends the filing deadline for a petition regarding the assessed value of property from 60 days to 90 days,

2. Specifies the tax rate for a government property if it is determined that the improvement increases the costs of providing public safety services and outlines the allocation of those tax revenues to taxing jurisdictions in which government property improvements are located.

Amendments Adopted by House

- Removes the provision in regards to tax rates for government property to determine increased improvement costs for providing public safety services.

Senate Action

FIN            2/12/14    DPA    4-0-3-0  
3<sup>rd</sup> Read      3/12/14                    28-0-2-0

House Action

WM            3/17/14    DPA    4-3-0-1  
3<sup>rd</sup> Read      4/15/14                    60-0-0-0

Prepared by Senate Research

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BR/CF/ljs