

Frequently Asked Questions

Residential Valuation Review Pamphlet



THE APPEALS PROCESS

An assessment review/and or appeal is not a complaint about higher taxes. It is an effort to prove that your property's Full Cash Value (estimated market value) is either excessive or inaccurate.

This pamphlet has been developed in order to help you review your current full cash value and determine if an appeal is necessary.



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- Q. Why isn't the land value displayed on parcels?
- A. Residential properties are valued on a **unitary basis**. This value is considered as one subject, not to be broken into separate components. The only time that land should be addressed separately is when reviewing an atypical parcel (excess land).
- Q. Why did my value increase at a level different than others in my area?
- A. Numerous scenarios may affect the percent of increase from one year to the next on residential properties. Additionally, this comparison is not a standard method or technique employed in the valuation process. The focus should be on the **current** value, whether or not it reflects market and is valued at a similar level in comparison with other comparable properties in the same area.
- Q. I don't intend to sell my house, so why should my value be based on market?
- A. The State of Arizona has an ad valorem tax system. An ad valorem tax is based on the principal that the amount of tax paid should depend on the value of property owned.
- Q. The condition of my property is getting worse each year - it needs paint and I would have to do a lot of work to sell it. (or) It wouldn't sell for the same as other properties that don't need work.
- A. Items of this nature are referred to as "Deferred Maintenance" and are the responsibility of the owner to maintain. The Assessor's Office takes a neutral position on this issue for the following reasons: (1) The condition of the property often changes from year to year and the Assessor's Office does not re-canvas to identify these changes. (2) The Assessor's Office cannot reward property owners with a reduction in value for their lack of maintaining their home, just as it cannot punish property owners with higher values for maintaining their home.
- Q. There are properties in my area with additions that the Assessor's Office hasn't picked up. My neighbors aren't paying their fair share - my value should be lower because of this.
- A. The Assessor's Office will be happy to collect the necessary information and verify the listing information for those properties. This does not, however, prove that your value is incorrect or that it should be altered.
- Q. The houses that sell in my area far exceed the house that I have and they have been remodeled. How can you compare my house with those?
- A. We make an effort to identify properties of this nature and field check them to verify their listing information. Because we're working within a range of selling prices, and targeting the middle of that range, one or two sales, which may have incorrect listing information, should not impact the value of your home. If you would like to identify the properties, we can initiate field inspections on them.
- Q. I built my own home. The cost to build was less than my current value.
- A. Labor costs, material costs and the market value of the land are all factors associated with the cost to build your home. Even though one has built their own home, their house will sell on the market at the same level as other houses in the area built by contractors. The difference in value between what the property cost to build and what it would sell for is called "sweat equity". Therefore, the value assigned by the Assessor's Office is what the market indicates by utilizing a comparative sales approach.
- Q. There are no paved streets in my area. I don't have trash pickup or other services and therefore my value should be lower.
- A. Sales of properties in the same locale would reflect the same conditions and therefore establish market and value. The lack of services is not an issue that can be addressed by the Assessor's Office.

You may appeal when you can prove at least one of the following:

- Items that affect value are incorrectly stated on your property record (i.e. wrong square footage).
- The Full Cash Value (estimated market value) is too high when compared with similar properties in your neighborhood which have recently sold.

NOTE: The Assessor cannot consider the burden of taxation in making valuation decisions, nor adjust values for the purposes of reducing your taxes. Higher/rising taxes is an issue you must take up with the officials who determine tax rates and tax levies (Council /Board Members).

The Assessor’s office studies the market and collects information about properties to estimate value. A property’s value can change for many reasons. The property characteristics themselves can change or the market or economy in a particular area can change. If a certain neighborhood/community becomes a fashionable place to live, the change in valuation will be reflected by the prices paid for property.

Arizona Department of Revenue guidelines establishes a median range of 74% to 90% of time-adjusted sales prices in any economic district as a means of monitoring appraisal performance. However, due to a variety of factors, there can be sales that fall below or above this range.

GETTING STARTED:

Review your property’s listing and gather sales information to review the current market activity in your neighborhood. You can do this by visiting our website at

WWW.ASR.PIMA.GOV

or by utilizing our residential comparable books that are provided for you at our public service counter or many local libraries. Call our office for a list of libraries.

REVIEW YOUR LISTING:

Review the characteristics of your home and note any errors as well as other issues which you feel negatively impact the value of your home. The Assessor’s Office is unable to support or deny your basis’ without documentation. We cannot be experts in all phases of the construction or appraisal industry. Many appraisers rely on outside ‘experts’ to provide them with documentation and costs associated with remedying a known defect (i.e. structural damage).

REVIEW MARKET ACTIVITY:

You will want to find at least three sales that are as similar to your property as possible. The location (neighborhood), construction class (Cls) and square footage are some of the most important factors to compare. List your comparables on the table provided. Next, calculate a range of selling prices for comparables in your neighborhood. Finally, compare your current value with the range—you should be within the range of current market.

REVIEW ESTABLISHED VALUES:

Now that you have reviewed the market, it is time to ensure that you are valued at a similar level with other comparable properties in your neighborhood. This analysis will be similar to reviewing market activity. However you should review all comparable properties, whether they have sold or not. Again, you will want to choose at least 5 comparables for review. As above, develop a range of value and compare your value with the range—you should be within the range of established values. If your value falls above this range, add them to your comparables table for the Assessor’s office to review.

SUBMIT YOUR PETITION :

If you have determined that your value is incorrect based on your review, gather your information and submit it for review. In many cases, our office can review your documentation without having to meet with you.

If, however, you do have additional issues that cannot be explained by written documentation, you may request an informal fact-finding meeting with our staff. Our goal is to provide you and/or your agent with an informal meeting that starts on time, is productive, and is mutually beneficial. To that end, if you do request a meeting we will:

- Respectfully welcome you,**
- Explain how the meeting will be conducted,**
- Solicit your views and/or concerns,**
- Prepare to listen to issues raised,**
- Explore all factors affecting value,**
- Consider all pertinent issues,**
- Take all matters raised under advisement.**

WHAT’S NEXT:

The Assessor’s Office will review the documentation you have submitted and will render a decision to you in writing. If you disagree with this decision, instructions for appealing to the next level will be included in your Notice of Decision.

Comparables Table

| | | | | | | |
|-------------|--|--|--|--|--|--|
| Parcel Adj. | | | | | | |
| Gar/Cp | | | | | | |
| Cool | | | | | | |
| Heat | | | | | | |
| Pool | | | | | | |
| Year | | | | | | |
| Sqft | | | | | | |
| Q | | | | | | |
| Cls | | | | | | |
| Value sqft | | | | | | |
| Sale Sqft | | | | | | |
| Sale Date | | | | | | |
| Sale Amt | | | | | | |
| Parcel | | | | | | |
| Subj. | | | | | | |
| #1 | | | | | | |
| #2. | | | | | | |
| #3. | | | | | | |
| #4 | | | | | | |
| #5 | | | | | | |

*This table can be detached and submitted with your petition. Additional comparables using this format may also be attached and submitted. **Please include the subject’s parcel code number on all attachments.*