

Senate Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 173

SENATE BILL 1523

AN ACT

AMENDING SECTIONS 15-1461.01 AND 42-17107, ARIZONA REVISED STATUTES; RELATING TO TRUTH IN TAXATION HEARINGS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-1461.01, Arizona Revised Statutes, is amended to
3 read:

4 15-1461.01. Truth in taxation notice and hearing; roll call
5 vote on tax increase; definition

6 A. On or before February 10 of the tax year, the county assessor shall
7 transmit and certify to the property tax oversight commission and to the
8 district governing board the total net assessed values that are required to
9 compute the levy limit prescribed by section 42-17051. If the proposed
10 primary property tax levy, excluding amounts that are attributable to new
11 construction, is greater than the amount levied in the preceding tax year by
12 the district:

13 1. The district governing board shall publish a notice that meets ALL
14 OF the following requirements:

15 (a) ~~The notice shall be~~ IS published twice in a newspaper of general
16 circulation in the district. The first publication shall be at least
17 fourteen but not more than twenty days before the date of the hearing. The
18 second publication shall be at least seven but not more than ten days before
19 the date of the hearing.

20 (b) ~~The notice shall be~~ IS published in a location other than the
21 classified or legal advertising section of the newspaper in which it is
22 published.

23 (c) ~~The notice shall be~~ IS at least one-fourth page in size and shall
24 be surrounded by a solid black border at least one-eighth inch in width.

25 (d) ~~The notice shall be~~ IS in the following form, with the "truth in
26 taxation hearing-notice of tax increase" headline in at least eighteen-point
27 type:

28 Truth in Taxation Hearing
29 Notice of Tax Increase

30 In compliance with section 15-1461.01, Arizona Revised
31 Statutes, _____ community college district is notifying its
32 property taxpayers of _____ community college district's
33 intention to raise its primary property taxes over last year's
34 level. The _____ community college district is proposing
35 an increase in primary property taxes of \$_____ or ____%.

36 For example, the proposed tax increase will cause
37 _____ community college district's primary property taxes
38 on a \$100,000 home to increase from \$_____ (total taxes
39 that would be owed without the proposed tax increase) to
40 \$_____ (total proposed taxes including the tax increase).

41 This proposed increase is exclusive of increased primary
42 property taxes received from new construction. The increase is
43 also exclusive of any changes that may occur from property tax
44 levies for voter approved bonded indebtedness or budget and tax
45 overrides.

1 All interested citizens are invited to attend the public
2 hearing on the tax increase that is scheduled to be held
3 _____ (date and time) at _____ (location).

4 2. In lieu of publishing the truth in taxation notice, the district
5 board may mail the truth in taxation notice prescribed by paragraph 1,
6 subdivision (d) of this subsection to all registered voters in the district
7 at least ten but not more than twenty days before the date of the hearing.

8 3. In addition to publishing the truth in taxation notice under
9 paragraph 1 of this subsection or mailing the notice under paragraph 2 of
10 this subsection, the district governing board shall issue a press release
11 containing the truth in taxation notice to all newspapers of general
12 circulation in the district.

13 4. The district board shall consider a motion to levy the increased
14 property taxes by roll call vote. IF THE PROPOSED LEVY, EXCLUSIVE OF
15 INCREASED PROPERTY TAXES RECEIVED FROM NEW CONSTRUCTION, CONSTITUTES AN
16 INCREASE OVER THE PRECEDING TAX YEAR'S LEVY BY FIFTEEN PERCENT OR MORE, THE
17 MOTION TO LEVY THE INCREASED PROPERTY TAXES MUST BE APPROVED BY A UNANIMOUS
18 ROLL CALL VOTE OF THE DISTRICT BOARD.

19 5. Within three days after the hearing, the district board shall mail
20 a copy of the truth in taxation notice, a statement of its publication or
21 mailing and the result of the district board's vote under paragraph 4 of this
22 subsection to the property tax oversight commission established by section
23 42-17002.

24 6. The district board shall hold the truth in taxation hearing on or
25 before the adoption of the county, city or town budget under section
26 42-17105.

27 B. If the governing board fails to comply with the requirements of
28 this section, the governing board shall not fix, levy or assess an amount of
29 primary property taxes that exceeds the preceding year's amount, except for
30 amounts attributable to new construction.

31 C. For the purposes of this section, "amount attributable to new
32 construction" means the net assessed valuation of property added to the tax
33 roll since the previous year multiplied by a property tax rate computed by
34 dividing the district's primary property tax levy in the preceding year by
35 the estimate of the district's total net assessed valuation for the current
36 year, excluding the net assessed valuation attributable to new construction.

37 Sec. 2. Section 42-17107, Arizona Revised Statutes, is amended to
38 read:

39 42-17107. Truth in taxation notice and hearing; roll call vote
40 on tax increase; definition

41 A. On or before February 10 of the tax year, the county assessor shall
42 transmit and certify to the property tax oversight commission and to the
43 governing body of the county, city or town the total net assessed values that
44 are required to compute the levy limit prescribed by section 42-17051. If
45 the proposed primary property tax levy, excluding amounts that are

1 attributable to new construction, is greater than the amount levied by the
2 county, city or town in the preceding tax year in the county, city or town:

3 1. The governing body shall publish a notice that meets ALL OF the
4 following requirements:

5 (a) ~~The notice shall be~~ IS published twice in a newspaper of general
6 circulation in the county, city or town. The first publication shall be at
7 least fourteen but not more than twenty days before the date of the hearing.
8 The second publication shall be at least seven but not more than ten days
9 before the date of the hearing.

10 (b) ~~The notice shall be~~ IS published in a location other than the
11 classified or legal advertising section of the newspaper in which it is
12 published.

13 (c) ~~The notice shall be~~ IS at least one-fourth page in size and shall
14 be surrounded by a solid black border at least one-eighth inch in width.

15 (d) ~~The notice shall be~~ IS in the following form, with the "truth in
16 taxation hearing notice of tax increase" headline in at least eighteen-point
17 type:

18 Truth in Taxation Hearing
19 Notice of Tax Increase

20 In compliance with section 42-17107, Arizona Revised
21 Statutes, _____ (name of county, city or town) is notifying
22 its property taxpayers of _____'s (name of county, city or
23 town) intention to raise its primary property taxes over last
24 year's level. _____ (name of county, city or town) is
25 proposing an increase in primary property taxes of \$_____

26 or _____%.

27 For example, the proposed tax increase will cause
28 _____'s (name of county, city or town) primary property
29 taxes on a \$100,000 home to increase from \$_____ (total
30 taxes that would be owed without the proposed tax increase) to
31 \$_____ (total proposed taxes including the tax increase).

32 This proposed increase is exclusive of increased primary
33 property taxes received from new construction. The increase is
34 also exclusive of any changes that may occur from property tax
35 levies for voter approved bonded indebtedness or budget and tax
36 overrides.

37 All interested citizens are invited to attend the public
38 hearing on the tax increase that is scheduled to be held
39 _____ (date and time) at _____ (location).

40 2. In lieu of publishing the truth in taxation notice, the governing
41 body may mail the truth in taxation notice prescribed by paragraph 1,
42 subdivision (d) of this subsection to all registered voters in the county,
43 city or town at least ten but not more than twenty days before the date of
44 the hearing on the estimates pursuant to section 42-17104.

1 3. In addition to publishing the truth in taxation notice under
2 paragraph 1 of this subsection or mailing the notice under paragraph 2 of
3 this subsection, the governing body shall issue a press release containing
4 the truth in taxation notice.

5 4. The governing body shall consider a motion to levy the increased
6 property taxes by roll call vote. IF THE PROPOSED LEVY, EXCLUSIVE OF
7 INCREASED PROPERTY TAXES RECEIVED FROM NEW CONSTRUCTION, CONSTITUTES AN
8 INCREASE OVER THE PRECEDING TAX YEAR'S LEVY BY FIFTEEN PERCENT OR MORE, THE
9 MOTION TO LEVY THE INCREASED PROPERTY TAXES MUST BE APPROVED BY A UNANIMOUS
10 ROLL CALL VOTE OF THE GOVERNING BODY.

11 5. Within three days after the hearing, the governing body shall mail
12 a copy of the truth in taxation notice, a statement of its publication or
13 mailing and the result of the governing body's vote under paragraph 4 of this
14 subsection to the property tax oversight commission.

15 6. The governing body shall hold the truth in taxation hearing on or
16 before the adoption of the county, city or town budget under section
17 42-17105.

18 B. If the governing body fails to comply with the requirements of this
19 section, the governing body shall not fix, levy or assess an amount of
20 primary property taxes that exceeds the preceding year's amount, except for
21 amounts attributable to new construction.

22 C. For the purposes of this section, "amount attributable to new
23 construction" means the net assessed valuation of property added to the tax
24 roll since the previous year multiplied by a property tax rate computed by
25 dividing the primary property tax levy of the county, city or town in the
26 preceding year by the estimate of the total net assessed valuation of the
27 county, city or town for the current year, excluding the net assessed
28 valuation attributable to new construction.

APPROVED BY THE GOVERNOR MAY 11, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 11, 2016.

Passed the House May 6, 2016

by the following vote: 31 Ayes,

25 Nays, 4 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate February 25, 2016

by the following vote: 17 Ayes,

11 Nays, 2 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6th day of May, 2016,

at 5:56 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 11th day of

May, 2016,

at 9:31 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 12 day of May, 2016,

at 8:59 o'clock A. M.

[Signature]
Secretary of State

S.B. 1523