

CONVERSION

- 1976-2011 AZDOR provided assessment database and cost estimator services to the smaller Arizona counties on a DOS based mainframe system
- 2000-2002 AZDOR began to look at withdrawing database and cost estimator services due to the cost of replacing the aging mainframe computer.
- 2008 There were only two companies willing to provide the data services Arizona County Assessors require. Cochise and many other counties chose to contract with CCI/Realware for the necessary services.
- The new system software works on the square foot cost method rather than the segregated cost method used by the AZDOR system. The new system is similar to those used by insurers.
- Data for each parcel in the county was uploaded from the AZDOR system to the Realware servers and electronically “converted” to the format required by the new software. The goal was to have the new software calculate improvement values that were reasonably close to the values calculated by the legacy system.
- There were bugs in the software and as an emergency measure the AZDOR allowed the counties to override the improvement values calculated by Realware and freeze values at the amounts they were prior to the electronic conversion.
- The Cochise county Assessor’s Office began a process of manually checking the building components listed in the new software. This process was called **conversion**.
- CCI the originator of Realware was sold to Harris Govern and the software became more stable through the application of numerous new versions. The software is now calculating reasonable values and the values are supported by market sales.
- Every Property in the county will eventually be converted and come off overridden values. Most residential properties in Benson, Sierra Vista and Willcox markets have been converted. Douglas is in the middle of the process.
- All properties that have been converted are valued at replacement cost new less depreciation(RCNLD) and have been adjusted to market sales of properties of similar quality within each Market and Submarket.
- All values are calculated in accordance with AZDOR guidelines per **ARS 42-11051-42-11054**.

1. The entries made in the county treasurer's records.
2. The records of the county board of supervisors.
3. The valuations and roll and the accompanying resolutions.
4. The delinquent list or a certified copy of the delinquent list.

§ 42-11008. Validity of assessment despite irregularities in the roll

The lack of description, a mis-description or an irregularity in the description of property on the roll does not invalidate an assessment if it can be ascertained or proved what property is intended.

the contents of the document become official and effective. The assessor or the department shall make information relating to notices of valuation prescribed in chapter 15, article 3 of this title available to the taxpayer or the taxpayer's representative in the media and format in which it is maintained, including microfiche and electronic media, on or before the date these notices are mailed.

2. Notwithstanding paragraph 1, on request, reproduce and deliver those public documents and records within ten days after the date of the request. If the assessor cannot reasonably provide the copies within ten days, the assessor shall provide a written estimate of the time that is reasonably necessary to provide the copies. If the assessor fails to provide the requested copies within ten days or fails to provide an estimate of the time that is reasonably necessary to provide the copies, the person making the request may bring an action to compel compliance with this section and may obtain an award of legal costs and reasonable attorney fees pursuant to section 39-121.02.

3. On written request, furnish the requested public information on electronic media if the requested information is maintained electronically. Information shall be furnished under this paragraph in the media and format in which the assessor maintains it.

B. Information obtained for the purpose of preparing and defending a property tax appeal is not considered to be obtained for a commercial purpose as defined in section 39-121.03. The assessor or department may charge the actual cost of reproducing information under this section. The assessor or department, on request, shall provide written documentation to support the reproduction costs charged. The assessor or department shall not assess a fee for granting a release of public information that is in the possession or custody of the assessor, the department or another official.

§ 42-11051. General powers of department relating to property valuation

In performing its duties under this title the department may:

1. Study the property tax systems of other states.
2. Employ technical experts and assistants and contract for services as necessary to carry out its duties.
3. Appoint advisory committees that represent various classes of property.

§ 42-11052. Investigating and prosecuting violations

A. The department may:

1. Examine alleged violations of this title relating to valuing property and assessing and collecting taxes.

2. Request the attorney general or the county attorney in the respective county to commence and prosecute actions and proceedings or to represent the department in litigation to enforce the laws relating to property taxation and the department's orders or rules.

B. If, in the director's opinion and in the opinion of the attorney general or the county attorney of the county in which the public official serves, a public official who performs valuing, taxing or equalizing functions is guilty of official misconduct or neglect of duty the director shall take whatever steps are necessary to ensure that complaints are filed and prosecutions are commenced to remove the official from office. A complaint by the director charging official misconduct or neglect of duty of a public officer shall be delivered to the county attorney or to the attorney general who shall file the original with the superior court in the county in which the official serves and cause a copy to be served on the public official. Proceedings on such a complaint shall be pursuant to section 38-342, subsections B and C and sections 38-343 and 38-345.

C. The director may request the attorney general to initiate a mandamus action if a county assessor fails to follow any rule, order or direction of the director or the department or if the director determines that an assessor or county board of equalization has practiced discrimination in valuing property. For purposes of this subsection, county boards of equalization and county assessors are state officers within the meaning of article VI, section 5, Constitution of Arizona.

§ 42-11053. Investigating property valuations

A. The department shall investigate property valuations and any matters relating to property taxes and shall require the production of any private or public record relating to those valuations or property taxes.

B. The director or the director's agent may:

1. Enter on and examine any property in this state to determine its full cash value. If the owner or possessor of property refuses entrance to the director or the director's agent, the director may estimate the valuation of the property.

2. Require any officer whose duties relate to assessing or collecting taxes to report to the director at the time and in the manner that the director prescribes.

§ 42-11054. Standard appraisal methods and techniques

A. Subject to subsection B of this section, the department shall:

1. Prescribe guidelines for applying standard appraisal methods and techniques that shall be used by the department and county assessors in determining the valuation of property.

2. Prepare and maintain manuals and other necessary guidelines, consistent with this section, reflecting the standard methods and techniques to perpetuate a current inventory of taxable property and the valuation of that property.

B. Before they are adopted, the department shall submit each substantive proposed guideline, table and manual that is developed, amended or otherwise modified from and after December 31, 2006 to the joint legislative oversight committee on property tax assessment and appeals. The department shall not finally adopt, amend or otherwise modify a substantive guideline, table

or manual for at least thirty days after submitting the measure to the committee. The committee may hold one or more informational hearings on the proposed measure within thirty days after submission. In adopting, amending or modifying the measure the department shall consider the committee's comments. If the committee fails to hold a hearing within thirty days after submission, the department may adopt, amend or modify the measure without further consideration.

C. In applying prescribed standard appraisal methods and techniques:

1. Current usage shall be included in the formula for reaching a determination of full cash value.
2. Solar energy devices, as defined in section 44-1761, grid-tied photovoltaic systems and any other device or system designed for the production of solar energy primarily for on-site consumption are considered to have no value and to add no value to the property on which such device or system is installed.
3. Energy efficient building components, renewable energy equipment and combined heat and power systems are considered to add no value to the property, if the property owner provides the county assessor with documentation of all elements that qualify pursuant to this paragraph, including documents showing actual acquisition and installation costs. The documentation must be submitted to the county assessor no later than six months before the notice of full cash value is issued for the initial evaluation year pursuant to section § 42-15101 or, if the component is added after September 30 of the preceding year, no later than March 31 of the initial valuation year. For the purposes of this paragraph:

(a) "Combined heat and power system" means a system that generates electricity or mechanical power and useful thermal energy in a single, integrated system such that the useful power output of the facility plus one-half the useful thermal output during any twelve-month period is no less than § 42.5 per cent of the total energy input of fuel to the facility.

(b) "Energy efficient building components" means high performance sustainable building components installed so that the buildings or building components meet or exceed the energy efficiencies prescribed by the United States environmental protection agency energy star program or by a leadership in energy and environmental design green building rating standard developed by the United States green building council, or an equivalent green building standard, or that are at least fifteen per cent more energy efficient than the international energy conservation code in effect at the time of building permit issuance.

(c) "Renewable energy equipment" means equipment that is used to produce energy primarily for on-site consumption from renewable resources, including wind, forest thinnings, agricultural waste, biogas, biomass, geothermal, low-impact hydropower and solar energy not included under paragraph 2 of this subsection.

D. If the methods and techniques prescribe using market data as an indication of market value, the price paid for future anticipated property value increments shall be excluded.

E. For purposes of determining full cash value the department and county assessors shall use and apply the ratio standard guidelines issued by the department for tax year 1993 in the same manner as they were applied in tax year 1993. This subsection does not apply to property that is valued according to prescribed statutory methods or to property for which values are determined in the year after an appeal pursuant to section § 42-16002.

§ 42-11056. Department records of valuations; notifying department of changes in valuations

A. The department may maintain a complete and current record of all property that is subject to