Damaged and Destroyed Property

Information in this publication is based upon laws and rules in effect at the time this publication was last updated. Should any content in this publication conflict with current laws or rules, the latter shall be controlling. If you have questions, contact the Department Property Tax Unit at (602) 716-6843 or ptcountyservices@azdor.gov.

Damaged Property Defined

For purposes of this guideline, "damaged property" is property which has sustained physical injury to the extent that the use of the property is restricted. Damaged property is property that is damaged but not affected to the point that the property cannot be used or that the cost to cure the damage is so great as to render the damage incurable. If a property is categorized as damaged, the damage to the property should be identifiable as having been caused by a specific verifiable event (i.e., accident, fire, flood, storm, etc.).

Partially Damaged or Partially Destroyed Property

Frequently only a portion of an improvement will be damaged or destroyed. If the damaged portion restricts the use of the undamaged portion of the property, the total property may be treated as damaged. If the destroyed portion of the improvement renders the remainder of the improvement nonfunctional for any use, the entire improvement may be treated as destroyed. If the undamaged portion of the structure is still functional, a damaged or destroyed adjustment will be applied only to the damaged or destroyed portion of the structure.

If manufactured housing, mobile homes, mobile offices or travel trailers have incurred curable damage resulting from wind, fire or flood, the value of the damaged unit will be reduced based on the cost to cure the damage sustained by the structure(s). If the cost to cure the damage is incurable, the mobile unit will be treated as destroyed property.

Property Destroyed Prior to Tax Roll Closing

In the case of property destroyed before the assessor has closed the tax roll on which the destroyed property is listed, the assessor may, with approval of the department, change the value of the property to reflect its full cash value after destruction. A.R.S. [42-11056](#).

Property Destroyed After Tax Roll Closing

When a structure has been destroyed after the assessor has closed the tax roll on which the destroyed property is listed, a prorated value will be established by the county board of supervisors. A.R.S. 42-15157.

Valuation of Damaged Property

There is no statutory authority for a reduction in value of real property damaged after the appraisal date (January 1) of the tax year. Property which is damaged (but not destroyed) on or after January 1 of a given tax year will not be revalued for the tax year in which the property was damaged. Such property will be reappraised for the following tax year and the value established will be the value of the property as of January 1 of the year following the year in which the damage was sustained. The amount of damage will be determined through use of the form "Damaged or Destroyed Property Petition" (DOR 82135, Appendices A and B). This value may be checked for accuracy by use of the cost to cure method and the application of other standard appraisal methods and techniques.

Example 3.7.1 (No appreciation or depreciation and no repairs made):

Value of Improvement January 1, 1990	$100,000
Value used to calculate 1990 taxes	100,000
Fire damage February 1, 1990	50,000
Value of improvement January 1, 1991	50,000
Value used to calculate 1991 taxes	50,000

In cases where damage is caused by a permanent condition (i.e., location in the flood plain of a stream or river), that condition may be permanently reflected in the property's value by adjusting the land value and applying appropriate obsolescence to the

improvements. Such permanent adjustments must be documented and justified in the assessment records.

Use of the Damaged or Destroyed Property Petition (Form DOR 82135)

Arizona Revised Statute 42-148 requires that the department be provided a notice of every change in valuation or assessment. DOR Form 82135 will be used to estimate the percentage of destruction or damage a property has suffered. A copy of each completed form DOR 82135 will be submitted to the department for review.

A "Damaged or Destroyed Property Petition" will be completed for each improvement that has been damaged, destroyed, partially damaged or partially destroyed. Instructions for completing the form are outlined on the reverse side of the form. Completed forms will be maintained in the assessors permanent file for future reference. A copy of this form may be used as a support document for completing an "Assessment and Tax Roll Correction Resolution" (form 82690).

Entering Data Pertaining to Damaged or Destroyed Property in the Construction Cost System

After completion of the DOR 82135 form and acceptance by the department of the DOR 82690 form, the percent good (note 6) developed on DOR 82135 is to be transferred to the appropriate data collection form for further processing.

1. Completely Destroyed Improvements
   If an improvement is completely (100%) destroyed the ensuing procedure shall be followed:
   a) Determine the appropriate data collection form (residential, commercial, mobile home parks, golf course, cattle feedlot, vineyard/tree crop or agricultural).
   b) Complete the heading section of the form as instructed in the construction cost manual forms and instruction section, except for "percent complete" and "review".
   c) Enter "0" in "percent complete" block.

d) Enter "3" in "review" block.

e) Gain access to computer program PC01 "PROP TAX: CONSTRUCTION COST". After gaining access, the first screen is "MENU". Select "IM-improvement maintenance". The second screen - "improvement selection" should now be viewable. (Illustration C)

f) Enter information required in high-lighted area (Illustration C & D)

   1) PARCEL ID must be completed. This information should be available on the DOR 82135 form, property record card, or browse the "inquiry" option as in step 3.

   2) A decision must be made on the "current" or "future" improvement file. Enter "C" for current.

   3) Decision must be made on "option: add, change, delete or inquiry." Enter "D" for delete.

   4) Press "enter = continue." This will bring up a new screen (Illustration E).

g) Insert IMPR number and section. If these numbers agree with the IMPR number and section on the next line below, move cursor to "DELETE IMPR" space for next step. If they do not agree, press "Enter". The computer will then move the desired improvement into this position. Move cursor to "DELETE IMPR" for next step.

h) Insert IMPR number and section in highlighted space behind "DELETE IMPR" and press "enter". This action completes the deletion of the destroyed improvement.

2. Partially Damaged/Destroyed Property

   The following data entry procedure will be used to adjust the values of partially damaged/destroyed properties.

   a) Determine the appropriate data collection form (residential, commercial, mobile home parks, golf course, cattle feedlot, vineyard/tree crop or agricultural).

   b) Complete the heading section of the form as instructed in the construction cost manual - forms and instruction section, except for "percent complete" and "review".

   c) Enter "percent good" from dor 82135 form, in the "percent complete" block (round off percent good to full percent).

   d) Enter "2" in the "review" block.

   e) Gain access to computer program PC01 "PROP TAX: CONSTRUCTION COST". After gaining access, the first screen is "MENU". Select "IM - improvement maintenance". "IMPROVEMENT SELECTION" should now be viewable. (Illustration C).

f) Enter information required in highlighted area (Illustration C and D)

   1) Parcel I.D. must be completed. This information should be available on the DOR 82135 form, or on the property record card, or browse the "inquiry" option as in step 3.

   2) A decision must be made on "current" or "future" improvement file. Enter "C" for current.

   3) Decision must be made on "option: add, change, delete or inquiry". Enter "C" for change

   4) Press "enter" = continue." This will bring up a new screen (Illustration F)

g) Verify Parcel ID, change "Needs Review" to "2", press "PF5 = base factors" (Illustration F)."Base Factors" will appear on the screen (Illustration G).

h) Verify "improvement" information then change "partial complete" to agree with "percent good" from DOR 82135 form (Illustration G). Zeros in "partial complete" defaults to 100%. Press "PF6 = save improvements." This action returns to previous screen (Illustration F).

i) With this screen, press "PF6 = IMPR DESC". This action will bring up an inquiry screen (Illustration H).

j) Verify Parcel ID, then enter brief explanation of damage in the description area. Press "PF7 = return to gen. info." This brings back the change screen (Illustration F).

k) Press "enter" to save improvement. The computer then verifies "IMPR SAVED." With this response, the procedure is complete. The "assessable FCV" should indicate the damaged improvement.

Illustration C

```
                    PROPERTY INTERACTIVE INTERFACE    PANEL: MPC1001
IMPROVEMENT SELECTION          CONSTRUCTION          DATE:*CURRDATE
                              COST MODEL

     PARCEL ID:    XX   XXX   XX   XXX   X X   XXXX   XX      X
                   CO   BK    MP   PAR   S C   IMPR   SECT   C-F



                  X   CURRENT OR FUTURE IMPR FILE
                  (C or F)



                  X   OPTION: ADD, CHANGE, DELETE, OR INQUIRY
                  (A, C, D, or I)



         ENTER = CONTINUE      PF3 = PREV MENU
```

* Todays Date

Illustration D

```
              PROPERTY INTERACTIVE INTERFACE    PANEL: MPC1001
IMPROVEMENT SELECTION         CONSTRUCTION        DATE:*CURRDATE
                              COST MODEL

    PARCEL ID:   XX  XXX  XX  XXX  X  X   XXXX     XX     X
                 CO  BK   MP  PAR  S  C   IMPR     SECT  C-F




             X   CURRENT OR FUTURE IMPR FILE
             (C or F)




             X   OPTION: ADD, CHANGE, DELETE, OR INQUIRY
             (A, C, D, or I)




       ENTER = CONTINUE        PF3 = PREV MENU
```

* Todays Date

Illustration E

```
                 PROPERTY INTERACTIVE INTERFACE     PANEL: MPC1001
IMPROVEMENT DELETE           CONSTRUCTION              DATE:*CURRDATE
                             COST MODEL

        PARCEL ID:    XX XXX   XX   XXX   X X   XXXX   XX    X
                      CO BK    MP   PAR   S C   IMPR   SECT  C-F


IMPR NBR AND SECTION:        XXXX  XX

IMPR NO    XXXX  SECT'N  XX  SINGLE FAMILY DWELLING
MODEL      0103  CLASS    D  CONST YR    1988  APPRAISAL DATE 01 01 88
COND       1.00  OBSOL  .00  IPR            0  UPDATE DATE    01 01 88
PCT CMP    1.00  MOD   1.00  GR FL PERIM  189  GR FL AREA         1961
STORIES     1.0  ST HT   08  TOTAL AREA  1961  ASSESS FCV        75650

IMPR NO          SECT'N
MODEL            CLASS       CONST YR          APPRAISAL DATE
COND             OBSOL       IPR               UPDATE DATE
PCT CMP          MOD         GR FL PERIM       GR FL AREA
STORIES          ST HT       TOTAL AREA        ASSESS FCV

DELETE IMPR      XXXX

PF3 =EXIT  PF5 =DESC  PF7 =HISTORY  PF9 =NEXT IMPR PF11=NEXT PAR
PF4 =MN MENU  PF6 =IPR  PF8 =COMP'S  PF10=PREV PAR  PF12=PRINT
```

* Todays Date

Illustration F

```
                        PROPERTY INTERACTIVE INTERFACE     PANEL: MPC1101
IMPROVEMENT GENERAL INFO            CONSTRUCTION      DATE:*CURRDATE
     CHANGE                            COST MODEL

PARCEL ID:          XX  XXX XX  XXX  X X  XXXX  XX    X
                    CO  BK  MP  PAR  S C  IMPR  SECT  C-F


                      IPR OWNER:          0
                  APPRAISAL DATE:    01  01   88
                                    MM  DD   YY


                  APPRAISER NO:        98765

                  NEEDS REVIEW:          2




REPL FCV:    77990     LOC REPL FCV:  75650     ASSESSABLE FCV:  43877


PRESS "ENTER" TO SAVE IMPROVEMENT


PF3 = EXIT                  PF5 = BASE FACTORS        PF7 = IPR OWNER
PF4 = MAIN MENU             PF6 = IMPR DESC
```

* Todays Date

Illustration G

```
IMPROVEMENT       PROPERTY INTERACTIVE INTERFACE     PANEL: MPC2101
BASE FACTORS           CONSTRUCTION COST MODEL        DATE:*CURRDATE


    IMPROVEMENT:   07 111  11  111  8  0002   01        YEAR:     88



    BASE MODEL      CLASS     DESCRIPTION                    MARKET-SUB
    0103            D         SINGLE FAMILY DWELLING               XXXX


    GROUND FLOOR      TOTAL FLOOR     NUMBER OF      AVG STORY
    PERIM   AREA      AREA            STORIES        HEIGHT
    00189   0001961   0001961         01.0           08

     CONSTRUCTION YEAR PARTIAL COMPLETE      PERCENT OWNERSHIP
        1988                  00                  1.0000

                                                   PHYSICAL
    OBSOLESCENCE          MODERNIZATION            CONDITION
    00                    1.00                          1.00




    COST MARKET        REPLACEMENT        LOC REPLACEMENT   ASSESSABLE
    FULL CASH VALUE    FULL CASH VALUE    FULL CASH VALUEFULL CASH VALUE
                       $77990             $75650                  $75650


PF3 = EXIT             PF5 = COMPONENTS
PF4 = MAIN MENU        PF6 = SAVE IMPROVEMENT
```

* Todays Date

Illustration H

```
                    PROPERTY INTERACTIVE INTERFACE      PANEL: MPC1301
IMPROVEMENT DESCRIPTION              CONSTRUCTION        DATE:*CURRDATE
     MAINTENANCE                      COST MODEL


     PARCEL ID:  XX  XX  XX  XXX  X  X  XXXX  XX     X
                 CO  BK  MP  PAR  S  C  IMPR  SECT  C-F


                                              SINGLE FAMILY

DWELLING

DESCRIPTION:














PF3 =EXIT                PF7 = RETURN TO GEN INFO
PF4 =MAIN MENU
```

* Todays Date