

# The Appeals Process



## Appeals Process for Real Property

Property listed on the real property tax roll is valued as of January 1 of the calendar year preceding the year in which taxes are levied. Appeals at all levels are then initiated during the valuation year and prior to the tax year. There is a provision for the Assessor to change assessments on or before September 30 of the valuation year for the following situations, wherein the property change occurred after September 30 of the year preceding the valuation year and before October 1 of the valuation year:

1. New construction of, additions to, or deletion of improvements.
2. Splits or consolidations of assessment parcels.
3. Changes in property use.

Real property owners are notified of changes in the value or classification of property through a “Notice of Value” form sent by the County Assessor. Those notices are mailed before March 1 of the valuation year, with the exception of the Notice of Change, which is mailed on or before September 30. The values reported on both notices are to be used for the following tax year. With the exception of Legal Class 3 residential property and rented single-family residential property in Legal Class 4, the notices must list the value of land and improvements separately, but any appeals must be based on the total value of the property (the “unitary value” concept), not the separate components.

Property owners dissatisfied with the value or classification of their property by the County Assessor may appeal by following a strict appeals procedure and timetable. There are two levels of administrative appeal and a judicial appeal process available. Administrative appeals include those petitions filed with the Assessor or the appropriate Board of Equalization. The term “judicial appeal” applies to those appeals that are filed with the Court. The real property assessment and appeal schedules are summarized in Tables 1 and 2 on the following pages. Following those tables is more discussion of the appeals process.

## **Appeals Process for Personal Property**

Personal property follows a different valuation and administrative appeals schedule than does real property. That process has recently undergone significant changes, which became effective January 1, 2001. Refer to Chapter 8 of the Department's current Personal Property Manual for a complete discussion of the personal property appeal process.

The main concepts involved in the recent changes concern eliminating separate "secured" and "unsecured" personal property tax rolls, the creation of a new personal property tax roll, the temporary creation of a transitional "phase-in" period over tax years 2001, 2002 and 2003 to list personal property now on the unsecured rolls onto the new tax roll, and resultant adjustments to the appeals and the assessment and collection error correction procedures.

During this transition period, the Assessors are allowed to list, in stages, all property now listed on the unsecured tax rolls onto the new tax roll. The new personal property tax roll has an appeals calendar (see table 4.1.3) that differs from the appeals process for real property that is described in detail in this chapter. This transition is to be completed (i.e., all personal property is to be listed on the new tax roll) beginning with the 2004 tax year. All property listed on the personal property tax roll will be subject to the provisions of the appeals process pursuant to Title 42, Chapter 16, Articles 2, 3, 4 or 5, or Chapter 19, Article 2, as well as to the assessment and collection error correction process pursuant to Title 42, Chapter 16, Article 6.

**TABLE 4.1.1**  
**REAL PROPERTY ASSESSMENT APPEALS CALENDAR**

EVENT	SCHEDULE
Notice of Value mailed by Assessor for the subsequent tax year.	Before March 1 of the valuation year.*
Owner may file an appeal with Assessor. <b>or</b> Owner may file an appeal with the Court.	Within 60 days of date of mailing of notice.  On or before Dec. 15 of valuation year.*
If, <b>on or before</b> June 15, Assessor rejects petition because it fails to include substantial information, Owner may file an amended petition with the Assessor.	Within 15 days of mailing of rejection.
If, <b>after</b> June 15, Assessor mails a rejection of Owner's Petition, Owner may file an appeal with the County or the State Board of Equalization, whichever is applicable.	Within 15 days of mailing of rejection.
At Petitioner's written request, Assessor shall meet with the Petitioner.	Meeting date is set by Assessor at least ten working days in advance.
Assessor shall consider and rule on each petition.	On or before August 15 of valuation year.*
Owner may file an appeal with the County Board of Equalization or the State Board, whichever is applicable. <b>or</b> Owner may file an appeal with the Court.	Within 25 days of the date of mailing of the Assessor's decision.  Within 60 days of the date of mailing of Assessor's decision.
County Board of Equalization shall render a decision on the petition.	Within 10 days after hearing, but not later than October 15 of valuation year.*
State Board of Equalization shall complete all hearings and issue all decisions on all petitions.	No later than October 15 of the valuation year.*
Owner may file appeal with the Court.	Within 60 days of the date of mailing of the County Board decision, <b>or</b> within 60 days of the date of the State Board's written decision.

\* The "valuation year," for real property on the tax roll, is the calendar year preceding the year in which the taxes are levied. A.R.S. [42-11001\(18\)](#).

**TABLE 4.1.2**  
**REAL PROPERTY ASSESSMENT APPEALS CALENDAR FOR ASSESSMENT**  
**CHANGES OCCURRING BEFORE OCTOBER 1 OF THE VALUATION YEAR \*\***  
**(“September 30 Notice of Change”)**

EVENT	SCHEDULE
Assessor notifies Property Owner of a change in assessment for the subsequent tax year.	On or before September 30 of valuation year.**
Owner may file a petition with the County Board of Equalization or the State Board of Equalization, whichever is applicable.	Within 25 Days after date of Assessor’s notice.
County Board of Equalization or the State Board of Equalization is to complete all hearings and decide appeals on changed assessments.	On or before the third Friday in November of the valuation year.*
Owner may file an appeal with the Court on changed assessment.	Within 60 days of the date of mailing of the County Board decision, <b>or</b> within 60 days of the date of the State Board’s written decision.
A new Owner may file an appeal with the Court if the former Owner did not appeal.	On or before December 15 of the year in which the taxes are levied.

\* The “valuation year,” for real property on the tax roll, is the calendar year preceding the year in which the taxes are levied. A.R.S. [42-11001\(18\)](#).

\*\* For new construction, additions to, deletions from or splits or consolidations of assessment parcels, and changes in property use that occurred after September 30 of the preceding year and before October 1 of the valuation year. A.R.S. [42-15105](#).



## Representation in Administrative Appeals

Property owners may represent themselves in administrative appeals. However, in all administrative appeals a person who owns, controls or possesses property may designate an agent to act on their behalf on any matter relating to the review of the property valuation or classification. Such agents may act on behalf of the owner before the Assessor, the County Board of Equalization or the State Board of Equalization. Designation of the property tax agent must be made annually, in writing, to the County Assessor by the person on a form prescribed by the Department and shall expire at the end of the calendar year.

This designation is made by completion of the “Agency Authorization Form” (DOR Form [82130AA](#)) which must accompany all petitions filed with the Assessor, County Boards of Equalization and the State Board of Equalization. Thereafter, notices relating to the review of the valuation or classification of that property issued by the Assessor, or by either the County or State Board of Equalization shall be sent to that agent. A.R.S. [42-16001](#).

The agent may be an individual, or an employee of an entity designated as a property tax agent. All property tax agents must register annually with the State Board of Appraisal and are subject to a code of conduct prescribed by statute. The definition of property tax agent does not include an attorney admitted to practice law in Arizona, an employee of the person owning, controlling or possessing the property, or the employee of an entity designated as a property tax agent wherein that employee is performing a secretarial, clerical or administrative support function. A.R.S. [32-3651](#) through A.R.S. [32-3655](#).

## Administrative Appeals for Real Property

**County Assessor (Level 1).** The administrative appeal process has two levels; the Assessor (Level 1) and a Board of Equalization (Level 2). All administrative appeals must be commenced by filing a petition for review of valuation or classification with the County Assessor of the county in which the subject property is located. See the

following sections on “County Board of Equalization (Level 2)” and “State Board of Equalization (Level 2)” for a discussion of the second level of administrative appeal. Pursuant to A.R.S. [42-16056\(D\)](#), no appeal may be presented to a County Board of Equalization or to the State Board of Equalization without first having been filed with the Assessor. For all properties other than single-family residential properties, “Petition for Review of Valuation of Real Property” (DOR Form [82130](#)) is the form needed to file an appeal. When filing this petition form the petitioner should also obtain a copy of the instruction sheet. To file appeals for single-family residential properties, use “Residential Petition for Review” (DOR Form [82130R](#)). This form contains the necessary filing instructions. If the petitioner is appealing the valuation of multiple parcels which are part of an economic unit, a “Multiple Parcel Appeal Form” (DOR Form [82131](#)) must be included with the petition. If the petitioner is being represented by an agent, an “Agency Authorization Form” (DOR Form [82130AA](#)) must accompany the petition. When appealing a valuation on the income approach, an income and expense statement (one of the DOR Form [82300](#) series) appropriate for the property type must be filed with the petition. All of these forms may be obtained from the County Assessor.

A petition must be filed within sixty days after the date the Assessor mailed the Notice of Value. The petitioner is to provide the owner’s opinion of the full cash value of the property and substantial information justifying the opinion of value. A.R.S. [42-16051\(D\)](#). At the petitioner’s written request, the Assessor shall meet with the petitioner at a time and place designated at least ten working days in advance by the Assessor. If the petitioner cannot appear and meet with the Assessor at the time and place set by the Assessor, the petitioner may submit written evidence to support the petition, if the evidence is submitted before the date of the meeting. A.R.S. [42-16054\(B\)](#). If the Assessor grants the requested relief, the petitioner may not appeal the ruling. If the petitioner and the Assessor reach an agreement within five business days after the conclusion of the meeting, both parties shall sign an agreement and both parties waive the right to further appeal. A.R.S. [42-16056\(B\)](#).

The Assessor may reject a petition because it fails to provide the substantial information required. If a petition filed with the Assessor is rejected on or before June 15, the

petitioner may file an amended petition with the Assessor within 15 days after the Assessor's notice of the rejection is mailed. If the notice of rejection is mailed after June 15, the petitioner may appeal within 15 days to the County Board or State Board of Equalization, whichever is applicable. A.R.S. [42-16053](#).

The County Assessor must rule on all petitions by August 15. If the petitioner's appeal is denied in whole or in part, the Assessor shall mail, on the date of the ruling, the grounds of the refusal along with a copy of the petition. A.R.S. [42-16055](#). Any petitioner whose request is denied may appeal to the County Board of Equalization or the State Board of Equalization; whichever is applicable, within twenty-five days. A.R.S. [42-16056](#). Or, the petitioner may file a judicial appeal with the Court within sixty days of the date of mailing of the Assessor's decision. A.R.S. [42-16201\(B\)](#).

Any decision of the Assessor considered to be erroneous by the Director may be appealed by the Director to the County Board of Equalization or State Board of Equalization, whichever is applicable. Such an appeal must be filed within twenty-five days after the Assessor's decision was mailed to the taxpayer and the Department. A.R.S. [42-16105\(B\)](#) and [42-16157\(B\)](#).

**County Board of Equalization (Level 2).** Pursuant to A.R.S. [42-16102](#), each county with a population of **less** than five hundred thousand persons by the most recent United States decennial census must utilize that county's Board of Equalization to hear the second level of administrative appeal. This Board consists of the County Board of Supervisors sitting as a County Board of Equalization to consider property valuation appeals. A County Board of Equalization may appoint hearing officers to hear the appeals. These hearing officers must meet qualifications for appointment stated in A.R.S. [42-16103](#). One or more members of the Board of Supervisors or a hearing officer may hold hearings. Also, a county's Board of Supervisors can contract with the State Board of Equalization to perform this review of filed petitions. A.R.S. [42-16102\(C\)](#). Pursuant to A.R.S. [42-16104\(B\)](#), the County Board shall mail a notice of each hearing to all parties at least fourteen days before the date of the hearing unless all parties waive the notice requirement. The Board of Supervisors then considers the

hearing officer's report when deciding the appeal. The County Board of Equalization must complete all hearings and issue all decisions within ten days of the hearing, and in any event not later than October 15 of the valuation year. A.R.S. [42-16108](#).

Any person dissatisfied with the valuation or classification of their property as fixed by the County Board of Equalization may file an appeal with the Court within sixty days of the County Board of Equalization's decision. The Assessor or the Department may appeal any reduction in valuation by the County Board of Equalization to the Court. A.R.S. [42-16202](#).

**State Board of Equalization (Level 2).** Each county with a population of **more** than five hundred thousand persons by the most recent United States decennial census (currently Maricopa and Pima) must use the State Board of Equalization for the second level of administrative appeal. The State Board of Equalization consists of five members appointed by the Board of Supervisors from each of those counties, three members appointed by the Governor from each of those counties, and an additional member designated by the Governor as a full-time Chairperson. These members of the Board must meet the qualifications for appointment stated in A.R.S. [42-16153](#). All hearings are heard in the county where the property involved is located. A.R.S. [42-16161](#).

Hearings involving properties in Legal Class 3 or any property valued at \$500,000 or less are heard by one member of the Board or a hearing officer, either of which has to be from the county where the property is located.

All other property appeals (for property not in Legal Class 3, or which is valued at more than \$500,000) are heard by a panel of either three or five members of this Board, of which at least two must be from the county in which the property is located, unless the Chairperson is sitting as a representative of that county. All hearing officers must also meet the same qualifications for appointment required of members of the State Board of Equalization. A.R.S. [42-16155](#). The Chairperson may sit on any case as a hearing officer representing any county. A.R.S. [42-16156](#).

Persons filing a petition with the Board must include a copy of the Assessor's original Notice of Value and a copy of the Assessor's written decision on the petition filed with the Assessor. If the Board maintains an electronic filing system, the party may transmit required information to the Board in a format compatible with the Board's filing system. The Board's transmitted receipt is then evidence of the electronic filing of the petition. A.R.S. [42-16161](#).

The State Board of Equalization must complete all hearings and issue all decisions before October 15 of the valuation year. Pursuant to A.R.S. [42-16164\(A\)](#), the Chairman of the State Board may review any decision to ensure due process to all parties. Any party, or the Department, who is dissatisfied with the final decision of the Board may appeal to the Court within sixty days of the date of the written notice of the decision. A.R.S. [42-16165](#) and [42-16203](#).

**Appealing a Change in Real Property Valuation by County Assessor (September 30 Notice of Change).** A modified administrative appeal process is utilized in cases where the owner wishes to appeal a real property value changed by the County Assessor in the case of new construction, additions to, or deletions from or splits or consolidations of assessment parcels, and changes in property use that occur after September 30 of the preceding year, and before October 1 of the valuation year. In this situation, the owner does not first file an administrative appeal with the County Assessor, but instead files directly with either the State Board or County Board of Equalization, as appropriate for the county's population. The real property owner must file such an appeal within 25 days after the date of the Assessor's notice of change. A.R.S. [42-15105](#). The County Board or the State Board of Equalization must then complete all hearings and issue all decisions with respect to the change in valuation on or before the third Friday in November of the valuation year. A.R.S. [42-16108](#) and [42-16165](#).

Any property owner who is dissatisfied with the final decision of the State Board or County Board of Equalization's decision may appeal to the Court within sixty days after the date of the decision. A new owner of property for which the former owner did not

appeal the change in valuation may have until December 15 of the year in which the taxes are levied to file a judicial appeal. A.R.S. [42-16205\(B\)](#).

## **Judicial Appeals for Real and Personal Property**

**Court Appeals.** Any person dissatisfied with the annual valuation or classification of their property as determined by the County Assessor may elect to not utilize the administrative appeal process and may appeal directly to the Court on or before December 15 of the valuation year. A.R.S. [42-16201\(A\)](#). Appeals to the Court may also be filed by any taxpayer dissatisfied with decisions of the County Assessor, the County Board of Equalization, or the State Board of Equalization regarding the taxpayer's petition. Any such judicial appeal must be filed within sixty days of the date of mailing of the most recent Assessor or County Board of Equalization's administrative decision, or within sixty days of the date of the State Board of Equalization's written decision. A.R.S. [42-16201](#) through [42-16203](#), inclusive.

All taxes levied and assessed against property on which an appeal has been filed with the Court shall be paid prior to the date the taxes become delinquent. If such taxes are not paid prior to becoming delinquent, the Court shall dismiss the appeal. A.R.S. [42-16210](#). The filing of an appeal with the Court shall suspend and render subject to dismissal any pending administrative proceeding filed by the taxpayer relating to any issue, which is or may be determined by the Court under a pending appeal. A.R.S. [42-16201\(C\)](#).

The Director of the Department may appeal to the Court any decision of any County Board of Equalization or the State Board of Equalization, which, in the Director's opinion, is considered erroneous. Such appeals must be filed on or before the final date a taxpayer may file an appeal from the valuation or classification of his property. A.R.S. [42-16206](#).

**Small Claims Procedures in Tax Court.** A taxpayer may elect to use simplified, small claims procedures in Tax Court in certain cases where the dispute concerns Legal Class

3 residential<sup>1</sup> properties, or in which the full cash value of real and personal property does not exceed three hundred thousand dollars. A.R.S. [12-172](#). Pursuant to A.R.S. [12-173\(C\)](#), a small claims procedure may be reclassified as a regular Court case by the judge or the commissioner if the requirements of A.R.S. [12-172](#) are not met.

A taxpayer elects to use small claims procedures by indicating in the caption of the complaint that the matter is a small claims procedure. The taxpayer may appear on their own behalf, or can be represented by an attorney licensed to practice in this state, or by any other person the Court allows to participate in the hearing. A.R.S. [12-172](#) and [12-174](#).

**Appeals on Classification as Historic Property.** Pursuant to A.R.S. [12-163\(B\)](#), any owner whose application for classification has been denied by the State Historic Preservation Officer may appeal to the Court. A.R.S. [42-12103\(E\)](#).

**Appeals of Court Judgments.** The judgment of the Court is final unless a notice of appeal is filed within thirty days after the entry of the judgment. A department of Division 1 of the Court of Appeals shall hear the appeal. A.R.S. [12-170](#). If small claims procedures were followed in Tax Court, there is no further appeal allowed. A.R.S. [12-174](#).

**Defense of Judicial Appeals.** Pursuant to A.R.S. [42-16208\(A\)](#), when filing an appeal with the Court, the appellant must name the defendant. The defendant is specified as follows:

1. With property valued and assessed by a county, the taxpayer appealing shall name the county as defendant. The county is responsible for representing all defendants named in the appeal unless, in the opinion of the Department, the appeal involves an issue of statewide importance, in which case the Department and the Attorney General's Office are responsible for defending the issue. The Department may periodically advise the county of issues that the Department

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<sup>1</sup> Excluding leased or rented residential property. This type of property should be placed in Legal Class 4.

considers of statewide importance. The county shall inform the Department if any of these issues arise at any time during an appeal.

2. In an appeal by the Department, the taxpayer shall be named as defendant.
3. In an appeal by a county or County Assessor, the taxpayer shall be named as defendant.

**Appealing State Board of Equalization Decisions on Equalization Orders.** Pursuant to A.R.S. [42-16208\(B\)](#), in appeals to the Court concerning decisions of the State Board of Equalization in issuing or reviewing equalization orders, the appellant shall name as defendants the following:

1. In an appeal by a taxpayer, both the Department and the county in which the property is located.
2. In an appeal by the Department, both the county in which the property is located and the taxpayer who appealed the equalization order to the State Board of Equalization.
3. In an appeal by the county or County Assessor, the taxpayer and the Department.

**Intervention in Judicial Appeals by Unnamed Parties.** The Department or the county in which the property is located has the right to intervene in any appeal in which it is not named a party, pursuant to Rule 24(a), Arizona Rules of Civil Procedure. A.R.S. [42-16208\(C\)](#).

## After an Appeal Decision

**Action to be taken for the Valuation Year Appealed.** When an appealed valuation or classification of a property has been determined by the Assessor, the County or State Board of Equalization during the valuation year, or a Court decision later changes valuation for the valuation year affected, the value and classification established at the highest level of appeal shall be entered on the tax roll.

**Valuation and Classification in the Year Subsequent to an Appeal.** For the valuation year subsequent to an appeal, the valuation or classification of property shall be the

valuation or classification that was determined in the prior valuation year at the highest level of appeal unless the Assessor reviews the current facts which apply to a revaluation or a change in the classification and determines that an adjustment in the valuation or a change in the classification is appropriate. This action does not limit the right of a property owner to appeal the valuation or classification of his property. A.R.S. [42-16002\(B\) and \(C\)](#).

**Department Appeals a Board of Equalization Decision to the Court or a Decision of the Court to the Court of Appeals or Supreme Court.** When a decision of the County or State Board of Equalization is in conflict with the procedures or guidelines established by the Department for the valuation or classification of property, the Department may appeal the Board's decision to the Court. In this situation, the Assessor will comply with the Board's decision and enter the valuation or classification on the tax roll for the valuation year affected. However, in preparing the property tax roll for years subsequent to the year(s) determined by the Board, the Assessor shall continue to follow the procedures prescribed in the Department's manuals and guidelines until the appeals process through the courts has been completed. This requirement avoids the inequity in assessment that would result among property owners of a similar class or type of property based on whether the property owner had or had not previously appealed the valuation or classification of their property to a Board of Equalization or Court.