

UNDERSTANDING THE ARIZONA PROPERTY TAX SYSTEM

Included in this mail out is the 2011 Notice of Value (NOV) for your property. The NOV contains both the Full Cash Value and the Limited Property Value. These values will be used to calculate your property tax bill that you will receive in October 2011.

The 2011 Notice of Value is your opportunity to review your value and appeal it if you believe the value of your property to be incorrect. Appeal forms are available at the Assessor's Office or they may be downloaded from the Assessor's Website address located at the bottom of this letter. To appeal the 2011 value, you will need to complete an appeal form and submit at least one comparable property along with the appeal form. Once an appeal is filed, an onsite inspection of your property will be made by a Yavapai County Appraiser. Any changes made to your property will be noted and your value will be adjusted accordingly. Note: If any changes are made to your property, it may cause the Full Cash Value to increase. The appeal deadline for the 2011 Notice of Value is April 2, 2010.

In January of each year the total values of all properties are certified to each taxing authority. These values are then used by the taxing authority to prepare their budget for the upcoming tax year. The budget amount determined by each taxing authority will then be used to determine the tax rate for each authority. The tax bills that you will receive in October 2010 will be calculated based on these tax rates. Note: You can no longer appeal the value placed on your property for the 2010 tax year. The actual tax bills can not be appealed.

The Property Tax system relies on two figures to generate an actual tax:

1.) Property Valuation: Assessor's have a constitutional obligation to set valuations for each taxable property based on market information. The Assessor does not create the value, the value is created by the decisions people make in the market place and statutory guidelines. The Assessor simply sets the value by using sales/market data, costs, and income (on commercial properties only).

2.) Tax Rate: Is set by individual Taxing Authority's aka Jurisdictions (Schools, County, Cities/Town, College, Fire, etc...). The Jurisdiction(s) each taxpayer contributes to are located in the middle section of your tax bill along with a breakdown of the actual tax dollars those jurisdiction(s) will collect from your bill.

There is a common perception that if your valuation increases or decreases that your tax amount will follow; that is a false perception. Valuations are determined according to State Statute calculations for the Limited Property Value and by the buyers and sellers in the market place for the Full Cash Value. Each taxing jurisdiction sets their tax rates against the values noticed by the Assessor's Office. For example if a jurisdiction sets their budget at \$1,000,000, they will receive that amount of money regardless of whether the Assessor's values increase or decrease.

TAX AMOUNTS ARE DERIVED FROM THE BUDGETS OF EACH TAXING JURISDICTION. IN ORDER TO CONTROL TAX AMOUNTS, YOU MUST FIRST LOOK AT THE BUDGET BEING SET BY THE INDIVIDUAL TAXING AUTHORITY IN YOUR AREA.

The fiscal year for your local government begins July 1st of each year. Jurisdictions will publish a notice of their budget meeting in your local newspaper. By attending these budget meetings, you will be able to give your input when appropriate and stay informed at how your tax dollars are being used. I also encourage you visit the website of the Arizona Tax Research Association (ATRA) <http://www.arizonatax.org/>, which is a taxpayer watch dog organization, for further information.

Simply put - The amount of tax increases or decreases in a tax bill are determined by the increase or decrease in jurisdictional budgets and/or their tax rate, not the increase or decrease in the property valuation. The valuation is only used to determine how the budget will be proportioned to the taxpayers.

For questions, please feel free to contact my office at 928/771-3220 in Prescott or in Cottonwood at 928/639-8121. You may also visit our website at www.co.yavapai.az.us/Assessor.aspx for further information on Assessor Valuation and to access the on-line appeal form.

Pamela J. Pearsall,
Yavapai County Assessor