

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2350

AN ACT

AMENDING SECTIONS 42-16254, 42-18051, 42-18352 AND 42-18353, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-16254, Arizona Revised Statutes, is amended to
3 read:
4 42-16254. Notice of claim; response; petition for review;
5 appeal; definition
6 A. If a taxpayer believes that the taxpayer's property has been
7 assessed improperly as a result of a property tax error, the taxpayer shall
8 file a notice of claim with the appropriate tax officer, either personally or
9 by certified mail, as follows:
10 1. If the alleged error concerns the valuation or classification of
11 property by the county assessor, the notice shall be filed with the assessor.
12 On receiving the notice, the assessor shall immediately transmit a copy to
13 the department.
14 2. If the alleged error concerns the valuation or classification of
15 property by the department, the notice shall be filed with the department.
16 3. If the alleged error concerns the imposition of any tax rate, the
17 notice shall be filed with the county board of supervisors. The clerk of the
18 board of supervisors shall notify each affected taxing entity to allow the
19 entity to file a response to the claim.
20 B. The notice shall:
21 1. Be in a form prescribed by the department.
22 2. Clearly identify the subject property by tax parcel number or tax
23 roll number and the year or years for which the correction is proposed.
24 3. State the claim and the evidence to support the claim for
25 correcting the alleged error.
26 C. Within sixty days after receiving a notice of claim, the tax
27 officer may file a written response to the taxpayer to either consent to or
28 dispute the error and to state the grounds for disputing the error. A
29 failure to file a written response within sixty days constitutes consent to
30 the error, and the board of supervisors shall direct the county treasurer to
31 correct the tax roll on the taxpayer's written demand supported by proof of
32 the date of the notice of claim and the tax officer's failure to timely
33 dispute the error.
34 D. If the tax officer disputes the error, the tax officer shall notify
35 the taxpayer of a time and place for a meeting between a representative of
36 the tax officer and the taxpayer or the taxpayer's representative to discuss
37 the basis for the dispute.
38 E. If, after the meeting, the parties agree on all or part of the
39 proposed correction, the board of supervisors shall direct the county
40 treasurer to correct the tax roll to the extent agreed, and any taxes that
41 have been overpaid shall be refunded with interest at the rate determined
42 pursuant to section 42-1123 within ninety days after the roll is corrected or
43 pursuant to section 42-16214, subsection A. **THE COUNTY TREASURER SHALL PAY**
44 **THE LEGAL RATE ON THE DAY THE PAYMENT IS RENDERED.** If the taxpayer owes
45 additional taxes, they shall be assessed by supplemental billing to the

1 taxpayer plus interest as provided by law. Any taxes assessed pursuant to
2 this subsection are delinquent if not paid within sixty days after the date
3 the supplemental billing is mailed to the taxpayer. **FOR THE PURPOSES OF THIS**
4 **SUBSECTION, "LEGAL RATE" MEANS THE INTEREST RATE SET BY THE DEPARTMENT.**

5 F. If the parties fail to agree on all or part of the proposed
6 correction, the taxpayer may file a petition with the county board of
7 equalization, if one is established in the county, or, if one is not
8 established in the county, with the state board of equalization on a form
9 prescribed by the department and shall send a copy to the tax officer by
10 certified mail. The petition must be filed with the county board or state
11 board within one hundred fifty days after the notice of claim is filed or it
12 is barred. On receiving the petition, the appropriate board shall hold a
13 hearing on the proposed correction within thirty days and shall issue a
14 written decision pursuant to the board's rules.

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

24 H. For the purposes of this section, "tax officer" means the
25 department, county assessor or county board of supervisors, whichever is
26 appropriate under the circumstances described in subsection A, paragraph 1, 2
27 or 3 of this section.

28 Sec. 2. Section 42-18051, Arizona Revised Statutes, is amended to
29 read:

30 42-18051. Notice of tax; payment by electronic funds transfer

31 A. Immediately on receiving the tax roll from the county board of
32 supervisors, the county treasurer shall publish an official notice stating:

33 1. That the assessment and tax roll is now in the treasurer's
34 possession for collecting the taxes levied.

35 2. That the taxes on real property and personal property are due and
36 payable and become delinquent at the dates and times prescribed by section
37 42-18052, and interest will be added to the tax from the time of the
38 delinquency as prescribed by section 42-18053, unless either:

39 (a) The first half of the taxes are paid before they are delinquent.

40 (b) The full year tax is paid on or before December 31, as provided by
41 section 42-18053.

42 3. That all taxes may be paid at the time the first installment is due
43 and payable.

44 4. When and where tax payments may be made.

1 B. The county treasurer shall publish the notice once a week for four
2 consecutive weeks in a newspaper of general circulation in the county.

3 C. No other demand for taxes is necessary.

4 D. Each person who is subject to taxation shall pay the taxes at the
5 county treasurer's office, or at any other location designated by the
6 treasurer, before they become delinquent.

7 E. The county treasurer may require electronic transmission of
8 supporting documentation and payment that includes the name of the taxpayer,
9 tax parcel number and amount of tax, on or before the dates prescribed by
10 section 42-18052, by any person or entity, acting on behalf of multiple
11 owners of property who submit tax payments to the county treasurer in a lump
12 sum exceeding fifty thousand dollars **OR OWNERS WHO SUBMIT ONE HUNDRED OR MORE**
13 **PERSONAL PROPERTY TAX PAYMENTS**. If the sum of funds submitted fails to
14 balance with the tax parcel information and supporting documentation
15 submitted electronically, and there have been no changes to the tax bills as
16 a result of assessor resolutions or tax court judgments, the funds shall not
17 be accepted and the treasurer shall return the funds and request that the
18 correct amount be submitted. If any payment is received after a delinquent
19 date as prescribed in section 42-18052, interest accrues as prescribed by
20 section 42-18053.

21 Sec. 3. Section 42-18352, Arizona Revised Statutes, is amended to
22 read:

23 **42-18352. Determining existence of circumstances for abating**
24 **tax and removing lien; action to recover illegally**
25 **collected tax**

26 A. The county treasurer may, on the treasurer's own motion, and shall
27 on the application of a property owner or a holder of a certificate of
28 purchase that was issued pursuant to section 42-18118, determine the
29 existence, in any prior year or years, with respect to real **AND PERSONAL**
30 property located in the county, of any of the situations described in section
31 42-18351.

32 B. If proceeding on the treasurer's own motion under this section, the
33 county treasurer shall conduct an investigation that the treasurer considers
34 to be necessary to determine the existence or nonexistence of any of the
35 situations described in section 42-18351.

36 C. If a property owner or holder of a certificate of purchase applies
37 under this section, the property owner or holder of a certificate of purchase
38 shall submit to the county treasurer sufficient evidence to permit the county
39 treasurer to determine the existence or nonexistence of one of the situations
40 described in section 42-18351.

41 D. If the county treasurer determines that any of the situations
42 described in section 42-18351 exists in a prior year or years, the treasurer
43 shall grant appropriate relief, subject to the approval of the board of
44 supervisors ~~and the department~~. The relief may include removing all or part
45 of the lien or abating all or part of the tax.

1 E. A property owner who is aggrieved by an adverse determination on an
2 application pursuant to this section and who pays the tax may maintain an
3 action to recover the tax alleged to be illegally collected. If the tax due
4 is determined to be less than the amount paid, the excess shall be refunded
5 in the manner provided by this title.

6 Sec. 4. Section 42-18353, Arizona Revised Statutes, is amended to
7 read:

8 42-18353. Certificate of removal and abatement; purging record
9 of tax, penalty and interest

10 A. On finding that a situation described in section 42-18351 exists
11 for any taxable year or years, and on receiving the approval of the board of
12 supervisors ~~and the department~~, the county treasurer shall prepare a
13 certificate of removal and abatement stating:

- 14 1. The name of the property owner.
- 15 2. A description of the property.
- 16 3. The tax parcel number.
- 17 4. The years and amounts of tax, penalty and interest involved.
- 18 5. The extent to which the lien is proposed to be removed and the
19 extent to which the tax, penalty and interest are proposed to be abated
20 pursuant to this section.

21 B. The county treasurer shall present the certificate of removal and
22 abatement to the board of supervisors for the board's approval ~~and to the~~
23 ~~department~~. The certificate of removal and abatement is final and effective
24 when approved by the board of supervisors.

25 C. When a certificate of removal and abatement becomes final and
26 effective the county treasurer shall:

- 27 1. Delete from the delinquent list and the record of tax lien sales
28 the tax, interest and penalty covered by the certificate.
- 29 2. Make a notation in those records that the deletion was made
30 pursuant to a certificate that was duly issued pursuant to this section and
31 stating the number of the certificate.