

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SENATE BILL 1461

AN ACT

AMENDING SECTION 41-1292, ARIZONA REVISED STATUTES; REPEALING SECTION 41-3006.22, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3016.01; AMENDING TITLE 42, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-2077; REPEALING SECTION 42-5039, ARIZONA REVISED STATUTES; AMENDING SECTION 42-11054, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF REVENUE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-1292, Arizona Revised Statutes, is amended to
3 read:

4 41-1292. Joint legislative oversight committee on property tax
5 assessment and appeals

6 A. The joint legislative oversight committee on property tax
7 assessment and appeals is established to monitor and evaluate the system of
8 assessment and appeals of property tax assessments established by title 42.
9 The committee consists of:

10 1. Six legislators, three each appointed by the president of the
11 senate and the speaker of the house of representatives, including the
12 chairmen of the senate finance committee and the house of representatives
13 ways and means committee who shall serve as ~~cochairmen~~ COCHAIRPERSONS of the
14 oversight committee. No more than two members from each house may be members
15 of the same political party.

16 2. Two county assessors, one each appointed by the president of the
17 senate and the speaker of the house of representatives.

18 3. Two county treasurers, one each appointed by the president of the
19 senate and the speaker of the house of representatives.

20 4. Four public members, who may include property tax practitioners,
21 accountants and members of the state bar of Arizona, two each appointed by
22 the president of the senate and the speaker of the house of representatives.

23 5. The director of the department of revenue, or the director's
24 designee.

25 B. Members of the committee are not eligible to receive compensation
26 for services or for reimbursement of expenses. The legislature shall provide
27 staff support and meeting accommodations for the committee. Members serve at
28 the pleasure of the appointing officer and, in the case of elected officials,
29 until their elective term of office expires.

30 C. The committee shall:

31 1. Meet periodically to review the procedures and administrative
32 structure for tax assessments and appeals and identify any areas of
33 ambiguity, problems and needed changes and improvements.

34 2. MEET AS NECESSARY ON THE CALL OF EITHER COCHAIRPERSON TO REVIEW AND
35 COMMENT ON THE PROPOSED ADOPTION, AMENDMENT OR MODIFICATION OF DEPARTMENT OF
36 REVENUE GUIDELINES, TABLES AND MANUALS AS PROVIDED BY SECTION 42-11054,
37 SUBSECTION B.

38 D. The committee may recommend legislation for consideration by the
39 legislature.

40 ~~D.~~ E. Each county assessor shall keep a record of the following
41 information to report to the oversight committee:

42 1. The date the assessment notices are mailed to property owners.

43 2. The date and number of appeals filed by class of property and the
44 basis of the appeals, categorized by valuation method.

1 Sec. 6. Section 42-11054, Arizona Revised Statutes, is amended to
2 read:

3 42-11054. Standard appraisal methods and techniques

4 A. ~~SUBJECT TO SUBSECTION B OF THIS SECTION~~, the department shall:

5 1. Prescribe guidelines for applying standard appraisal methods and
6 techniques that shall be used by the department and county assessors in
7 determining the valuation of property.

8 2. Prepare and maintain manuals and other necessary guidelines,
9 consistent with this section, reflecting the standard methods and techniques
10 to perpetuate a current inventory of taxable property and the valuation of
11 that property.

12 B. ~~BEFORE THEY ARE ADOPTED, THE DEPARTMENT SHALL SUBMIT EACH~~
13 ~~SUBSTANTIVE PROPOSED GUIDELINE, TABLE AND MANUAL THAT IS DEVELOPED, AMENDED~~
14 ~~OR OTHERWISE MODIFIED FROM AND AFTER DECEMBER 31, 2006 TO THE JOINT~~
15 ~~LEGISLATIVE OVERSIGHT COMMITTEE ON PROPERTY TAX ASSESSMENT AND APPEALS. THE~~
16 ~~DEPARTMENT SHALL NOT FINALLY ADOPT, AMEND OR OTHERWISE MODIFY A SUBSTANTIVE~~
17 ~~GUIDELINE, TABLE OR MANUAL FOR AT LEAST THIRTY DAYS AFTER SUBMITTING THE~~
18 ~~MEASURE TO THE COMMITTEE. THE COMMITTEE MAY HOLD ONE OR MORE INFORMATIONAL~~
19 ~~HEARINGS ON THE PROPOSED MEASURE WITHIN THIRTY DAYS AFTER SUBMISSION. IN~~
20 ~~ADOPTING, AMENDING OR MODIFYING THE MEASURE THE DEPARTMENT SHALL CONSIDER THE~~
21 ~~COMMITTEE'S COMMENTS. IF THE COMMITTEE FAILS TO HOLD A HEARING WITHIN THIRTY~~
22 ~~DAYS AFTER SUBMISSION, THE DEPARTMENT MAY ADOPT, AMEND OR MODIFY THE MEASURE~~
23 ~~WITHOUT FURTHER CONSIDERATION.~~

24 ~~B.~~ C. In applying prescribed standard appraisal methods and
25 techniques, current usage shall be included in the formula for reaching a
26 determination of full cash value. If the methods and techniques prescribe
27 using market data as an indication of market value, the price paid for future
28 anticipated property value increments shall be excluded.

29 ~~C.~~ D. For purposes of determining full cash value the department and
30 county assessors shall use and apply the ratio standard guidelines issued by
31 the department for tax year 1993 in the same manner as they were applied in
32 tax year 1993. This subsection does not apply to property that is valued
33 according to prescribed statutory methods or to property for which values are
34 determined in the year after an appeal pursuant to section 42-16002.

35 Sec. 7. Purpose

36 Pursuant to section 41-2955, subsection B, Arizona Revised Statutes,
37 the legislature continues the department of revenue to efficiently and fairly
38 administer and collect the taxes levied by this state and to determine the
39 valuation of centrally assessed property in this state.

40 Sec. 8. Retroactivity

41 Sections 2 and 3 of this act are effective retroactively to July 1,
42 2006.