



**DEBORAH HUGHES**  
**GILA COUNTY ASSESSOR**  
**1400 E ASH STREET**  
**GLOBE, AZ 85501**

**December 01, 2015**

Dear Sir or Madam,

This letter is to inform you of changes in the way tax bills are calculated, and how those changes can affect the property owners and taxpayers we serve.

In the November 2012 general election, Arizona voters approved an initiative commonly referred to as Proposition 117. Effective this year, and evident for the first time on tax bills recently mailed out by the Treasurer, Prop 117 changes how tax bills are calculated.

The Assessor's Office still determines every taxable parcel's Full Cash Value (FCV), while the Limited Property Value (LPV) is still calculated using a method prescribed by Statute. However, the LPV is now limited to a 5% increase per year on parcels that have not had a major change in the assessment. In cases where a change in the assessment had taken place (**addition to a building, new building constructed, Affidavit of Affixture, Affidavit of Unaffixture, a split or combination of parcels, etc.**), the LPV is not limited to a 5% increase, but will be re-calculated based on the LPV:FCV ratio of similar properties of the same use. Since all taxes are now based solely on the LPV, this can have a very dramatic effect on the property owner's tax bill. In short, the simple acts of construction, remodeling, affixing or unaffixing manufactured homes, altering the property boundaries, or combining or splitting a parcel can result in a significant increase in the tax bill, while the Assessor's Office follows the rules in Arizona Revised Statutes and the guidelines set up by the Arizona Department of Revenue.

It is the desire of the Gila County Assessor's Office to spread awareness to taxpayers of the potential ramifications a change in the assessment can have on their tax bill. Since the duties of your office sometimes initiate these changes, we ask that you make your clients aware of the possible increase in their tax liability. We have also included this information on our website: [http://www.gilacountyaz.gov/government/assessor/public\\_notices.php](http://www.gilacountyaz.gov/government/assessor/public_notices.php)

Respectfully,

DH/jgw

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