

Senate Engrossed

property tax; administration; county assessor

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

## CHAPTER 228

# SENATE BILL 1266

AN ACT

AMENDING SECTIONS 28-7094, 42-11152 AND 42-16254, ARIZONA REVISED  
STATUTES; RELATING TO PROPERTY TAX ADMINISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-7094, Arizona Revised Statutes, is amended to  
3 read:

4 28-7094. Property acquisition; future needs; highway  
5 properties fund; rental revenue

6 A. The authority provided by this article to acquire real property  
7 for transportation purposes includes authority to acquire for future needs  
8 if the board has an adopted and approved state route plan or airport site  
9 location showing a reasonable need for the property.

10 B. The director may:

11 1. Except as provided in paragraphs 3 and 4 OF THIS SUBSECTION,  
12 lease at fair rental value or for fair consideration TO allow the use of  
13 any land, improvement or portion of land or improvement that is held for  
14 transportation purposes and that is not presently needed for these  
15 purposes on terms and conditions determined by the director.

16 2. Maintain and care for the property described in paragraph 1 OF  
17 THIS SUBSECTION to secure rent from the property on terms consistent with  
18 this article.

19 3. If used for a public purpose, allow local agencies to use and  
20 maintain any land, improvement or portion of land or improvement that is  
21 held for transportation purposes and that is not presently needed for  
22 these purposes at fair rental value and on other terms and conditions  
23 determined by the director. The director may reduce the fair rental value  
24 by the costs of the maintenance of the land or improvement.

25 4. If used for a public purpose, lease to nonprofit organizations,  
26 state agencies or local agencies any historic property that is held for  
27 transportation purposes and that is not presently needed for these  
28 purposes at fair rental value and on other terms and conditions determined  
29 by the director. The director may reduce the fair rental value by the  
30 costs of the maintenance of the land or improvement.

31 C. The highway properties fund is established. The director shall  
32 deposit, pursuant to sections 35-146 and 35-147, rents received from  
33 property acquired in the state highway fund ESTABLISHED BY SECTION  
34 28-6991, except that twenty-four ~~per cent~~ PERCENT of all rents received  
35 shall be deposited in the highway properties fund. Net income received  
36 from rentals under this section shall be credited to the budgetary item  
37 from which the property was acquired.

38 D. If the director determines that any rental revenue collected  
39 under this section represents overpayment or payment in duplicate, the  
40 director may authorize the refund of the overpayment or payment in  
41 duplicate from the highway properties fund and the state highway fund  
42 ESTABLISHED BY SECTION 28-6991.

43 E. Not later than November 1 next following the close of any fiscal  
44 year, the department of administration shall pay the rents deposited in  
45 the highway properties fund to the county ~~assessor~~ TREASURER in the county

1 in which the real property is situated. The director of the department of  
2 transportation shall certify to the department of administration the  
3 amount of the rentals attributable to each county and shall notify each  
4 county of the rental and location of each piece of rental property for  
5 which rents are deposited in the fund.

6 F. The county ~~assessor~~ TREASURER shall distribute any payment  
7 received by the county ~~assessor~~ TREASURER pursuant to this section to the  
8 county, to each revenue district for which the county assesses and  
9 collects real property taxes or assessments and to every other taxing  
10 agency within the county in which the property is situated. The amount  
11 distributable to the county and each such revenue district or other taxing  
12 agency shall be proportionate to the ratio that the amount of the taxes  
13 and assessments of each on similar real property similarly situated within  
14 that part of the county embracing the smallest in area of the revenue  
15 districts or other taxing agencies other than the county, levied for the  
16 fiscal year next preceding, bears to the combined amount of the taxes and  
17 assessments of all such districts and agencies, including the county, on  
18 such property levied for that year. The county ~~assessor~~ TREASURER shall  
19 determine and certify the amounts distributable to the board of  
20 supervisors, and the board shall order the distribution.

21 G. Any monies distributed pursuant to this section to any county,  
22 revenue district or other taxing agency shall be deposited to the credit  
23 of the same fund as any taxes or assessments on any taxable similar real  
24 property similarly situated. If a county receives a payment pursuant to  
25 this section of ~~twenty-five dollars~~ \$25 or less for any parcel of leased  
26 property, all of the payment shall be distributed to the county for  
27 deposit in the county general fund.

28 H. The respective jurisdictions may spend the monies received by  
29 them under this section for any proper public purpose not prohibited by  
30 the state constitution.

31 Sec. 2. Section 42-11152, Arizona Revised Statutes, is amended to  
32 read:

33 42-11152. Affidavit; electronic submission; false statements

34 A. Except as provided in sections 42-11104, 42-11109, 42-11110,  
35 42-11111 and 42-11131 and except for property described in sections  
36 42-11125, 42-11127, 42-11132 and 42-11132.01, a person who claims  
37 exemption from taxation under article IX, section 2, 2.1 or 2.2,  
38 Constitution of Arizona, shall:

39 1. When initially claiming the exemption **AND CLAIMING THE EXEMPTION**  
40 **IN SUBSEQUENT YEARS**, ~~appear before the county assessor to make~~ **FILE** an  
41 affidavit **WITH THE COUNTY ASSESSOR, SIGNED UNDER PENALTY OF PERJURY**, as to  
42 the person's eligibility. ~~If a personal appearance before the county~~  
43 ~~assessor would create a severe hardship, the county assessor may arrange a~~  
44 ~~mutually satisfactory meeting place to make an affidavit as to the~~  
45 ~~person's eligibility.~~

1 ~~2. When claiming the exemption in subsequent years, appear before~~  
2 ~~the county assessor or a notary public to make an affidavit as to the~~  
3 ~~person's eligibility.~~

4 ~~3.~~ 2. Fully answer all questions on the eligibility form or  
5 otherwise required by the assessor for that purpose.

6 B. At the assessor's discretion, the assessor may require  
7 additional proof of the facts stated by the person before allowing an  
8 exemption.

9 ~~C. A person who is in the United States military service and who is~~  
10 ~~absent from this state or who is confined in a veterans' hospital or~~  
11 ~~another licensed hospital may make the required affidavit in the presence~~  
12 ~~of any officer who is authorized to administer oaths on a form obtained~~  
13 ~~from the county assessor.~~

14 C. THE COUNTY ASSESSOR MAY ACCEPT AFFIDAVITS REQUIRED BY THIS  
15 SECTION ELECTRONICALLY. IF THE COUNTY ASSESSOR ACCEPTS ELECTRONIC  
16 AFFIDAVITS, THE COUNTY ASSESSOR SHALL PROVIDE AN ELECTRONIC  
17 ACKNOWLEDGEMENT OF RECEIPT TO THE PERSON WHO SUBMITTED THE AFFIDAVIT.

18 D. A false statement that is made ~~or sworn to~~ in the affidavit is  
19 perjury.

20 Sec. 3. Section 42-16254, Arizona Revised Statutes, is amended to  
21 read:

22 42-16254. Notice of claim; response; petition for review;  
23 appeal

24 A. If a taxpayer believes that the taxpayer's property has been  
25 assessed improperly as a result of a property tax error, the taxpayer  
26 shall file a notice of claim with the appropriate tax officer, either  
27 personally, **ELECTRONICALLY** or by certified mail, as follows:

28 1. If the alleged error concerns the valuation or classification of  
29 property by the county assessor, the notice shall be filed with the  
30 assessor. On receiving the notice, the assessor shall immediately transmit  
31 a copy to the department.

32 2. If the alleged error concerns the valuation or classification of  
33 property by the department, the notice shall be filed with the department.

34 3. If the alleged error concerns the imposition of any tax rate,  
35 the notice shall be filed with the county board of supervisors. The clerk  
36 of the board of supervisors shall notify each affected taxing entity to  
37 allow the entity to file a response to the claim.

38 B. The notice shall:

39 1. Be in a form prescribed by the department.

40 2. Clearly identify the subject property by tax parcel number or  
41 tax roll number and the year or years for which the correction is  
42 proposed.

43 3. State the claim and the evidence to support the claim for  
44 correcting the alleged error.

1 C. Within sixty days after receiving a notice of claim, the tax  
2 officer may file a written response to the taxpayer to either consent to  
3 or dispute the error and to state the grounds for disputing the error. A  
4 failure to file a written response within sixty days constitutes consent  
5 to the error, and the board of supervisors shall direct the county  
6 treasurer to correct the tax roll on the taxpayer's written demand  
7 supported by proof of the date of the notice of claim and the tax  
8 officer's failure to timely dispute the error.

9 D. If the tax officer disputes the error, the tax officer shall  
10 notify the taxpayer of a time and place for a meeting between a  
11 representative of the tax officer and the taxpayer or the taxpayer's  
12 representative within sixty days to discuss the basis for the dispute.

13 E. If, after the meeting, the parties agree on all or part of the  
14 notice of claim, the tax roll must be corrected promptly to the extent  
15 agreed on and any taxes that have been overpaid shall be refunded pursuant  
16 to section 42-16259.

17 F. If the parties fail to agree on all or part of the notice of  
18 claim, the taxpayer may file a petition with the board of equalization on  
19 a form prescribed by the department and shall send a copy to the tax  
20 officer by certified mail. The petition must be filed with the board  
21 within ninety days after the date of the meeting or it is barred. On  
22 receiving the petition, the board shall hold a hearing on the disputed  
23 issues in the notice of claim within thirty days and shall issue a written  
24 decision pursuant to the board's rules.

25 G. A party that is dissatisfied with the decision of the board may  
26 appeal the decision to court within sixty days after the date the board's  
27 decision is mailed, but any additional taxes that are determined to be due  
28 must be timely paid before delinquency for the court to retain  
29 jurisdiction of the matter. In addition, in order for a taxpayer to  
30 recover a refund for taxes paid in a preceding tax year as a result of an  
31 error, all taxes that were levied and assessed against the property for  
32 the tax year must be paid before delinquency in order for the court to  
33 retain jurisdiction of the matter.

34 H. IF A TAX OFFICER ACCEPTS ELECTRONIC NOTICE OF CLAIM FROM A  
35 TAXPAYER, THE TAX OFFICER SHALL PROVIDE AN ELECTRONIC ACKNOWLEDGEMENT OF  
36 RECEIPT TO THE TAXPAYER.

APPROVED BY THE GOVERNOR MAY 9, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 9, 2022.