



MEMORANDUM

Finance and Risk Management Department

**Report of Review Officer
Board of Supervisors Policy D22.10
Appeal by Pima County Assessor of Review Officer Recommendation
Beijing Properties, L.L.C., Owner of Tax Parcel 224-27-2810
September 17, 2013**

Beijing Properties, L.L.C., an Arizona Limited Liability Company, filed an appeal under Arizona Revised Statutes §42-12054 and the provisions of Board of Supervisors Policy D22.10 to change the classification of tax parcel number 224-27-2810 to Legal Class 3 for Tax Year 2013. The Pima County Assessor had changed the classification on the Parcel from Class 3, residential property owned as a primary residence (formerly "owner occupied"), to Class 4, residential property that is not owned as a primary residence. The impact of the classification change by the Assessor from Class 3 to Class 4 is to make the property owner ineligible for the State Aid To Education subsidy on the property tax levied.

Under the provisions of Board Policy D22.10, I reviewed the appeal of the property owner and approved the appellant's request to have the property classification changed to Class 3, primary residence. The Pima County Assessor appealed that recommendation. The matter has therefore been set as a hearing for the Board of Supervisors to determine the classification of the property.

Beijing Properties, L.L.C., the legal owner of the property, is a limited liability company with the sole member being the A E Izzard Jr. Trust, with Alex E Izzard and Alicia M Izzard as the Trustees. Alex Izzard is identified as the Manager of the LLC. Although the tax parcel is owned by a limited liability corporation, I recommended Class 3, primary residence classification, for the tax parcel for the following reasons:

- The parcel has been occupied by Mr. Izzard for eight (8) years as his personal residence. His driver's license and his voter registration are for the address of the subject property.
- No other person or entity owns an interest either in the LLC or in the Trust which is the Member of the LLC.
- The property was originally acquired by Alex Izzard on April 20, 2005 and the Affidavit of Value on file with the County Recorder indicates the property was to be occupied by the owner or a family member and is subject to a mortgage.
- Alex Izzard and Alicia Izzard are husband and wife and the sole trustees and beneficiaries of the Trust which owns the LLC. The LLC was form on July 30, 2005, three months after the acquisition of the property.
- Mr. Izzard transferred the property to the LLC on September 9, 2009. The LLC owns no other real property in Pima County. Mr. Izzard continues to be named on and pay for the mortgage on the property.

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PC CLK/F-30
149

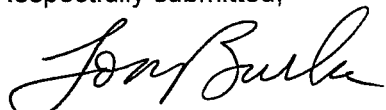
In my review, I recommended that the parcel be treated as Class 3, primary residence, because the house located on the parcel was physically occupied as a residence by Mr. Izzard for 4 years before the LLC was formed and his occupancy continued unchanged after the formation of the LLC which he owns.

As I have reported before, there is no clear guidance in the Arizona statutes regarding LLCs owned by a single person or by husband and wife as to whether residential property of the LLC and occupied by the LLC members can be considered a primary residence for property tax purposes.. At least one county, Cochise County, considers a tax parcel owned by an LLC with the members or their family residing in the residence as qualifying for Class 3, primary residence. This Board of Supervisors has previously held that property owned by an LLC whose members consisted of a husband and wife did qualify for Class 3, primary residence. This action was taken at the Board of Supervisors meeting of May 14, 2013. Item No. 13, relating to Tax Parcel No. 114-06-007G owned by Kilt Properties LLC. Other States, such as Idaho and South Carolina, treat the members of an LLC as the owners for property tax purposes.

The question for the Board to consider is whether a residence continually occupied by Mr. and Mrs. Izzard for eight years, as the only beneficiaries of the family trust which is the member of the limited liability company should have a Class 3 designation.

After my review of the facts and circumstances, I recommended Class 3 designation.

Respectfully submitted,



Thomas E. Burke
Finance and Risk Management Director
Review Officer under Board of Supervisors Policy D22.10

Attachments:
Affidavit of Value
Redacted information from Property Owner

07/17/2013

Arizona Corporation Commission
State of Arizona Public Access System

10:05 AM

Jump To...

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Corporate Inquiry	
File Number: L-1145408-7	Check Corporate Status
Corp. Name: BEIJING PROPERTIES L.L.C.	

Domestic Address

% ALEX E IZZARD
7400 N ORACLE RD #366
TUCSON, AZ 85704

Statutory Agent Information

Agent Name: DAVID A MCEVOY
Agent Mailing/Physical Address:
4560 E CAMP LOWELL DR
TUCSON, AZ 85712
Agent Status: APPOINTED 07/30/2004
Agent Last Updated: 09/13/2004

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.	Business Type:
Incorporation Date: 07/30/2004	Corporate Life Period: PERPETUAL
Domicile: ARIZONA	County: PIMA
Approval Date: 07/30/2004	Original Publish Date: 09/07/2004

Manager/Member Information

AE IZZARD JR TRUST MEMBER ALEX E IZZARD (TRUSTEE) ALICIA M IZZARD (TRUSTEE) 7400 N ORACLE RD #366	
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TUCSON, AZ 85704
Date of Taking Office: 07/30/2004
Last Updated: 08/11/2004

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Arizona Department of Revenue
Division of Property Valuation & Equalization
AFFIDAVIT OF PROPERTY VALUE
DPVE Form 82162

AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL NUMBER(s) (Primary Parcel Number)

(a) 224272810
BOOK MAP PARCEL SPLIT

NOTE: If the sale involves multiple parcels, how many are included?

(b) List the number of additional parcels other than the primary parcel that are included in sale.

(c) _____ (d) _____
(e) _____ (f) _____

2. SELLER'S NAME & ADDRESS:

STANLEY M. WARNER
10600 N. PISTACHIO AVENUE
ORO VALLEY, AZ 85737

3. BUYER'S NAME & ADDRESS:

ALEXANDER E. IZZARD
10601 N. La Quinta Dr.,
Tucson, AZ 85737

Buyer and Seller related? Yes ☐ No ☒
If yes, state relationship: _____

4. ADDRESS OF PROPERTY:

10600 N. PISTACHIO AVENUE
ORO VALLEY, AZ 85737

5. MAIL TAX BILL TO:

ALEXANDER E. IZZARD
10600 N. PISTACHIO AVENUE
ORO VALLEY, AZ 85737

6. TYPE OF PROPERTY (Check one):

a. ☐ Vacant Land f. ☐ Commercial/Industrial
b. ☒ Single Fam. Res. g. ☐ Agriculture
c. ☐ Condo/Townhouse h. ☐ Mobile Home
d. ☐ 2-4 Plex Affixed ☐
e. ☐ Apartment Bldg i. ☐ Other, Specify: _____

7. RESIDENTIAL BUYER'S INTENDED USE (Answer if you checked b, c, d, or h above) (Check One):

☒ To be occupied by owner or "family member."
☐ To be rented to someone other than "family member."

8. PARTY COMPLETING AFFIDAVIT (Name, Address & Phone)

Title Security Agency of Arizona
1790 E. River Road, Suite 233
Tucson, AZ 85718
Phone (520) 577-8414

FOR OFFICIAL USE ONLY (buyer and seller leave blank)

(a) County of Recordation: PIMA
(b) Docket & Page Number: 12535-3197
(c) Fee/Recording Number: 2005-0760925
(d) Date of Recording: 04/20/2005

a. ☒ Warranty Deed d. ☐ Contract or Agreement
b. ☐ Special Warranty Deed e. ☐ Quit Claim Deed
c. ☐ Joint Tenancy Deed f. ☐ Other

11. TOTAL SALES PRICE:

\$ 655000.00

12. PERSONAL PROPERTY:

Did the buyer receive any personal property that has a value greater than 5% of the sales price?

(a) Yes ☐ No ☒ If yes, briefly describe: _____

Approximate value: (b) \$ _____

13. DATE SALE:

04 2005
Month Year

NOTE: This is the date of the contract of sale.

If you are recording title in fulfillment of a previously recorded contract, you need not complete this affidavit.

14. CASH DOWNPAYMENT: \$131,000.00

15. METHOD OF FINANCING (check all that apply):

a. ☐ None b. ☐ Exchange or trade
c. ☐ Assumption of existing loan(s) d. ☐ New loan from seller
e. ☒ New Loan(s) from financial institution (Seller Carryback)
1. ☒ Conventional 2. ☐ VA 3. ☐ FHA
f. ☐ Other: Explain: _____

16. PARTIAL INTERESTS:

Is only a partial interest (e.g., 1/3 or 1/2) being transferred?
Yes ☐ No ☒ If yes, explain _____

17. SOLAR ENERGY (check all that apply):

a. ☒ None b. ☐ Hot Water
c. ☐ Heating-Passive d. ☐ Heating-Active

18. LEGAL DESCRIPTION

Monte Del Oro Lot 169, 27/99, 224272810

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

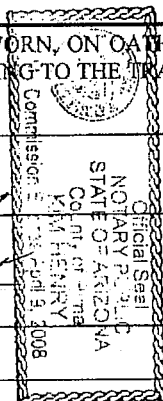
Signature of Seller/Agent

State of Arizona, County of Pima
Subscribed and sworn to before me this

18 day of April, 2005

Notary Public

Notary Expiration Date



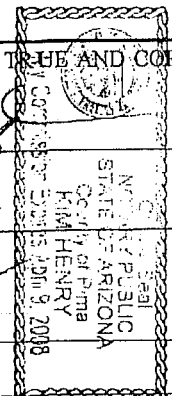
Signature of Buyer/Agent

State of Arizona, County of Pima
Subscribed and sworn to before me this

18 day of April, 2005

Notary Public

Notary Expiration Date



PETITION / APPEAL TO THE PIMA COUNTY BOARD OF SUPERVISORS TO CHANGE
CLASSIFICATION OF OWNER'S PRIMARY RESIDENCE PURSUANT TO BOARD POLICY D 22.10
Pursuant to ARS §42-12052 or ARS §42-12054

Parcel number:

224 27 2810

This Petition/Appeal is for tax years:

2012 | 2013 |

Property address:

10600 N. PISTACHIO AVE, ORO VALLEY, AZ 85737

Name of Property Owner:

BEIJING PROPERTIES LLC / ALEX E. IZZARD

Person filling this petition/appeal if other than the owner: (Please provide "power of attorney" or copy of a completed Arizona Department of Revenue Agency Authorization Form).

Mailing address:

10600 N. PISTACHIO AVE, ORO VALLEY, AZ 85737

Phone number where property owner and/or his/her representative can be reached:

1. Filing under ARS §42-12052, Review and verification of class three property:

- Did the Assessor send the property owner a Notice of Classification changing the property to legislative class four within the past 30 days? YES ☒ NO {Please circle.}
- Did the County Treasurer send the property owner a Notice of Penalty because the Assessor did not receive a timely response to his/her request for information to verify that the property is the primary residence of the property owner or the residence of a qualified family member? (Definitions of "Primary Residence" and "Qualified Family Member" are on page 2.) YES ☒ NO {Please circle.}

If the answer to both questions above is NO, go to #2 below.

If the answer to either question above is YES, then sign and date this document at the bottom of page 2 and provide the following:

- Copy of the Assessor's Notice of Classification showing the property has been classified as Legislative Class Four. (if applicable)
- Copy of the Treasurer's Notice of Penalty against the property. (if available)
- A completed and signed Affidavit for Primary Residence Classification. The form is available at the Assessor's Office or the Clerk of the Board of Supervisors' Office.

2. Filing under ARS §42-12054, Change in classification of owner-occupied residence

- Did the Classification of this property change recently from Class 3 to Class 4 or other class? ☒ YES ☐ NO {Please circle.}
- Has this property been used as the residence of the owner or a qualified family member (see below)? ☒ YES ☐ NO {Please circle.}
- When did the owner or qualified family member occupy the property as a residence? 2005 until present
- Please indicate who occupied the property:
 - ☒ The owner of the property,
 - ☐ A natural or adopted child or grandchild,
 - ☐ A stepson or stepdaughter,
 - ☐ The father or mother of the owner,
 - ☐ The grandparent or great-grandparent of the owner,
 - ☐ A stepfather or stepmother,
 - ☐ A son-in-law, daughter-in-law, father-in-law or mother-in-law of the owner,
 - ☐ A natural or adopted brother or sister of the owner,

PETITION / APPEAL TO THE PIMA COUNTY BOARD OF SUPERVISORS TO CHANGE
CLASSIFICATION OF OWNER'S PRIMARY RESIDENCE PURSUANT TO BOARD POLICY D 22.10

Pursuant to ARS §42-12052 or ARS §42-12054

- From 2012 forward, has the property been the owner's "primary residence" or the residence of a qualified family member? {"Primary residence" and "Qualified Family Member" are defined on page 2.}
 - o ☒ YES NO {Please circle.}
 - o How long is the property used as a residence each year? 12 months
- Please explain any of the following situations that might apply to this property:
 - o The mailing address of the owner is different than the physical address of the property:

 - o The owner's mailing address is outside Pima County:

 - o The same mailing address is used for multiple Class 3 primary residence properties:

 - o Any other residences either in Arizona or out of state:

 - o Please provide any additional information & documentation that will be helpful in making a determination. Items such as copies of voter registration cards, driver's license, and motor vehicle registration documents may be helpful.

Please sign and date this document at the bottom of page 2 and submit it along with any additional information that will assist in making a decision regarding change in classification.

PRIMARY RESIDENCE DEFINITION:

Primary Residence is your one and only main residence where you or a qualified family member reside. If the property listed is used as a vacation home, leased or rented to a non-qualified family member or if you claim a home in another state as your primary residence, the listed home cannot qualify as a primary residence.

QUALIFIED FAMILY MEMBER DEFINITION:

A natural or adopted child or grandchild
A stepson or stepdaughter
The father or mother of the owner
The grandparent or great-grandparent of the owner
A stepfather or stepmother
A son-in-law, daughter-in-law, father-in-law or mother-in-law of the owner
A natural or adopted brother or sister of the owner
The spouse of the owner

The Undersigned states or declares under penalty of perjury that the foregoing information and the documentation provided are true and correct.

Signature: Alex E. Izzard Date: 6/6/13
Printed Name: Alex E. IZZARD Telephone Number: _____

Please deliver or mail your signed and dated petition/appeal to:

Pima County Clerk of the Board of Supervisors
Mailstop DT-AB5-130
130 W. Congress Street, 5th Floor
Tucson, Arizona 85701

If you have any questions about this form, please call (520) 724-8069 or (520) 724-4278.

AFFIDAVIT FOR PRIMARY RESIDENCE CLASSIFICATION

Parcel No.

224 27 2810

Book Map Parcel Split Letter

Property Address:

10600 N. PISTACHIO AVE., ORO VALLEY, AZ, 85737

Owner(s):

BEIJING PROPERTIES L.L.C. / ALEX E. IZZARD

Mail address:

10600 N. PISTACHIO AVE.

ORO VALLEY, AZ, 85737

=====

To ensure proper classification is assigned to your residential property, this office requires additional verification of property use. As of July 1, 2011 the definition of owner occupancy has changed and is now referred to as PRIMARY RESIDENCE. This application will verify that the correct classification is assigned to your property and if reclassification of this property is required.

PRIMARY RESIDENCE DEFINITION:

Primary Residence is your one and only main residence where you or a qualified family member resides. You can have only one primary residence no matter how many homes you own. If the property listed is used as a vacation home, leased or rented to a non-qualified family member or if you claim a home in another state as your primary residence, the listed home cannot qualify as a primary residence.

If you have questions concerning this matter, please contact our office at (520) 724-8630

=====

Please check the item(s) below which most accurately defines the status of your property, sign the application and return it to our office.

1. This property is my Primary Residence as of 2005 and is not used as a secondary residence or a vacation home.
2. This property is the Primary Residence of a Qualified Family member, as indicated below, as of _____.

_____ a natural or adopted child or grandchild
_____ a stepson or stepdaughter
_____ the father or mother of the owner, grandparent or great-grandparent
_____ a stepfather or stepmother
_____ a son-in-law, daughter-in-law, father-in-law or mother-in-law
_____ a natural or adopted brother or sister

=====

The Undersigned states or declares under penalty of perjury that the foregoing information is a true and correct statement of the facts pertaining to the use of the above property.

Signature: _____

Date: _____

Telephone Number: _____

05th June, 2013

Attention : CLERK OF THE BOARD OF SUPERVISORS

Re : 10600 N. Pistachio Avenue
Oro Valley, Arizona 85737
Parcel No. 224-27-2810

BACKGROUND INFORMATION

I purchased this home in June 2005 and it is currently and always been my primary residence from the time that it was purchased.

Not long after I purchased the home, it was put in the name of Beijing Properties, L.L.C. My wife and I are the sole members of the L.L.C. which has always been inactive.

From the time that we purchased the home in 2005 through 2011, property taxes were assessed normally as an owner occupied property. In 2012 – unknown to me – the Assessor's Office changed the property classification from 3 to 4. I did not know this until I found out accidentally in November 2012 when I discovered that my school taxes had increased more than \$500 – instead of going down slightly as they did for owner occupied properties.

On Nov. 20, 2012, I submitted a Taxpayer Notice of Claim to the Assessor's Office requesting a refund of the \$500.00 which had been erroneously taxed and a change of class for the property from Class 4 back to Class 3 where it had always been.

On Jan. 7, 2013, I was sent an Initial Response from the Assessor's Office rejecting my claim.

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I appealed and on February 22, 2013, I was sent a Post Meeting response again refusing any change in class status. This notice indicated that if I wanted to appeal further that I could submit a Petition for Review of Taxpayer Notice of Claim to the State Board of Equalization.

On March 4, 2013, I submitted the appeal to the State Board of Equalization. I never heard back and finally called them on June 3, 2013. They told me that they had reached a decision on April 4, 2013. They had "dismissed" the appeal because "the board rejects jurisdiction to decide the appeal".

On June 5, 2013, I called the Pima County Assessor's Office to ask how a regular taxpayer goes about getting tax errors corrected in Pima County – because, obviously, it cannot be done by following the appeals process that I had been directed to follow. They had no further suggestions on anything that could be done. I found this heavy handedness and lack of interest in legitimate taxpayer concerns to be government at its worst.

I, then, called the County Supervisors Office and was told to file an appeal with the Pima County Board of Supervisors to change the classification of the Owner's Primary Residence pursuant to board policy D2210. With this letter I am filing that petition. I am requesting a refund of \$500 for increased 2012 taxes due to change of classification and a permanent reclassification from Class 4 back to the original Class 3.

I hope that you can accommodate this request and that this will be the last stop in rectifying this matter. It has been difficult, time consuming and something which never should have happened in the first place.

Thank you.


ALEX IZZARD

DATE FILED: 11/20/12

NOTE: IF MAILED, SEND CERTIFIED

DATE RECEIVED _____
NUMBER _____

1. COUNTY PIMA BOOK / MAP / PARCEL 224 - 27 - 2810 TAXPAYER / ACCOUNT NUMBER _____
2. PROPERTY ADDRESS: 10600 N. PISTACHIO AVE, ORO VALLEY, AZ, 85737

3A. OWNER'S NAME AND ADDRESS AS SHOWN ON TAX ROLL:

BEIJING PROPERTIES LLC
10600 N. PISTACHIO AVE
ORO VALLEY, AZ, 85737

4B. MAIL DECISION TO:

ALEX E. IZZARD
10600 N. PISTACHIO AVE
ORO VALLEY, AZ 85737

4. BASIS FOR CLAIM AND REQUESTED CORRECTION:

Please see attached letter.

2012 LEGAL CLASS _____

TAX YEAR _____
ASSMT. RATIO _____

\$ _____
FULL CASH VALUE

LEGAL CLASS _____

TAX YEAR _____
ASSMT. RATIO _____

\$ _____
FULL CASH VALUE

LEGAL CLASS _____

TAX YEAR _____
ASSMT. RATIO _____

\$ _____
FULL CASH VALUE

5. COMPLETED BY: (Owner, Agent, or Attorney)

ALEX E. IZZARD
NAME / COMPANY NAME
10600 N. PISTACHIO AVE.
ADDRESS
ORO VALLEY AZ 85737
CITY STATE ZIP
TELEPHONE _____

AGENTS ONLY: STATE BOARD OF APPRAISAL NUMBER _____
Include a current Agency Authorization Form (82130AA) with this notice.

SBOE NUMBER _____
(PIMA AND MARICOPA COUNTIES ONLY)

6. Notice is hereby given to the Tax Officer that an error has occurred in the assessment of the personal property identified by the account number or parcel number in this claim. A description of the claim and evidence to support the claim is provided.

Alex E. Izzard
SIGNATURE OF OWNER OR REPRESENTATIVE
ALEX E. IZZARD
PRINT NAME

11/20/12
DATE

TELEPHONE _____

DO NOT WRITE BELOW THIS LINE - FOR TAX OFFICER'S USE ONLY

☐ TAX OFFICER CONSENTS TO CLAIM OF ERROR.

☐ TAX OFFICER DISPUTES CLAIM OF ERROR BASED ON THE FOLLOWING:

NOTICE OF MEETING: A meeting to discuss your claim has been scheduled ; please notify the Tax Officer. (See instructions)

Date _____ Time _____ Location _____

Signature of Tax Officer's Representative _____

Name and Title of Tax Officer's Representative (Please Print or Type) _____ Date _____

Original request
Sent To County
Assessor's office
for change of
property class

FOR OFFICIAL USE ONLY

Basis For Claim and Requested Correction

In 2005 I purchased The home located at 10600 N. PISTACHIO AVE, ORO VALLEY, AZ. 85737. We have lived There continuously since That Time.

A number of years ago I changed The deed on the property by removing my Name and substituting The Name of a dormant L.L.C. That I had (Beijing Properties L.L.C.). I am The member of That L.L.C. Nothing was changed other Than The Name — The house has always been our primary residence and we live There today.

In 2011 (unknown to me) The assessor's office changed The designation of This property from owner occupied to rental. As a result, our Amphi school district real estate taxes went from \$1602 in 2011 To \$2152 in 2012, a \$550 increase. In 2012 Amphi school district taxes did NOT increase.

I would like to have The property correctly reclassified as "Owner occupied" and The \$550 refunded.

Thank You, 
ALEX E. IZZARD