

# Arizona Property Taxation

All property in Arizona is subject to property taxation, unless specifically exempted under the laws of the United States or under the provisions of the Arizona Constitution and related statutes.

Property tax revenue pays for the basic maintenance and operation of each county, city, town, and school district (primary taxes). It also satisfies the bonded debt of these local jurisdictions, special district taxes, and voter-approved overrides of statutory tax limits (secondary taxes).

This publication provides a brief overview of the taxation of property that is assessed by the County Assessor. This publication does not address the taxation of property that is assessed by the Department of Revenue.

For additional information regarding the content herein, refer to [Overview of the Arizona Property Tax System](#).

## Role of the County Assessor

The County Assessor is responsible for identifying, classifying, valuing, and assessing all property in the county in accordance with state law. In performing these duties, the County Assessor endeavors to ensure that all property subject to taxation is valued and assessed equitably and fairly, so that each taxpayer is treated equally and is subject only to their fair portion of the property tax.

## Classification of Property

Classification of most property is based upon the current use of the property. However, in some instances property is classified based upon a unique qualifying status, such as historic property or partially completed property.

Property is classified for assessment purposes into nine classes. The property classes are established in order to assign a common assessment percentage to each class.

Common Property Classes and Assessment Ratios		
Class	Description	Ratio
1	Commercial	0.175
2	Agricultural, Nonprofit, Other	0.150
3	Primary Residential	0.100
4.1	Non Primary Residential	0.100
4.2	Residential Rental	0.100

For additional information, refer to the publication entitled [Property Classification](#).

## Valuation of Property

There are two values applicable to property in Arizona, *full cash value* and *limited property value*. Full cash value is synonymous with market value in most cases (unless state law mandates a particular valuation formula, such as with agricultural property). This means that full cash value fluctuates with the market from year to year. In contrast, limited property value is restrained by law, in that it can never exceed full cash value and can only increase by up to five percent over the prior year (unless there are certain physical changes, changes in use, or an erroneous assessment). These limitations on property value establish a hedge against inflationary increases.

Real property, as well as manufactured housing and mobile homes (which are usually personal property), are taxed based upon limited property value, while business personal property is taxed based upon full cash value.

## Assessment of Property

Real property is valued and assessed (the valuation year) a year before it is taxed (the tax year), while personal property is valued and assessed in the same year.

The net assessed value of property is the value upon which property taxes are based. First, the assessed value is determined by applying the appropriate assessment ratio to the full cash value or to the limited property value, as applicable. Then, the net assessed value is calculated by subtracting any applicable exemptions from the assessed value.

Each year, property owners are informed of the classification and the net assessed value of their property on the Notice of Value.

## Notice of Value

The Notice of Value for real property is sent to the property owner by the County Assessor on any date from January 1 to the last day of February of the valuation year. The Notice of Value for personal property is sent to the property owner by the County Assessor on any date from April 2 to August 30 each year.

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## Classification and Valuation Appeals

A property owner who is dissatisfied with the classification or valuation of property on the Notice of Value may file either an administrative or a judicial appeal.

For more information regarding administrative or judicial appeals, refer to [Property Tax Appeals](#).

**Administrative Appeals.** Real property appeals must be filed with the County Assessor within 60 days of the mailing date of the Notice of Value, using Form [82130](#). Personal property appeals must be filed with the County Assessor within 30 days after the date the Notice of Value was mailed, using Form [82530](#).

The County Assessor must rule on all real property appeals by August 15 each year and on all personal property appeals within 20 days after the filing date.

If the County Assessor denies all or part of an administrative appeal, the petitioner may file a second-level appeal with the Board of Equalization. The second-level appeal must be filed within 25 days after the County Assessor mailed the notice of decision for real property, or within 20 days after the date of the County Assessor mailed the notice of decision for personal property.

**Judicial Appeals.** A property owner who is dissatisfied with the classification or valuation of property on the Notice of Value may choose to file a judicial appeal at any time on or before December 15, rather than file an administrative appeal.

Alternatively, if a property owner first chooses to file an administrative appeal and is dissatisfied with the decision of the County Assessor or Board of Equalization, the property owner may file a judicial appeal within 60 days after the mailing date of the most recent administrative decision. Additional deadlines may apply.

## Property Tax Levy and Rate

The property tax levy is the total amount of money that must be raised through property taxation to satisfy the budget or obligation of a taxing jurisdiction.

The property tax rate is the rate that is applied to the total net assessed value of all taxable property within a

taxing jurisdiction in order to satisfy the required property tax levy.

Two property tax rates are set to satisfy different obligations. Primary rates are set to pay for the basic maintenance and operation of government entities, such as counties, cities, towns, and school districts. Secondary rates are set to pay for bonded debt, special district taxes, and property tax overrides.

## Calculation of Property Taxes

The property tax rates determined by each taxing jurisdiction are applied to the assessment roll prepared by the County Assessor to compute the total taxes for each property tax parcel or account. The resulting document constitutes the property tax roll for the year, which is used to generate each property tax bill.

## Property Tax Bill

The County Treasurer is responsible for billing and collecting all property taxes and for distributing the collected funds to the various taxing jurisdictions.

Property taxes are usually billed in two installments. The first half of property taxes are due on October 1 of the tax year and become delinquent after November 1. The second half of property taxes are due on the following March 1, and become delinquent after May 1. However, if the total amount of property taxes due is \$100 or less, the full amount must be paid in a single installment by November 1.

Regardless of the amount of property tax that is due, a taxpayer has the option of paying the full amount by December 31, and interest will not be collected for failure to pay the first installment by October 1.

Property taxes can be paid electronically or by mail to the County Treasurer of the county in which the property is located. If a property is mortgaged, the property taxes are typically paid by the mortgage holder.

## Correction of Property Tax Errors

If a taxpayer believes their property has been assessed improperly due to a property tax error, the taxpayer can petition to correct the property tax error. The petition must be filed in person or by certified mail with the County Assessor if the alleged error pertains to the classification or valuation of property, or with the County

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Board of Supervisors if the alleged error pertains to the imposition of a tax rate.

Examples of property tax errors include applying an erroneous assessment ratio, imposing an improper tax rate, incorrectly identifying property use, and valuing a property based upon misentered data.

For additional information regarding the correction of property tax errors, refer to the publication entitled [Correction of Property Tax Errors](#).

## Property Valuation and Tax Relief Programs

Several property valuation and property tax relief programs are established in the Arizona Constitution and related statutes.

For additional information, refer to *Arizona Property Tax Exemptions* and [Property Tax Exemptions](#).

**Additional State Aid for Education Program.** Under the Additional State Aid for Education program, a percentage of school district taxes levied on owner-occupied residential property is rebated to the property owner. This rebate is automatic and is reflected on the property tax bill as a separate line item. The total of all rebates provided to property owners is reimbursed by the state to the relevant school districts.

Furthermore, under this program, if the sum of the primary property taxes for an owner-occupied residence exceeds the constitutional limit of one percent, the state pays an additional portion of the school district taxes so the total tax bill does not exceed the one percent cap.

**Elderly Assistance Fund.** The Elderly Assistance Fund currently operates only in Maricopa County. This fund reduces the primary school district taxes for individuals who live in an organized school district and who apply and are approved for the “Senior Freeze” program.

This program is administered by the County Treasurer, who annually determines the balance of the Elderly Assistance Fund and applies these funds proportionately to reduce the primary school district taxes of all qualified individuals.

**Disability Program.** This program provides a property tax exemption (typically only partial) for property owned by Arizona residents who are persons with a disability. Qualification for this exemption is subject to certain limitations, such as an assessed property value

maximum and a household income limit. The program is facilitated by the County Assessor of the county in which the property is located.

**Residential Property Tax Deferral Program.** The Residential Property Tax Deferral program allows qualified taxpayers to defer payment of their property taxes for one taxable year, subject to numerous requirements and limitations. This deferral does not constitute a property tax exemption, but only delays the payment of property taxes.

**Senior Citizen Program.** The “Senior Freeze” program, officially known as the Property Valuation Protection Option, allows taxpayers who are qualified by age and income to have the valuation of their primary residence fixed (i.e., “frozen”) for a renewable period of three years. This program is facilitated by the County Assessor of the county in which the property is located and must be applied for using Form [82104](#).

**Widow or Widower Program.** This program provides a property tax exemption (typically only partial) for property owned by Arizona residents who are widows or widowers. Qualification for this exemption is subject to certain limitations, such as an assessed property value maximum and a household income limit. The program is facilitated by the County Assessor of the county in which the property is located.

## Additional Information

The information provided herein is introductory only and is not meant to address the inherent complexity of the topics covered. In addition, due to flexibility provided for in statute, the deadlines, procedures, and requirements set forth herein may vary from county to county.

The Department of Revenue recommends contacting a property tax professional and the [County Assessor](#) of the county in which your property is located for more detailed information regarding these topics.