

# PROPERTY TAX OVERSIGHT COMMISSION

Arizona Department of Revenue Building



## Meeting Minutes

August 11, 2023

Virtually meeting held on Google Meets

Katie Hobbs  
Governor

Neeraj Deshpande  
Chairman

Jim Brodnax Member	Kevin McCarthy Member
Chris Kelling Member	Vacant Member

### **Members in Attendance:**

Neeraj Deshpande, Chairman  
Jim Brodnax, Member  
Kevin McCarthy, Member  
Chris Kelling, Member

### **Staff:**

Alexandra Kusen, PTOC  
Elaine Smith, PTOC  
Stephen Barney, DOR  
Erica Burian, DOR  
Jolene Christopherson, DOR  
Karen Jacobs, DOR  
Craig McKee, DOR  
Hsin Pai, DOR  
Adrienne Sloat, DOR

### **Guests:**

Timothy Hinton, Apache County  
Dennise Jones Apache County Assessor's Office  
Sarah Benatar, Coconino County  
Megan Coons, Coconino County  
Mindy Mohler, Coconino County  
Cecilia Schmidt Coconino County Assessor's Office  
Juan Frisby, Cochise County  
Maria Pitzlin Chief Deputy Treasurer Cochise County  
Jacqui Clay, Cochise County Superintendent  
Nikki Madden, Cochise County School Superintendent's Office  
Mark Barnes, County Supervisors Association  
Ginger Stevens, Flagstaff Unified School District  
Diane Berube, Greenlee County  
Cindy Goelz, Maricopa County  
Vicki Hanson, Maricopa County  
Bridget Harper, Maricopa County  
Robert Harwood, Maricopa County  
Claudia Ramirez, Maricopa County  
Phil Van Kley, Maricopa County  
Heather Mock, Maricopa County School Superintendent's Office  
Luke G. Mournian, Mohave County  
Mike File, Mohave County Superintendent

Craig McKee, Mohave County School Superintendent's Office  
Chris Ackerley, Pima County  
Anthony Batchelder, Pima County  
Angelica Armenta, Pinal County  
Damon Borg, Pinal County  
Kelli Munroe, Pinal County  
Chris Young, Santa Cruz County  
Blake Brei, Stifel  
Ken Cherevka, Stifel  
Jillian Johnson, Stifel  
Randie Stein Stifel  
Martin Brennan, Yavapai County  
Ken Burrell, Yavapai County  
Chip Davis, Yavapai County  
Lucy Frank, Yavapai County  
Judy Helms, Yavapai County  
Heather McRae, Yavapai County  
Renee Raskin, Yavapai County  
Sharlett Smith, Yavapai County Assessor's Office  
Elizabeth Valenzuela, Yuma County School Superintendent's Office

**1. Call to Order**

Chairman Deshpande called the meeting to order at 10:05 a.m. and asked Commission members and staff to state their names for the record.

**2. Approval of Minutes**

No additions or deletions were recommended for the minutes of the meeting on April 28, 2023. Mr. Brodnax made a motion to approve the minutes as distributed and it was seconded by Mr. McCarthy. The motion passed unanimously.

**3. Consideration of Proposal Made by Legislative Leadership, re A.R.S. § 15-992(F)**

The Chairman introduced this Agenda item by explaining what the Legislative leaders were asking the Commission to consider.

He also made the statement that we understand that there are many questions from the property tax professionals at the various counties regarding how to properly administer this new tax. He provided that the Commission has been assured that the Department of Revenue will be issuing guidance to address these questions once the items on today's agenda have been addressed.

Mr. Kelling made a motion to accept the Legislative recommendation that Type 3 districts should levy for grades nine through twelve an amount equal to the lesser of the applicable QTR in A.R.S. § 15-971 or the amount calculated in § 15-992(F), depositing the amount as directed in § 15-992(F) and it was seconded by Mr. McCarthy.

The Chairman asked the Commission members for discussion on the motion. Mr. McCarthy responded that he supports the recommendation; that the Commission has acted in a clarifying role in the past; and that he considers the motion to be an elegant solution to provide a bridge until the Legislature can provide clarification. Mr. Brodnax offered support to the proposal as well.

The Chairman asked for a roll call vote. Each Commission member individually voted in the affirmative and the motion passed unanimously.

#### **4. Type 03 County Aid for Districts with a Frozen Tax Rate**

The Chairman introduced the next agenda item, which was consideration of a question regarding the treatment of Type 3 county aid for districts with a frozen tax rate. The question was: should the new tax generated by A.R.S. § 15-992(F) be counted as part of the overall maximum (frozen) rate directed by the Commission in December 2022, per A.R.S. § 42-17151(C)?

Staff presented material showing that in December 2022, the Commission determined that 16 districts would have frozen rates for Tax Year 2023. Of those 16 districts, 8 were Type 3.

When staff evaluates the tax rates set for those districts at the next two meetings, they would like to know how to treat the new tax generated by A.R.S. § 15-992(F).

After receiving questions about the proposal, at 10:22 a.m., the Chairman asked for a 15-minute recess to discuss the proposal with staff.

Following the recess, at 10:37 a.m., the Chairman suggested that more time may be needed to adequately consider this matter, possibly postponing a vote until the Commission's next meeting on Monday, August 14, 2023, or a subsequent meeting, such as the Commission's September meeting.

Mr. McCarthy suggested that the issue is somewhat urgent and cannot wait until the Commission's September meeting, and that the meeting on Monday, August 14, 2023, should be workable.

The Chairman asked for a motion on postponing a vote until Monday, August 14, 2023. Mr. McCarthy made the motion. Mr. Kelling seconded the motion. The motion passed unanimously.

#### **5. Adjournment**

With all agenda items for the meeting complete, the Chairman asked if there was a motion to adjourn. Mr. Kelling made a motion to adjourn and it was seconded by Mr. Brodnax. The motion passed unanimously. The meeting adjourned at 10:41 a.m.