

House Engrossed

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 124

HOUSE BILL 2608

AN ACT

AMENDING SECTIONS 42-13002 AND 42-17151, 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 42-13002, Arizona Revised Statutes, is amended to
3 read:

4 42-13002. Relationship between department and county assessors

5 A. The department shall:

6 1. Exercise general supervision over county assessors in administering
7 the property tax laws to ensure that all property is uniformly valued for
8 property tax purposes.

9 2. Prescribe forms to be used by county assessors for:

10 (a) Listing and valuing property for tax purposes.

11 (b) Reporting changes in valuations.

12 (c) Such other purposes as the department may require under this
13 title.

14 3. Assist county assessors:

15 (a) In maintaining uniform maps and records.

16 (b) In placing on the rolls the valuations determined under this
17 chapter.

18 (c) To ~~assure~~ ENSURE a uniform valuation of all property throughout
19 the state for property tax purposes, including providing the services of
20 department personnel to the assessors. The department may charge to the
21 county the costs of department personnel provided to that county.

22 4. Compile and report to the governor, the president of the senate and
23 the speaker of the house of representatives the processes and procedures used
24 by each county to identify and reclassify property that is rented while
25 classified as class three. The report shall be submitted by November 15 each
26 year and shall also contain the following information:

27 (a) The number of properties and the assessed valuation of properties
28 reclassified from class three to class four.

29 (b) The amount of payments of additional state aid to education
30 avoided in the previous fiscal year.

31 (c) Recommendations regarding improvements to establish uniform
32 processes and performance among the counties.

33 B. The department may:

34 1. Require the reclassification of property, if necessary.

35 2. Require information from the county assessor's office and the
36 county treasurer's office to verify compliance with the procedures prescribed
37 by section 42-12052.

38 3. AUDIT THE VALUATION OF NEW CONSTRUCTION AS DETERMINED BY EACH
39 COUNTY AS PRESCRIBED BY SECTION 42-17051.

40 C. The director and county assessors shall meet at the state capitol,
41 or at a place designated by the director, at least twice each year to
42 consider matters relating to property taxation. The traveling expenses of
43 assessors in attending these meetings shall be paid by the respective
44 counties.

1 Sec. 2. Section 42-17151, Arizona Revised Statutes, is amended to
2 read:

3 42-17151. County, municipal, community college and school tax
4 levy

5 A. On or before the third Monday in August each year, the governing
6 body of each county, city, town, community college district and school
7 district shall:

8 1. Fix, levy and assess the amount to be raised from primary property
9 taxation and secondary property taxation. This amount, plus all other
10 sources of revenue, as estimated, and unencumbered balances from the
11 preceding fiscal year, shall equal the total of amounts proposed to be spent
12 in the budget for the current fiscal year.

13 2. Designate the amounts to be levied for each purpose appearing in
14 the adopted budget.

15 3. Fix and determine a primary property tax rate and a secondary
16 property tax rate, each rounded to four decimal places on each one hundred
17 dollars of taxable property shown by the finally equalized valuations of
18 property, less exemptions, that appear on the tax rolls for the fiscal year,
19 AS DETERMINED BY THE ASSESSOR ON OR BEFORE FEBRUARY 10 OF THE TAX YEAR
20 PURSUANT TO SECTION 42-17052, and that when extended on those valuations will
21 produce, in the aggregate, the entire amount to be raised by direct taxation
22 for that year.

23 B. The governing body of a county, city, town or community college
24 district shall not fix, levy or assess an amount of primary property taxes in
25 excess of the amount permitted by section 42-17051, subsection A, paragraph 7
26 or section 42-17005 as determined by the property tax oversight commission.

27 C. The governing board of a common school district, a high school
28 district or a unified school district shall not fix, levy or assess a primary
29 property tax rate higher than the current year's rate if the district meets
30 both of the following criteria, as determined by the property tax oversight
31 commission:

32 1. The total primary property taxes levied for all taxing
33 jurisdictions on at least one-half of the residential property of the
34 district exceed the limitation described in section 15-972, subsection E.

35 2. The school district primary property tax rate exceeds one hundred
36 fifty per cent of the applicable qualifying tax rate pursuant to section
37 41-1276.

38 D. No later than December 31, the property tax oversight commission
39 shall notify those school districts that meet the criteria described in
40 subsection C of this section and the county school superintendents and boards
41 of supervisors of the counties in which the school districts are located.

42 E. Within three days after the final levies are determined for a
43 county, city, town or community college district, the chief county fiscal
44 officer shall notify the property tax oversight commission of the amount of
45 the primary property tax levied.

1 F. Pursuant to section 15-465.01, subsection E, an accommodation
2 school governing board shall not levy a primary or secondary property tax.
3 The property tax oversight commission shall consider any amount of property
4 tax levied by a county in support of an accommodation school to be part of
5 the county's primary levy for the purposes of determining the county's
6 compliance with subsection B of this section.

APPROVED BY THE GOVERNOR MARCH 29, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2012.

Passed the House February 28, 2012

Passed the Senate March 26, 2012

by the following vote: 45 Ayes,

by the following vote: 29 Ayes,

11 Nays, 3 Not Voting

0 Nays, 1 Not Voting

[Signature]

Speaker of the House

[Signature]

President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

27 day of March, 2012

at 11:10 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 29th day of

March

at 10:44 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 29th day of March, 2012

at 4:58 o'clock P M.

[Signature]
Secretary of State

H.B. 2608