



CASE  
HUFF

# CHRONICLE

"THE COMMERCIAL PROPERTY SPECIALISTS"

**SOLVED**

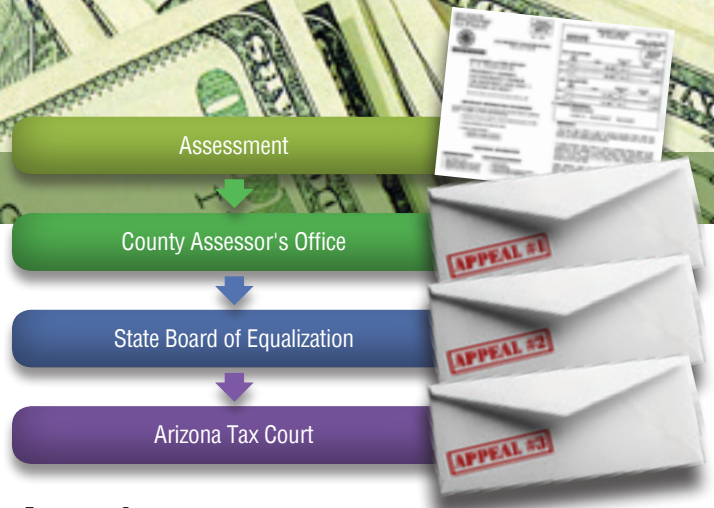
- Process Overview
- Tips for Applicants

## TAX APPEAL ?

### PROCESS OVERVIEW

February is typically the month when the Maricopa County Assessor's office issues its Notices of Valuation on the tax parcel, or parcels, that make up commercial and residential properties and which can be used as the basis for setting the property's tax bills for the next year. Owner's will be receiving the County's 2014 valuations, which will be used to determine the basis for the 2014 real property taxes. The amounts of the taxes themselves will not actually be set until September 2014, and will not typically be paid until October 2014 (the first 1/2 of the 2014 payment is due before November 1st of the tax year) and then again in April 2015 (the second 1/2 of the 2014 payment is due before May 1st of the following year). Appeals of the valuations, however, must be made this year, and soon.

Many tax attorneys and appeal firms will analyze these County valuations against information about the property provided by the Owner or the property manager (rent rolls as of the end of the prior year, recent lease deals done at the property, concessions given, etc.), and with valuations of comparable properties, to see if an appeal is warranted.



### Appeal process:

**Assessment of Property Value:** Your local assessor sets a value on your property for January 1. The final assessment is the Taxable value (Assessed value minus any exemptions) of your property.

**County Assessor's Office:** The Notice of Value card outlining the proposed property taxes is mailed sometime between January and March. You may file an appeal with the Assessor within 60 days of the card's mail date. (A.R.S. § 42-16051 D) The Assessor must reply to this appeal by August 15. (A.R.S. §§ 42-16054, 16055)

**State Board of Equalization:** Property owners who want to appeal their property value to the SBE must file a petition within 25 days of the assessors reply to the initial appeal or appeal directly to the Tax Court within 60 days of the assessors reply. (A.R.S. §§ 42-16056, 16157, 16201)

**Arizona Tax Court:** If not satisfied with a decision of the SBE, you can still appeal to the Tax Court within 60 days of the SBE decision mail date. (A.R.S. §§ 16168, 16203)

# TAX APPEAL continued



## ➤ TIPS FOR APPLICANTS

These firms can also check to make sure that the data regarding your property that the County is using to determine its valuations is correct. Does the County's information show your property as being a four-story regional mall with an indoor driving range, when in reality it's a single user restaurant building with a drive-through? Then the County's assessment just may be wrong, and should be appealed!

If an appeal is successful and reduces the County's assessed value, this will in turn reduce the real estate taxes that will be owed in 2014. These appeal companies typically work on a contingency basis, so they would be due a fee (typically 25-30% of the estimated tax savings) only if their "Administrative-level" appeal is successful. Administrative appeals must be filed within sixty days of the issuance of the County's Notice of Value.

If the appeal is rejected at this level there are further levels of appeal up to and including a hearing in tax court, however, these firms charge separate, non-contingency fees for these higher appeals. Depending on the strength of the argument, however, this cost may be worth it, especially in these days when Owners are having to absorb larger and larger portions of the operating expenses of multi-tenant properties, due to high vacancy rates.

Also, these fees for tax appeals are legitimate operating expenses of the property and can be passed-through to the tenants (since they are a result of reducing the actual property taxes that they would had to have paid).

Has your property manager talked to you about appealing your property's tax assessments? If not, contact Case, Huff & Associates at (602) 252-9300.

**"The County's assessment just may be wrong, and should be appealed!"**



**CASE  
HUFF  
& ASSOCIATES**

COMMERCIAL REAL ESTATE SPECIALISTS

14861 North Scottsdale Road Suite 105  
Scottsdale Arizona 85254-2788  
602.252.9300  
602.252.6860 FAX

[www.casehuff.com](http://www.casehuff.com)

**"Like having  
an app for  
all your real  
estate needs."**



**Have you "liked" us yet?**