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ARIZONA TAX RESEARCH ASSOCIATION

ATRA SUPPORTS SB1033

Requires County Treasurer's mail property tax statements to ALL property owners

Arizona's property tax system is one of the most complicated in the country, and therefore, taxpayer education is imperative.

The County Assessor annually determines both the Full Cash Value (FCV) and the Limited Property Value (LPV), and no later than March 1st each year, is required to mail the property notice of valuation (NOV) to all property owners.

During the budget process, local governments make taxing and spending decisions to determine their annual budgets. Counties, in particular, go to great lengths to educate taxpayers how much of their tax bill is levied by the various taxing entities. More importantly, local taxing jurisdictions are required to publish notice and hold Truth-in-Taxation (TNT) hearings when they intend to increase property taxes.

Once those budgeting decisions are made, tax rates and levies are adopted in August. The County Treasurer is then responsible for collecting the applicable taxes after applying the adopted tax rates to all taxable values. The tax statement is the only place a homeowner sees the "homeowner rebate" where the state pays 48% of the K12 primary property tax obligation.

Currently ten of the fifteen counties mail property tax statements to every property owner. The other five counties, however, do not mail statements to owners of mortgaged property. Instead, they only communicate how much in property taxes is due to the mortgage company. Consequently, the property owner is never notified of their property tax liability.

The property tax statement serves as an important educational tool in that it reflects the final decisions made by the various taxing jurisdictions during the budgeting process. It should be a minimum expectation that all property taxpayers receive a property tax statement.

ATRA ASKS LAWMAKERS TO VOTE YES ON SB1033!