

Damaged and Destroyed Property



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

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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
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* Today's Date

Illustration D

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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
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* Today's Date

Illustration E

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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
COND             OBSOL
PCT CMP          MOD
STORIES          ST HT
TOTAL AREA
APPRAISAL DATE
UPDATE DATE
GR FL 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
    
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* Today's 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
<i>PRESS "ENTER" TO SAVE IMPROVEMENT</i>			
PF3 = EXIT	PF5 = BASE FACTORS	PF7 = IPR OWNER	
PF4 = MAIN MENU	PF6 = IMPR DESC		

* Today's Date

Illustration G

IMPROVEMENT BASE FACTORS	PROPERTY INTERACTIVE INTERFACE CONSTRUCTION COST MODEL			PANEL: MPC2101 DATE:*CURRDATE
IMPROVEMENT:	07 111 11 111 8 0002 01			YEAR: 88
BASE MODEL 0103	CLASS D	DESCRIPTION SINGLE FAMILY DWELLING		MARKET-SUB XXXX
GROUND FLOOR PERIM AREA 00189 0001961	TOTAL FLOOR AREA 0001961	NUMBER OF STORIES 01.0	AVG STORY HEIGHT 08	
CONSTRUCTION YEAR 1988	PARTIAL COMPLETE 00	PERCENT OWNERSHIP 1.0000		
OBSOLESCENCE 00	MODERNIZATION 1.00	PHYSICAL CONDITION 1.00		
COST MARKET FULL CASH VALUE	REPLACEMENT FULL CASH VALUE \$77990	LOC REPLACEMENT FULL CASH VALUE \$75650	ASSESSABLE FULL CASH VALUE \$75650	
PF3 = EXIT PF4 = MAIN MENU	PF5 = COMPONENTS PF6 = SAVE IMPROVEMENT			

* Today's 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	
DWELLING		SINGLE FAMILY
<i>DESCRIPTION:</i>		
PF3 =EXIT	<i>PF7 = RETURN TO GEN INFO</i>	
PF4 =MAIN MENU		

* Todays Date