

Important Changes to that Impact the 2015 Property Notice of Valuation

The voters of Arizona passed Proposition 117 which affects property valuations for tax year 2015 and beyond. Proposition 117 limits the annual Limited Property Value (LPV) increase to 5%.

Market conditions may cause an increase in your Full Cash Value (FCV) but your LPV will be limited to an annual increase of no more than 5% as long as there have been no changes to your property. There is an exception to the new law. Any changes in your property, such as additions, remodels, or deletions, are not capped at a 5% LPV increase. The FCV is not the driving force behind your tax bill. If your property has not changed, filing a Petition for Review to reduce the FCV will not necessarily result in a reduction of taxes if the FCV is lowered. This is because, although the FCV could be reduced, the LPV upon which taxes are based cannot statutorily be reduced.

- The LPV is the sole value used to calculate both Primary AND Secondary Taxes.

Taxing jurisdictions (County, City Councils, School Districts, and other taxing districts) may make independent annual changes in their budgets. This means that as the needs of the community change, the tax rates may change. Taxing jurisdictions can still increase their levies to meet spending needs. The obligations of the jurisdictions are not tied to the assessments, but are determined by each jurisdiction independently. The purpose of the tax assessment is to allocate to each property a share of responsibility towards the total obligations of each taxing jurisdiction. Proposition 117 does not change statutory formulas used for calculating the amount of money that taxing jurisdictions can impose and collect.

Over the next few months, the taxing jurisdictions will be setting their budgets. Property owners are encouraged to let the elected officials responsible for setting tax rates, know of their concerns.

- A list of taxing jurisdictions is available from the Treasurer and can also be found on your last tax bill.

The Assessor lists, identifies, and values property which results in the Property Notice of Valuation. The Assessor does not set tax rates or collect property taxes.