

Maricopa County Assessor's Office Internal Policy and Procedures

Title: Intended Use and Partial Complete Policy Standards

Number: RP-1:30EI10708

Policy Category: How to treat Partial Complete Properties

Date: November 2, 2008

Initiating Division: Appraisal Division

Revision: 1

Reviewed by: Tracy Johnston, Chief Appraiser **Approved by:** Tim Boncoskey, Chief Deputy

Revision Date: 9/20/2018

Purpose: This is a revision of the partial complete policy standards for single family residences, townhomes and residential condominiums (RP-130EI10708, November 2, 2008) to include all apartments, industrial, and commercial property and also to clarify the treatment of A.R.S. § 42-12051.

Effective Date: Revisions to this policy shall be effective for the 2020 tax year.

Definition:

Partial Completes: improvements under construction or less than 100% complete for the current assessment year.

Policy and Procedures:

- A. For all **residential or properties in the RD component maintenance screen** properties including single family residences, townhomes and residential condominiums, the following intervals of construction shall be used:
 1. 50% complete as evidenced by exterior wall and roof structure (does not require wall or roof covering).
 2. 75% complete as evidenced by the installation of drywall (does not require tape and/or texture).
- B. For all **commercial and/or all cost** properties, the interval can be between 50% and 95% complete, depending on the state of completion. 50% complete is evidenced by the exterior wall and roof structure (does not require wall or roof covering).

Note: Percent complete may be different for different property types.

- C. The first year, these properties will be placed on the roll with a B5 ratio and shall have the legal classification as evidenced by their intended use. Residential properties shall remain a 4.1 legal class until demonstratively shown to be otherwise upon completion or demonstratively shown by an affidavit.

D. A.R.S. §42-12051. Treatment of partially completed or vacant improvements; notification; exception

1. Per subsection A, partially completed or vacant improvements on the land...shall be classified according to their intended use as demonstrated by objective evidence.
2. Per subsection B, an improvement on the land is considered partially completed when the foundation of the structure or structures to be located on the property is in place.
3. Per subsection C, the only portion affected by the reclassification is the improvement on the land and that portion of the land that is necessary to support the use of the structure or structures.
4. Per subsection E, the department shall prescribe a form to be completed by the owner to notify the assessor that the requirements of this section have been completed.
 - a. **Filing of the notice is mandatory.** (Must use DOR Form 82136: Notice of Classification of Partially Completed or Vacant Improvements).
 - b. If the property owner fills out DOR Form 82136, the classification change will be granted but the **appropriate percent complete of improvements must also be listed on the rolls.**
 - c. Foundations will be assessed at 10% of the improvement value.
 - d. DOR Form 82136 **should not** be granted through an Assessor-level appeal (FCV should increase due to improvements) but it may be granted through either 1) Notice of Valuation, or 2) September Notice of Change (if the construction was started after September 30th of the preceding year).
 - e. The appropriate property status code (PSC) will be "B5", if the improvements are first-time assessed.

Link to DOR form: <https://www.azdor.gov/Forms/Property.aspx>