

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 15. REVENUE

CHAPTER 12. DEPARTMENT OF REVENUE PROPERTY TAX OVERSIGHT COMMISSION

[R06-99]

PREAMBLE

- 1. Sections Affected**

R15-12-101	<u>Rulemaking Action</u>
R15-12-204	Amend
	Amend
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. § 42-1005
Implementing statute: A.R.S. § 42-17001; A.R.S. § 42-17054
- 3. The effective date of the rules:**

May 13, 2006
- 4. A list of all previous notices appearing in the Register addressing the final rule:**

Notice of Rulemaking Docket Opening: 11 A.A.R. 4145, October 21, 2005
Notice of Proposed Rulemaking: 11 A.A.R. 4134, October 21, 2005
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Dan Jensen, Tax Analyst
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Please visit the ADOR web site to track the progress of these rules and other agency rulemaking matters at www.azdor.gov/tra/draftdoc.htm.
- 6. An explanation of the rule, including the agency's reason for initiating the rule:**

The following rulemaking is pursuant to changes recommended in the latest five-year review report of the rules in Chapter 12 of Title 15 applicable to the Property Tax Oversight Commission. The Department is amending these rules to conform to current rulewriting standards and recent statutory changes.

The definitions of "political subdivision" and "commission" in R15-12-101 are repetitive of those definitions found in A.R.S. § 42-17001. The definition of "political subdivision" in R15-12-101 is also inconsistent with the definition found in statute.

R15-12-204, pertaining to political subdivision agreements, is inconsistent with A.R.S. § 42-17054(B). Laws 2001, Ch. 267, § 42, amended that statute by changing the time limit for filing disagreements with the final levy limit worksheet from 3 to 10 days. The current version of the rule has not been changed to reflect this statutory amendment.

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7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Department did not review any study relevant to the rules.

8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. The summary of the economic, small business, and consumer impact:

There should be little economic impact associated with amending these rules. This is because the amendments merely change inconsistencies between the implementing statutes and the rules. Because the statutes' clear language trumps these inconsistencies, amending the rules mainly provides clarification and reduces error. The increased clarification may result in cost savings to the political subdivisions over which the Commission has oversight responsibility as well as to individuals and businesses that pay property taxes to the political subdivisions. The rule changes will benefit political subdivisions who may mistakenly rely on the time limit in R15-12-204 by giving them the full amount of time granted them in the statute to file disagreements with the final levy limit worksheet.

10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Only minor technical changes were made to the rules at the request of the Governor's Regulatory Review Council staff.

11. A summary of the comments made regarding the rule and the agency response to them:

None

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

13. Incorporations by reference and their location in the rules:

None

14. Was this rule previously made as an emergency rule?

No.

15. The full text of the rules follows:

TITLE 15. REVENUE

CHAPTER 12. DEPARTMENT OF REVENUE
PROPERTY TAX OVERSIGHT COMMISSION

ARTICLE 1. GENERAL PROVISIONS

Section
R15-12-101. Definitions

ARTICLE 2. PROPERTY TAX LEVY LIMITS

Section
R15-12-204. Political Subdivision Agreement

ARTICLE 1. GENERAL PROVISIONS

R15-12-101. Definitions

Unless the context requires otherwise, the following definitions shall apply:

- 1. "Commission" means the Property Tax Oversight Commission as established by A.R.S. § 42-17002.
- 2. "Excess collections" means the amount collected during the previous fiscal year in excess of the previous fiscal year's maximum allowable primary property tax levy.
- 3. "Excess expenditures" means the amount under A.R.S. § 42-17051(C) that is certified by the Auditor General's office.
- 4. "Political subdivision" means counties, cities including charter cities, towns, and community college districts.
- 5. "Quorum" means a majority of the members of the Commission.

ARTICLE 2. PROPERTY TAX LEVY LIMITS

R15-12-204. Political Subdivision Agreement

- A. If a political subdivision disagrees with the county's final levy limit worksheet calculations, the political subdivision shall, within ~~three~~10 days of receipt of the county's calculations, file in writing with the Commission a statement of disagreement and the figures it deems appropriate. Failure to act within the ~~three~~10 days shall be deemed agreement by the political subdivision.
- B. Upon timely petition of the political subdivision for good cause shown, or on its own motion, the Commission may permit the political subdivision to present objections to specific items at a later date.