



**NOTICE: A PENALTY HAS BEEN ASSESSED ON YOUR PROPERTY BY THE STATE OF ARIZONA**

A recent change to Arizona law requires the county to identify residential properties that are incorrectly listed on the tax roll as being occupied by the owner as their primary residence or not rented to a family member. A copy of the laws are on the back of this letter.

Earlier you were notified that your Maricopa County property was identified as not your primary residence or rented to a family member and you were given two opportunities to respond. Since the county didn't receive a response from you, your property has been reclassified as your non-primary residence. This reclassification has resulted in a civil penalty in the amount shown on your 2016 tax bill and constitutes a lien on the property until all of the 2016 taxes are paid.

The penalty is included in the two separate payments shown on the enclosed tax bill. The first payment will become delinquent on November 1, 2016 and the second payment on May 1, 2017. If your property taxes are paid by your mortgage company there will be an Information Statement enclosed instead of a tax bill. The tax bill was sent to your mortgage or escrow company and the company name is shown on the Information Statement. You can monitor your tax account at: [www.treasurer.maricopa.gov](http://www.treasurer.maricopa.gov)

You may use the enclosed form to file an appeal with the Maricopa County Board of Supervisors within 30 days of this notice if you feel that your property meets the qualifications listed in the appeals form. You can get more information by calling 602-506-8511 or visit the Clerk of the Board's Website at: [http://www.maricopa.gov/clk\\_board/PropertyClassificationAppeals.aspx](http://www.maricopa.gov/clk_board/PropertyClassificationAppeals.aspx)

If you miss the 30 day deadline for filing an appeal directly with the Board of Supervisors you can file a Notice of Claim with the County Assessor. You can download a Department of Revenue Notice of Claim form #82179B at: <http://www.azdor.gov/Forms/Property.aspx>

Please keep in mind that this penalty assessment is the result of a change made to Arizona law by the State Legislature and it directs the counties to take the actions described above.

Regards,

Charles "Hos" Hoskins  
Maricopa County Treasurer

## ARIZONA LAW ESTABLISHING THE CRITERIA FOR PRIMARY RESIDENCE

### 42-12052. Review and verification of class three property; civil penalty; appeals

A. Each county assessor shall review assessment information, on a continuing basis, to ensure proper classification of residential dwellings. The assessor may enter into intergovernmental agreements with the department for an exchange of information to ensure a coordinated and comprehensive review and identification of property that may be rented while classified as class three pursuant to section 42-12003.

B. If the assessor has reason to believe that a parcel of property that is classified as class three pursuant to section 42-12003 is not used as the owner's primary residence or as a qualifying family member residence pursuant to section 42-12053, the assessor shall notify the owner, in a form prescribed by the department as provided by subsection D of this section, and request that the owner respond as to whether the property meets the requirements of section 42-12003 or 42-12053, is a secondary residence or is used as a rental property. If the owner fails to respond to the assessor within thirty days after the notice is mailed, the assessor shall mail the owner a final notice within thirty days requesting that the owner provide information as to whether or not the property meets the requirements of a primary residence, a secondary residence or is used as a rental property. If the owner fails to respond to the assessor within fifteen days after the final notice is mailed, the assessor shall:

1. Reclassify the property as class four. In addition to other appeal procedures provided by law, the owner of the property that is reclassified as class four under this paragraph may appeal the reclassification to the county board of supervisors within thirty days after the notice of classification is mailed. If the owner proves to the board's satisfaction that the property is occupied as the owner's primary residence, the board shall order the property to be reclassified as class three property pursuant to section 42-12003.

2. Notify the county treasurer who shall assess a civil penalty against the property equal to the amount of additional state aid paid pursuant to section 15-972 with respect to the property in the preceding tax year. The civil penalty shall not be assessed if the ownership of the property has changed after notification. The owner of the property shall pay a penalty under this paragraph to the county treasurer within thirty days after the notice of the penalty is mailed. The owner may appeal the penalty to the county board of supervisors within the time required for payment. If the owner proves to the board's satisfaction that the property is occupied by the owner, the board shall waive the penalty, and the property shall be listed as class three pursuant to section 42-12003. Until paid or waived, the penalty constitutes a lien against the property. The county treasurer shall deposit all revenue received from penalties assessed under this paragraph in the county general fund.

C. Beginning in 2013 and during each elective term of office thereafter the county assessor shall send notices under subsection B of this section to each owner of property classified as class three pursuant to section 42-12003 described by any of the following:

1. The owner has a mailing address outside the county in which the property is located.
2. The owner has a mailing address, other than a post office box, that is different than the situs address of the property.
3. The owner has the same mailing address listed for more than one parcel of class three property in this state.
4. The owner appears to be a business entity.

D. The department shall:

1. Prescribe all forms used to notify property owners under this section. The forms shall contain information as to criteria for the reclassification of property and the civil penalties that may result if the owner fails to respond to the notice.

2. Monitor and review the procedures and practices used by assessors and treasurers to accomplish the verification of class three property and the assessment and collection of penalties prescribed by this section and propose suggested improvements to establish uniform processes and performance among the counties.

E. The department may inspect the records of county assessors and county treasurers to determine compliance with the requirements of this section and the accuracy of the classification of owner-occupied residential property and rental property.

### 42-12053. Criteria for distinguishing primary residential property, secondary residential property and rental property

A. For the purpose of classifying residential property under sections 42-12003, 42-12004 and 42-12052, a parcel is not considered a secondary property or rental property if the property is occupied by a member of the owner's family, who must be:

1. The owner's natural or adopted child or a descendant of the owner's child.
2. The owner's parent or an ancestor of the owner's parent.
3. The owner's stepchild or stepparent.
4. The owner's child-in-law or parent-in-law.
5. The owner's natural or adopted sibling.

B. For the purpose of classifying owner-occupied residential property under sections 42-12003, 42-12004 and 42-12052, the department shall adopt standard criteria for use in determining whether the property is considered to be the owner's or relative's primary residence, including:

1. The period of occupancy each year.
2. The owner's registered voting precinct.
3. The owner's driver license address.
4. The registration address of the owner's motor vehicles.
5. Other appropriate indicators of primary residency.

Submit form to:

Clerk of the Board of Supervisors  
 301 W. Jefferson, 10<sup>th</sup> Floor  
 Phoenix, AZ 85003  
 (602) 506-3766



## PROPERTY TAX CLASSIFICATION

### PENALTY APPEAL FORM

### RESIDENTIAL RECLASSIFICATION

**Complete both pages of this Appeal Form. This completed form must be received by the Office of the Clerk of the Board of Supervisors within 30 days from the date the Treasurer mailed the Penalty Letter regarding the reclassification of your residential property. Please attach the supporting documentation as required in Section 11 on page 2 on this form.**

<b>1</b>	Owner(s) Name:	Phone:	Email Address:		
	Mailing Address	City:	State:	Zip:	

<b>2</b>	Complete the following for the property under appeal (property address and parcel number listed below) Complete a separate form for each property appeal.				
	Property address:			Parcel Number/Account Number:	

<b>3</b>	Appeal is based on the Notice of PENALTY Letter regarding the reclassification of your residential property Date of Letter: _____	<b>4</b>	Who currently resides at the property?		
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Please check "yes" or "no" for each question regarding the property under appeal:		Yes	No
<b>5</b>	Is this property currently rented?		
<b>6</b>	From January 1, 2015 through present, was this property rented?		
<b>7</b>	From January 1, 2015 through present, was this property marketed as a rental?		
<b>8</b>	Are there plans to rent the property during 2016?		
<b>9</b>	Does a qualifying family member currently occupy the residence (owner's natural or adopted child or descendant of the owner's child; parent or ancestor of the owner's parent; stepchild or stepparent; child-in-law or parent-in-law; or natural or adopted sibling)? If yes, please provide: Name of Qualifying Family Member: _____ Relationship to Owner: _____  <b>IMPORTANT: Appropriate documentation (as listed on Page 2) must provide proof of the person who is living in the property as stated here (the OCCUPANT's Driver's License, Utility Bill, etc.)</b>		

**Your NOTARIZED SIGNATURE must be on this form attesting to the truthfulness of the information you have provided. A Notary Public is available at no cost in the Office of the Clerk of the Board (address at the top of this page). You must be present in order to have your document notarized.**

<b>10</b>	Printed Name:	Signature:	Date
	State of Arizona ) County of Maricopa )	Subscribed and sworn (or affirmed) before me this ____ day of _____, 2016.	
	(Seal)	_____ Notary Public	

