Senate Engrossed

FILED

KEN BENNETT
SECRETARY OF STATE

State of Arizona
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2010

CHAPTER 80

SENATE BILL 1217

AN ACT

AMENDING SECTIONS 42-16153, 42-16155 AND 42-16156, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX APPEALS AND REVIEWS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 42-16153, Arizona Revised Statutes, is amended to read:

42-16153. Members

A. The state board of equalization consists of:

1. Ten members who are appointed by the board of supervisors of each county with a population of more than five hundred thousand persons according to the most recent United States decennial census.

2. ~~Six~~ TEN members who are appointed by the governor from each county with a population of more than five hundred thousand persons according to the most recent United States decennial census.

3. An additional member who is appointed by the governor, who is designated as chairman and who serves in a full-time capacity.

B. Other than the chairman, members of the state board of equalization shall be selected on the basis of their work experience and other qualifications in at least one of the following categories:

1. Experience in at least three of the preceding eight years in property valuation, property tax appeals or appraising real property.

2. A certified general appraiser under section 32-3612.

3. A property valuation hearing officer or member of the state board of equalization, or any predecessor to the board, for at least three of the preceding eight years.

4. A member of the state bar of Arizona with at least three years of experience in property valuation or condemnation practice.

5. Experience in at least three of the preceding eight years as a real estate broker.

C. Members who are appointed by the county board of supervisors serve at the pleasure of the county board for terms that expire at the same time as the elective term of the county supervisors. Members who are appointed by the governor serve a term of five years. Members may be reappointed.

D. Except as provided in section 42-16154, subsection A, members of the state board are eligible to receive:

1. Not more than three hundred dollars per day for time spent in performing official duties, prorated for partial days spent on official duty.

2. Reimbursement for travel and other expenses as provided by law for other state officers.

E. Members who are appointed by a county shall be paid by the county. Members who are appointed by the governor shall be paid by the state.

F. A member of the state board of equalization shall not:

1. Hold any other public office under the laws of this state or a political subdivision of this state EXCEPT A POSITION ON A BOARD OR COMMISSION THAT DOES NOT REGULARLY INTERACT WITH THE STATE BOARD OF EQUALIZATION.

2. Be a candidate for an elective office under the laws of this or any other state ~~nor take any direct or indirect part in an election campaign in the interest of a political party or any other organization, candidate or measure to be voted on by the people~~.

3. Hold any position of trust nor provide or engage in any occupation or business that would conflict with the duties of a member of the board.

4. Other than the chairman, have been employed by a county assessor or county attorney or by the department of revenue or the department of law within two years before appointment.

G. The governor may remove any member of the state board who was not appointed by a county board of supervisors for any of the following reasons:

1. Cause.

2. Failure to carry out the duties and responsibilities of the position.

3. Failure to follow the rules of the board.

4. Failure to follow the directions of the chairman as provided by law.

Sec. 2. Section 42-16155, Arizona Revised Statutes, is amended to read:

42-16155. Hearing officers and employees

A. The state board of equalization may employ one or more hearing officers who must meet the same qualifications prescribed for the members of the board by section 42-16153.

B. Any training activity for hearing officers shall be held in public with notice as prescribed by title 38, chapter 3, article 3.1.

C. A hearing officer is eligible to receive up to three hundred dollars per day for time spent in performing official duties.

D. The state board may appoint a CHIEF clerk and any other employees that it considers to be necessary to carry out its duties.

Sec. 3. Section 42-16156, Arizona Revised Statutes, is amended to read:

42-16156. Case assignment

A. The chairman OR CHIEF CLERK of the state board shall assign tax cases on a random basis to members of the board to be heard as provided by this article. THIS SUBSECTION DOES NOT PREVENT THE CHAIRMAN OR CHIEF CLERK FROM TAKING INTO ACCOUNT IN ASSIGNING TAX CASES THE AVAILABILITY OF MEMBERS, REAL OR POTENTIAL CONFLICTS OF INTEREST OF MEMBERS OR THE CONVENIENCE OF PETITIONERS OR THEIR REPRESENTATIVES WHO FILE MULTIPLE PETITIONS.

B. The chairman OR CHIEF CLERK shall assign each case involving:

1. Appeals of property valuations that are determined by the department and equalization orders that are issued pursuant to statute to members of the board who are appointed by the governor. This paragraph does not apply to any properties that are valued by the department but would otherwise be valued by the county assessor.

2. Property listed as class three pursuant to section 42-12003 or property valued by the assessor at ~~one~~ THREE million dollars or less to be heard by at least one member of the board or by a hearing officer who shall be from the county in which the property is located.

3. Any other property to a panel of either three or five members of the board, at least two of whom shall be from the county in which the property is located unless the chairman is sitting as a representative of that county. The chairman of the board shall designate a member to act as chairman of each panel. When possible, at the chairman's discretion, on any panel:

(a) Of three members, no more than one member may have been employed by a county assessor or county attorney or by the department of revenue or the department of law within four years.

(b) Of five members, no more than two members may have been employed by a county assessor or county attorney or by the department of revenue or the department of law within four years.

C. The chairman may sit on any case as a hearing officer representing any county.

Sec. 4. Property tax appeals study committee; delayed repeal

A. A property tax appeals study committee is established consisting of the following members:

1. The chairpersons of the senate finance committee and the house of representatives ways and means committee.

2. The director of the department of revenue or the director's designee.

3. The county assessor of each county with a population of more than five hundred thousand persons or the assessor's designee.

4. Two county assessors, or their designees, from counties with a population of less than five hundred thousand persons who are appointed by the Arizona association of counties.

5. A member of a county board of equalization who is appointed by the president of the senate.

6. The chairman of the state board of equalization, or the chairman's designee.

7. Two members of the state board of equalization, each from different counties, who are appointed by the chairman of the state board of equalization.

8. A judge of the superior court who is familiar with property tax appeals pursuant to title 42, chapter 16, article 5, Arizona Revised Statutes, and who is appointed by the speaker of the house of representatives.

9. Two property tax agents who are registered pursuant to title 32, chapter 36, article 4, Arizona Revised Statutes, one each of whom are appointed by the president of the senate and the speaker of the house of representatives.

10. Two members of the state bar of Arizona who regularly represent clients in property tax appeals, one each of whom are appointed by the president of the senate and the speaker of the house of representatives.

11. Two members of the general public who are not regularly practicing property tax agents but who have significant knowledge or experience in the area of property taxes and property tax appeals, one each of whom are appointed by the president of the senate and the speaker of the house of representatives.

B. The chairpersons of the senate finance committee and the house of representatives ways and means committee shall serve as cochairpersons of the study committee. Members of the committee serve without compensation or reimbursement of expenses. The study committee may use staff support and meeting space provided by the legislature.

C. The study committee shall conduct meetings to identify and analyze all issues involving the property tax appeal process and submit legislative recommendations to the president of the senate and the speaker of the house of representatives no later than December 15 of each year.

D. This section is repealed from and after December 31, 2012.

Sec. 5. Emergency

This act is an emergency measure that is necessary to preserve the public peace, health or safety and is operative immediately as provided by law.

APPROVED BY THE GOVERNOR APRIL 16, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 19, 2010.