



MEMORANDUM

Date: February 27, 2015

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: ***Arizona Daily Star* Report Regarding the Pima County Assessor's Mailing of Tax Year 2016 Notices of Value**

The February 27, 2015 edition of the *Arizona Daily Star* contains the attached article noting the Pima County Assessor will begin mailing the Tax Year 2016 Notices of Value to property owners in the County.

The valuations contained in the Notice of Values are those that will be used to develop the property tax statements to be sent to property owners in September 2016 for Fiscal Year (FY) 2016/17 adjusted for any successful appeals. These values will not impact the FY 2015/16 County budget currently in development; those valuations were sent to property owners at approximately this same time last year.

Each year, the Assessor is required to determine the Full Cash or Market Value of each property in the County and notify the property owner. Each property owner then has 60 days to appeal this value. The deadline for appealing Tax Year 2016 Full Cash Values is April 28, 2015.

At first glance, it could appear property taxes will increase proportionately to value increases. However, in 2012, Arizona voters passed Proposition 117, which amended Article IX of the Arizona Constitution related to property taxes. This amendment established that beginning in Tax Year 2015, a property's Limited Value would become the basis for determining both primary and secondary property taxes. The Limited Value is a statutorily set amount. In most cases, the Limited Value can only increase by up to five percent above the prior year's Limited Value.

Increases in residential property values noted in the article between Tax Year 2015 and Tax Year 2016 are median values for various market areas in the County. The second attachment shows the changes for each market area. These changes range from no increase to a 20 percent increase.

The newspaper article shows that residential property values in the "Central Business District" will increase 20 percent in Tax Year 2016. However, as long as the individual property tax rates are unchanged, actual property taxes will not increase by that

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percentage due to the implementation of Proposition 117. The taxable value can only increase up to five percent above the prior year's Limited Value. Thus, large increases in Full Cash Values in some market areas within the County will not necessarily translate to comparable increases in actual property taxes.

The final attachment shows the residential valuation to taxation timeline developed by the Assessor for Tax Year 2016.

CHH/mjk

Attachments

c: Tom Burke, Director, Finance and Risk Management
Robert W. Johnson, Budget Manager, Finance and Risk Management

Downtown Tucson leading increase in 2016 property valuations



20 HOURS AGO • BY [PATRICK MCNAMARA](#)

The Pima County Assessor's Office plans to begin mailing 2016 property valuation notices Friday.

Residential property owners in all but one of the county's 22 economic districts will see increased property valuations.

"Residential seemed to lead on the way down and it seems to be leading on the way up," Pima County Assessor Bill Staples said of the rising values.

The largest valuation increase occurred in the central business district, an area that includes downtown Tucson and surrounding areas. Median valuations increased in that region by 20 percent.

The Flowing Wells area will realize the second-largest median increase at 13 percent. That district includes areas south of River Road from Campbell Avenue west to Silverbell Road west of Interstate 10. The district extends south to about Speedway.

Only the southern Avra Valley area saw no valuation increase. That region stretches west of Kinney Road past Three Points, and north of Ajo Way to about Mile Wide Road.

Staples said land and commercial valuations remained basically flat.

Property owners interested in appealing their valuation have until April 28 to file.

To learn about the appeals process or to download forms, go to the assessor's website at www.asr.pima.gov, call 724-8630 or come to the Assessor's Office at 115 N. Church Ave.

The assessor's website notes an appeal is intended to prove a property has been valued incorrectly or listed in the wrong property class. Appeals are not intended to dispute tax rates.

Pima County Single Family Residential 2016 Valuation Statistics By Economic District

Economic Districts are a grouping of neighborhoods that have similar economic forces or geographic location. Pima County has 22 such areas.



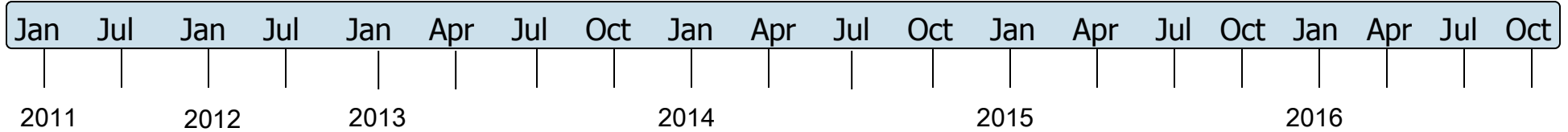
Pima County Assessor's Office
520-724-8630

Area	District
1	Southern ~ Avra Valley
2	Marana ~ Avra Valley
3	Tortolita Foothills
4	Oro Valley ~ Catalina
5	Near Northwest
6	Catalina Foothills
7	NorthFast
8	Far East
9	North Central
10	Flowing Wells
11	North Tucson Mountain Foothills
12	South Tucson Mountain Foothills
13	University
14	South Central
15	Near East
16	South Tucson ~ Airport
17	Midvale ~ Drexel Heights
18	Green Valley ~ Altar Valley
19	Vail
20	Santa Rita Foothills
30	Central Business
40	Ajo

District	Median Time-Adj Sale	Median % Change
1	\$187,003	0%
2	\$155,767	8%
3	\$224,560	7%
4	\$269,973	3%
5	\$191,674	9%
6	\$416,500	3%
7	\$275,000	9%
8	\$179,884	10%
9	\$171,400	9%
10	\$122,990	13%
11	\$219,749	10%

District	Median Time-Adj Sale	Median % Change
12	\$185,000	7%
13	\$232,032	5%
14	\$139,995	9%
15	\$133,655	6%
16	\$101,470	12%
17	\$139,912	12%
18	\$175,241	4%
19	\$212,339	8%
20	\$198,172	6%
30	\$212,255	20%
40	\$82,571	12%

2016 Residential Valuation to Taxation Timeline



Jan 2011—Dec 2014
Time-Adjusted Sales used for 2016 Valuation

Jan 2013—Jun 2014
Time-Adjusted Sales
Used for Dept. Of Revenue Study

February 27th, 2015
2016 Notice of Value

Sep 2015
2016 Notice of Change Mailed

Nov 2015
2016 Appeals Finalized

Dec 2015
2016 Tax Roll Certified

August 2016
2016 Tax Rates Adopted

September 2016
2016 Tax Bills Mailed

This tax bill reflects the value of the property as of **January 1st, 2015** using time-adj sales from *Jan 2011* thru *Dec 2014*

