

Manufactured Housing Manual



Preface

In 2018, the Department of Revenue (Department or ADOR) Manuals Team undertook a major project to update all publications produced by the Property Tax Unit. The following three levels of updates were to be applied, dependent upon the perceived need:

Review: Publication conforms to standard style and formatting. Legislative and other citations verified. No changes to content, methodology, policy, or practice.

Revision: Includes applicable Review processes. Publication is newly edited. Nonsubstantive legislative changes incorporated. Addition or deletion of information that does not alter valuation methodology.

Rewrite: Includes applicable Review and Revision processes. Major substantive changes made to any combination of content, valuation methodology, policy, or practice.

The [Manufactured Housing Manual](#) is a Rewrite, even though it is a new publication, because it was created by merging portions of already existing publications, as set forth below. This publication supersedes all previous manufactured housing publications issued by the Department and remains effective until replaced. Additional information may be issued as an addendum to this publication or as a separate publication. Due to the flexibility provided for in statute, deadlines and procedures may vary from county to county across the state. The Department recommends contacting your county assessor for detailed information regarding the deadlines and procedures in their jurisdiction. The information in this publication is based upon laws and rules in effect at the time of publication. Should any content in this publication conflict with current laws or rules, the latter shall be controlling.

In 2021, the Department completed a significant reorganization project that involved this publication, consistent with the Department goals of streamlining publications and

reducing duplicated information. The resulting changes were mainly organizational in nature and were not made with the intention of effecting any substantive changes, except as required by law.

At the conclusion of this project, the contents of two publications, the *2021 Personal Property Manual* and the *Manufactured Home / Mobile Home and Recreational Vehicle or Travel Trailer Parks* guideline (2018), were recombined to form the following publications:

- [*Business Personal Property Manual*](#)
- [*Personal Property Valuation Tables and Index*](#)
- [*Manufactured Housing Manual*](#)

Authority

Authority to produce this publication is found in Arizona Revised Statutes (A.R.S.) [42-11054\(A\)](#). Regarding the weight of authority of this publication, see A.R.S. [42-13051\(B\)\(2\)](#).

Practical Examples

All practical examples herein are representative of how the Department would apply a given set of data while adhering to both industry- and Arizona-specific guidelines as well as standard appraisal methods and techniques. Practical examples may demonstrate the current best practices used to make a necessary determination. Some practical examples may demonstrate the application of a process mandated by statute. See A.R.S. [42-11001\(6\)](#). Other practical examples may demonstrate methods that are adaptable to the particular situations of the various counties. Specific calculations used in the practical examples found herein are for demonstration purposes only.

All inquiries, comments, and suggestions concerning the material in this publication may be submitted to the following:

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The *Manufactured Housing Manual* may be viewed on the Department website at:
https://azdor.gov/sites/default/files/2023-03/PROPERTY_ManufacturedHousingManual.pdf.

Legislative Changes to Arizona Revised Statutes

This publication has been updated according to the 2021 legislative session (the 55th Legislature, 1st Regular Session). Changes in the Arizona Revised Statutes that may be applicable to this publication are included in the table below.

2018 – Fifty-third Legislature – Second Regular Session
House Bill 2385: Amended A.R.S. 42-16213
Limits increase of insufficient valuation if a judicial appeal is filed by the assessor
2019 – Fifty-fourth Legislature – First Regular Session
House Bill 2097: Amended A.R.S. 42-15053
Creates a reporting exemption for certain agricultural personal property
House Bill 2556: Amended A.R.S. 3-111, 11-812, and 42-12151
Defines agritourism and includes agritourism in the definitions of both general agricultural purposes and agricultural real property
Senate Bill 1248: Amended A.R.S. 42-13302
Limits the application of Rule B in the determination of the limited property value of a modified property
2021 – Fifty-fifth Legislature – First Regular Session
House Bill 2331: Amended A.R.S. 42-19157
Sets delinquency time frame of one year for overdue property taxes assessed against unaffixed manufactured housing used as a primary residence
House Bill 2376: Amended A.R.S. 42-12002, 42-13551, and 42-13552
Defines guest ranch; identifies guest ranch property as property Class Two; sets forth deed restrictions, covenants, violations, and penalties associated with guest ranch use
Senate Bill 1828: Amended A.R.S. 15-972, 42-15001, and 48-807
Changes rate for Additional State Aid to Education, steps down assessment ratios annually for property Class One, changes rate for Fire Districts

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Introduction

The [Manufactured Housing Manual](#) contains information pertaining to the identification, valuation, classification and assessment of manufactured housing, in accordance with Arizona law. These duties are administered jointly by the Department and the 15 county assessors. The information in this publication is provided to assist these personnel to prepare annual valuations and assessments of taxable, **locally assessed** manufactured housing. **This publication is not intended for use in the valuation and assessment of centrally valued manufactured housing.**

Terminology

In this publication, the term “manufactured housing” is used in a general way to refer to all types of manufactured housing described in Arizona statute, including, among others, mobile homes, recreational vehicles, and manufactured housing used for commercial purposes. Additionally, the plural term for “manufactured home” used herein is “manufactured homes,” rather than “manufactured housing”.

The term “mobile home” is often used in a general way to refer to several types of manufactured housing.¹ However, A.R.S. [42-19151](#) sets forth specific attributes that a structure must possess to qualify as a mobile home. In addition, the National Manufactured Housing Construction and Safety Standards Act of 1974 (NMHA) became federal law on June 15, 1976, and created a national building code for all manufactured housing constructed after that date. See 42 United States Code (U.S.C.) [5401 to 5426](#). Therefore, in this publication, only manufactured housing that meets the definition in A.R.S. [42-19151](#) and/or was built prior to June 15, 1976, is referred to as a mobile home.

¹ [Title 42](#) of the Arizona Revised Statutes uses only the term “mobile home.”

Importance of Manufactured Housing

Manufactured housing represents an important component of the housing sector in the United States. It is estimated that 22 million Americans live in manufactured housing,² consisting of approximately 6.7 million occupied units³. An additional 1.5 million manufactured housing units are either vacant or are occupied only for seasonal or recreational use.⁴

Because of lower costs, manufactured housing represents a significant portion of the affordable housing sector, especially for rural and lower income households.⁵ Excluding land costs, the average price of a new manufactured housing unit is only \$81,900.⁶ Even after adding costs for delivery and installation, manufactured housing is still much less expensive than comparable site built housing, which is estimated to be 85 percent more expensive than comparable single section units and 36 percent more expensive than comparable double section units.⁷ According to the Manufactured Housing Institute:



The affordability of manufactured housing is due to the efficiencies of the factory-building process. Manufactured homes are constructed with standard building materials, and are built almost entirely off-site in a factory. The controlled construction

² Manufactured Housing Institute (MHI), “2021 Manufactured Housing Facts,” MHI, May 2021, at 2 [hereinafter MHI – [Manufactured Housing Facts 2021](#)].

³ Fannie Mae, “[Manufactured Housing Landscape 2020](#),” Multifamily: News & Insights, Fannie Mae, May 21, 2020 [hereinafter Fannie Mae – [Manufactured Housing Landscape 2020](#)].

⁴ *Ibid.*

⁵ *Ibid.*

⁶ MHI – [Manufactured Housing Facts 2021](#), *supra* note 2, at 2.

⁷ Fannie Mae – [Manufactured Housing Landscape 2020](#), *supra* note 3.

environment and assembly line techniques remove many of the problems encountered during traditional home construction, such as weather, theft, vandalism, damage to building products and materials, and unskilled labor. Factory employees are trained and managed more effectively and efficiently than the system of contracted labor employed by the site-built home construction industry.⁸

⁸ MHI – [Manufactured Housing Facts 2021](#), *supra* note 2, at 6.

Identification of Manufactured Housing

The county assessor is responsible for the identification of locally assessed manufactured housing within the county.⁹ See A.R.S. [42-13051](#) and [42-15053](#). This section describes the nine types and subtypes of manufactured housing and provides several methods the assessor may utilize to locate manufactured housing.

Types of Manufactured Housing

The definitions of most types of manufactured housing discussed in this publication are found in the Arizona Revised Statutes. Where possible, definitions from A.R.S. [Title 42 \(Taxation\)](#) are used. However, certain definitions are found only in A.R.S. [Title 33 \(Property\)](#). Nevertheless, definitions from A.R.S. [Title 33](#) are used herein solely to assist the assessor in identifying manufactured housing for the purpose of property taxation, and such use shall not be construed to contradict or extend beyond the boundaries of A.R.S. [Title 42](#).

Factory Built Building

A factory built building is “a residential or nonresidential building, including a dwelling unit or habitable room of the building, that is either wholly or in substantial part manufactured at an off-site location to be assembled on



site....” A.R.S. [33-2102\(5\)](#). Factory built buildings are constructed in accordance with the International Building Code.¹⁰

⁹ If the assessor discovers any centrally valued property, the same should be reported to the Department. Likewise, locally assessed property discovered by the Department should be reported to the assessor of the county in which the property is located.

¹⁰ International Code Council (ICC), *International Building Code*, (Falls Church, Va.: ICC, 2018) [hereinafter, IBC].

A modular building is “a type of [factory built building] built in a factory and transported in three-dimensional sections to an installation site.” Arizona Administrative Code (A.A.C.) [R4-34-101\(14\)](#).

The factory built building category does not include manufactured homes, mobile homes, or recreational vehicles. A.R.S. [33-2102\(5\)](#).

Manufactured Home

As defined in 42 U.S.C. [5402\(6\)](#), a manufactured home is:



a structure [built on or after June 15, 1976] transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and

designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein....

Manufactured homes are built in accordance with the NMHA and Title VI of the Housing and Community Development Act of 1974 (HCDA) (42 U.S.C. [5301 to 5321](#)). Federal regulations control both the design and construction of manufactured homes. See generally 24 Code of Federal Regulations (CFR) part [3280](#) et seq.

A manufactured home that meets all the requirements set forth above, except the size requirements, shall still be included in this category if the manufacturer voluntarily files a certification required by the Secretary of Housing and Urban Development (HUD) and complies with other established standards. 42 U.S.C. [5402 \(6\) and \(11\)](#).

The manufactured home category does not include any self-propelled recreational vehicle. 42 U.S.C. [5402\(6\)](#).

Mobile Home

As defined in A.R.S. [42-19151](#), a mobile home is:

a structure [built prior to June 15, 1976] that is transportable in one or more sections including the plumbing, heating, air conditioning and electrical systems that are contained in the structure and that, when erected on site, is either of the following:



1. More than eight feet in body width, thirty-two feet or more in body length and built on a permanent chassis.
2. Regardless of the size, used as a single family dwelling or for commercial purposes with or without a permanent foundation.

The mobile home category does not include factory built buildings or recreational vehicles. See A.R.S. [33-2102 \(5\) and \(18\)](#).

Mobile Office

A mobile office is a structure that is transportable in one or more sections, built on a permanent chassis, and designed to be used as an office or commercial space with or without a permanent foundation when connected to on-site utilities. The mobile office category may be grouped by size for valuation purposes as units eight feet wide and units more than eight feet wide.

Recreational Vehicle

A recreational vehicle may be motorized (self-propelled) or nonmotorized (towed or carried by a motorized vehicle) and includes any of the following:

Camping Trailer. A camping trailer is a recreational vehicle “mounted on wheels and constructed with collapsible partial sidewalls that fold for towing by another vehicle and unfold for camping.” A.R.S. [33-2102\(18\)\(a\)](#).

Motor Home. A motor home is a recreational vehicle “designed to provide temporary



living quarters for recreational, camping or travel use and built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van that is an integral part of the completed vehicle.” A.R.S. [33-2102\(18\)\(b\)](#).

Park Model. A park model, also known as a park trailer, is a recreational vehicle

built on a single chassis, mounted on wheels or originally mounted on wheels and from which the wheels have been removed and designed to be connected to utilities necessary for operation of installed fixtures and appliances and has a gross trailer area of not less than three hundred twenty square feet and not more than four hundred square feet when it is set up....



A.R.S. [33-2102\(18\)\(c\)](#). The park model category is grouped by size for valuation purposes as units eight feet wide and units more than eight feet wide.

The park model category does not include fifth-wheel trailers. A.R.S. [33-2102\(18\)\(c\)](#).

Travel Trailer. A travel trailer is a recreational vehicle

mounted on wheels, designed to provide temporary living quarters for recreational, camping or travel use and of a size or weight that may or may not require special highway movement permits when towed by a motorized vehicle



and that has a trailer area of less than three hundred twenty square feet.

A.R.S. [33-2102\(18\)\(d\)](#). The travel trailer category is grouped by size for valuation purposes as units eight feet wide and units more than eight feet wide.

The travel trailer category includes fifth wheel trailers. A.R.S. [33-2102\(18\)\(d\)](#).

Truck Camper. A truck camper is a recreational vehicle “constructed to provide temporary living quarters for recreational, camping or travel use and consisting of a roof, floor and sides designed to be loaded onto and unloaded from the bed of a pickup truck.” A.R.S. [33-2102\(18\)\(e\)](#).

Methods of Identification

Due to the portable nature of manufactured housing, the location and identification of these properties can be difficult to discover. Identification of taxable manufactured housing at a specific location can be accomplished by the assessor in several ways. Some common methods are described below.

Business Personal Property Statement

When used **commercially**, manufactured housing is reported on the business personal property statement. In certain jurisdictions, mobile offices are also reported on the business personal property statement. Subject to certain exceptions, each taxpayer that owns or has charge or control of taxable business personal property must annually file a correct report, or statement, of the property. A.R.S. [42-15053\(A\)](#). The business personal property statement must be filed on or before April 1 each year with the assessor of the county in which the property is located. A.R.S. [42-15053\(A\)](#). If manufactured housing is listed on one of these statements, the county assessor should verify that the unit has been properly assessed. For additional information regarding the business personal

property statement, refer to the section entitled “Reporting Business Personal Property” found in the [Business Personal Property Manual](#).

Manufactured Housing, Mobile Home and Mobile Office Acquisition and Sales Report

A manufactured housing dealer who acquires or sells a previously titled manufactured home, mobile home, or mobile office is required to report the transaction (using ADOR Form [82525](#)) to the Department and to the assessor of the county in which the dealer is located. A.R.S. [41-4040](#). The dealer must file this report by the 15th of each month for the time period covering the previous calendar month. A.R.S. [41-4040\(A\)](#). Among other things, the report must contain identifying data for each unit, its address of origin, its destination address, and facts concerning the transaction. A.R.S. [41-4040\(A\)](#).

Manufactured housing dealers are not required to report the acquisition or sale of **new** manufactured homes, and private individuals are not required to use ADOR Form [82525](#) to report manufactured housing transactions.

Property Tax Clearance

A Property Tax Clearance (application Form 82504, available from the county assessor) must be obtained prior to selling or moving certain manufactured housing units greater than eight feet wide. See A.R.S. [42-19107\(A\)](#) and [42-19155\(A\)](#). The property tax clearance is issued by the assessor of the county in which the manufactured housing is currently located and serves to confirm that all fees and property taxes applicable to the manufactured housing have been paid.

Mobile Home and Travel Trailer Register

Persons who permit certain types of manufactured housing to be placed on land they own, possess, or control must keep a register (ADOR Form [82505A](#)) of all such manufactured housing that is occupied as a dwelling or sleeping place for 30 or more days. A.R.S. [42-19154\(A\)](#). See A.R.S. [33-1478\(B\)](#). Information required for the register

includes identification of the manufactured housing, the owner, and any lien holder. A.R.S. [33-1478\(B\)](#). A copy of the information in the register must be provided to the county assessor each month. A.R.S. [42-19154\(B\)](#).

Mobile Home Park and Trailer Court Operator's Report to County Assessor

Land lease community operators are required to maintain a register of manufactured housing units within their communities that are occupied as a dwelling or a sleeping place for 30 or more days. A.R.S. [42-19154\(A\)](#). See A.R.S. [33-1478\(B\)](#). Specific data from the register must be reported (using ADOR Form [82505](#)) to the county assessor each month within 10 days after the month covered by the report. A.R.S. [42-19154\(B\)](#). Reported data includes information about the owner, location, and identification of each manufactured housing unit, and the date that each moved into or out of the community.

Motor Vehicle Division

The Motor Vehicle Division (MVD) of the Arizona Department of Transportation (ADOT) maintains records of applications for title and transfers of title for new and existing manufactured housing. Assessors have access to these Motor Vehicle Division records, which should be used to update tax account records for manufactured units within their jurisdictions.

Manufactured Housing Division Permit for Installation or Rehabilitation

Prior to installing a manufactured home, mobile home, factory built building, or attached accessory structure, or prior to rehabilitating a mobile home, a properly licensed entity or person must obtain a permit from the Manufactured Housing Division of the Arizona Department of Housing (ADOH). A.A.C. [R4-34-801\(A\)](#). Typically, the relevant departments of county, city, or town governments provide the Department and county assessors with copies of such installation and rehabilitation permits. See A.R.S. [11-321\(G\)](#).

Field Check – Land Lease Community

County assessors should periodically perform field checks of land lease communities to discover and list manufactured housing that may not be on the tax roll. In such a case, the assessor should obtain identifying information, such as size, make, model, and vehicle identification number(s) (VIN) or serial number(s) to update assessor records and the tax roll. Examples of the various manufactured housing tags the assessor may encounter during a field check are found in [Appendix A](#). Field checks may also help to identify new or unlisted improvements, such as carports, porches, and concrete slabs.

Field Check – Real Property

In the course of field work related to real property, county assessors may discover unreported manufactured housing. In such a case, the assessor should obtain identifying information, such as size, make, model, and VIN(s) or serial number(s) to update assessor records and the tax roll. Examples of the various manufactured housing tags the assessor may encounter during a field check are found in [Appendix A](#). Field checks may also help to identify new or unlisted improvements, such as carports, porches, and concrete slabs.

Identification of Property Type

Property must be identified as either real property or personal property in order to be correctly valued and assessed, and to ensure that property is taxed only once. See A.R.S. [42-11003](#). Factory built buildings are always listed on the real property tax roll. All other types of manufactured housing are listed on the tax roll as either real property or personal property, depending on how each unit is titled.

A manufactured housing unit that is titled through the Motor Vehicle Division must be placed on the personal property tax roll, unless it is plated and tagged in a manner similar to a vehicle. The assessor is not responsible for valuing and assessing manufactured housing units with current plates. Such units are subject to in-lieu-of taxes

through the Motor Vehicle Division, rather than to property taxes. See Ariz. Const. Art. IX, sec. [11](#).

If a manufactured housing unit is titled under a recorded Affidavit of Affixture (see A.R.S. [42-15203](#)), it is placed on either the real or personal property tax roll, depending on how the associated real property is held.

Affidavit of Affixture — Manufactured Housing on Land Owned by Housing Owner

The owner of a manufactured housing unit may file an Affidavit of Affixture to permanently affix the unit to real property. This process allows the manufactured housing to be assessed as real property. A.R.S. [42-15202](#). The term “permanently affix” does not refer to physical attachment, and no physical changes to the manufactured housing are required to file an Affidavit of Affixture. The process is solely a legal procedure, not a physical one.

To permanently affix a manufactured housing unit, it must be installed on real property that is also owned by the owner of the manufactured housing. A.R.S. [42-15201\(2\)](#). The Affidavit of Affixture must contain the information required by A.R.S. [42-15203](#), which includes the VIN(s) or serial number(s) of the manufactured housing and the legal description of the real property to which the manufactured housing will be affixed.

An Affidavit of Affixture is recorded in the same manner as a deed and replaces the manufactured housing title. Thus, once an Affidavit of Affixture is recorded, the manufactured housing owner must surrender the title or the Manufacturer’s Statements of Origin to the Arizona Department of Transportation. A.R.S. [28-2063\(A\)\(3\)](#). See A.R.S. [42-15203\(A\)\(5\)](#).

After the Affidavit of Affixture is recorded, the manufactured housing will temporarily remain on the personal property tax roll until it can be relisted when the next real

property tax roll is prepared. A.R.S. [42-15204](#). Thereafter, the manufactured housing will be considered a fixture and a real property improvement. A.R.S. [42-15204](#).

Affidavit of Affixture — Manufactured Housing on Leased Land

Under certain conditions, the owner of a manufactured housing unit located on leased land in a land lease community may file an Affidavit of Affixture. A.R.S. [33-1501](#). This process allows the manufactured housing to be treated as real property (A.R.S. [33-1501\(I\)](#)), primarily for financing purposes, while it is nevertheless still assessed as personal property and is **not** moved to the real property tax roll (A.R.S. [42-15203\(K\)](#)). See [Appendix B](#) for a complete list of requirements for this procedure.

Affidavit of Affixture — Reversal

Regardless of whether a manufactured housing unit is permanently affixed to owned land or to leased land, the affixture process can be reversed, and the unit can be retitled through the Arizona Department of Transportation. For more information, see [Sale of Permanently Affixed Manufactured Housing](#) below. Specific procedures may vary in each jurisdiction.

Valuation of Manufactured Housing

The county assessor is responsible for valuing all locally assessed manufactured housing, whether as real property or personal property, and then listing it on the appropriate tax roll. See A.R.S. [42-13051\(B\) \(2\) and \(3\)](#), [42-13054\(A\)](#), and [42-19002](#). All types of manufactured housing are valued at market value using standard appraisal methods and techniques.

Factory built buildings and permanently affixed manufactured housing should be valued as real property improvements, while all other types of manufactured housing are typically valued as personal property.

Current Use Standard

Valuation of most property is based upon the current use of the property, rather than the appraisal industry standard of potential highest and best use. A.R.S. [42-11054\(C\)\(1\)](#). Current use is defined as “the use to which property is put at the time of valuation by the assessor or the department.” A.R.S. [42-11001\(4\)](#).

Assessment Year and Tax Year

Because manufactured housing includes types that can be listed on either the real property tax roll or the personal property tax roll, it is important to note that real property is valued annually (the valuation year) and taxes are assessed in the following year (the tax year), while personal property is valued and assessed in the same year. A.R.S. [42-11001 \(17\) and \(20\)](#). Even so, for property in Classes Two, Three, and Four, the assessor may use the same valuation for up to three consecutive tax years if the assessor files a specific plan for such valuations with the Department, and if the plan is implemented uniformly throughout the affected county. A.R.S. [42-13052 \(1\) and \(2\)](#).

Full Cash Value and Limited Property Value

Most manufactured housing is assessed based upon limited property value, regardless of whether it is listed on the tax roll as real property or personal property. Ariz. Const. art. IX, sec. [18\(3\)\(b\)](#). A.R.S. [42-11001\(7\)\(b\)](#) and [42-13304\(1\)](#).¹¹ Even so, the county assessor must still determine the full cash value of all types of manufactured housing for purposes of appeal (A.R.S. [42-16051\(B\)](#)) and to ensure that the limited property value does not exceed the full cash value (Ariz. Const. art. IX, sec. [18\(3\)\(b\)](#) and A.R.S. [42-13301\(B\)](#)).

With respect to manufactured housing used commercially, “[t]he full cash value...shall be used for all purposes in lieu of limited property value.” A.R.S. [42.13304\(2\)](#).

Full Cash Value

Full cash value is defined as “the value determined as prescribed by statute. If a statutory method is not prescribed, full cash value is synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques.” A.R.S. [42-11001\(6\)](#).

Limited Property Value

Limited property value is a statutorily prescribed value that forms the basis for property tax assessment. A.R.S. [42-11001\(7\)](#). Limited property value is defined as “the limited property value of the property in the preceding valuation year plus five percent of that value.” A.R.S. [42-13301\(A\)](#). See Ariz. Const. art. IX, sec. [18\(3\)\(b\)](#). Under certain circumstances (e.g., erroneous omission from tax roll, change in use, modification, split, consolidation), the limited property value must be calculated outside of the five percent limitation. A.R.S. [42-13302\(A\) \(1\) to \(4\)](#). Even so, limited property value cannot ever exceed full cash value. A.R.S. [42-13301\(B\)](#).

¹¹ Prior to a statutory amendment that became effective in 2015, the limited property value was equal to the full cash value, and the two values were not listed separately in assessment systems. This is no longer the case.

For additional information regarding limited property value, including sample calculations, refer to the Department publication, [Limited Property Value](#).

Valuation Methods

Most manufactured housing is valued using information found on the title (year, make, size), including complete VIN(s) or serial number(s). Factory built buildings, modular buildings, and permanently affixed manufactured housing do not have a title, and are valued using standard appraisal methods and techniques.

In either case, additional data should be collected as necessary to allow the assessor to accurately value each manufactured housing unit. Site improvements may be added from a data collection form. Since valuation system requirements vary, office procedures specific to each county should be followed regarding the listing and valuation of improvements, such as room additions, decks, or porches.

The Department prescribes two methods for the valuation of manufactured housing: the factory list price method and the square foot method.

Both methods are based mainly in the cost approach to value, but also include elements of the sales comparison approach to value. For example, the Department utilizes the sales comparison approach to annually determine the market adjustment factor used in the square foot method.

Factory List Price Method

The factory list price method adjusts the dealer cost to current market value. The dealer calculates the factory list price by subtracting the freight cost from the dealer invoice cost, multiplying the difference by an adjustment factor of 1.3, and then adding back the freight cost. The adjustment factor is required because the dealer invoice cost reflects only the wholesale cost of the manufactured housing. Application of this formula produces a trade-level adjustment from wholesale to retail, as in the following example.

Total Dealer Invoice Cost		\$	63,800
Less Freight		\$	- 800
Dealer Invoice Cost	=	\$	63,000
Trade-Level Adjustment			x 1.3
Retail Cost	=	\$	81,900
Plus Freight		\$	+ 800
Factory List Price	=	\$	82,700

The dealer enters the factory list price on each application for certificate of title and registration. The factory list price is applicable to the production model as it was delivered from the factory. The cost of dealer-installed optional accessories or household goods should not be added to the dealer invoice cost prior to calculating the factory list price.

The factory list price of a manufactured housing unit consisting of two or more sections should be equally divided and entered separately on the application for certificate of title and registration for each section. When a dealer is not involved in a manufactured housing sales transaction, it is the responsibility of the seller to provide the factory list price on the application for certificate of title and registration. If the factory list price is not available from the seller, alternative sources may be consulted.

For a used manufactured housing unit transported into Arizona to be titled for the first time in this state, an original factory list price may be obtained from the following sources:

- Original dealer or manufacturer invoice.
- Current retail price can be used to calculate an estimated factory list price by dividing the average retail value by the appropriate valuation factor from

Valuation Table 14, found in the Department publication entitled [Personal Property Valuation Tables and Index](#).

Once the factory list price is determined, a valuation factor is applied to adjust the factory list price to current market value, producing a current full cash value. The valuation factors are determined by the Department and are adjusted annually based on manufactured housing sales reported each month. The annual adjustments are made after analyzing the relationship between factory list prices and current selling prices, categorized by manufactured housing type and age.

Valuation Table 14 contains valuation factors for the following unit types:

- Code 72** Manufactured Homes and Mobile Homes
- Code 721** Travel Trailers: 8' wide, 32' long or less
- Code 722** Mobile Offices: 8' wide or less, 40' long or less
- Code 723** Mobile Offices: greater than 8' wide, greater than 40' long
- Code 724** Park Models (not self-contained): 8' wide, 33'–40' long
- Code 725** Park Models (not self-contained): greater than 8' wide, 33'–40' long

Continuing the example above, and assuming the subject is a 2021 manufactured home used for residential purposes, Valuation Table 14 provides a valuation factor of 93 percent good. Applying this valuation factor to the factory list price yields the market value, or full cash value, of the unit.

Factory List Price	= \$	82,700
Valuation Factor		x 0.93
Market Value (full cash value)	= \$	76,911

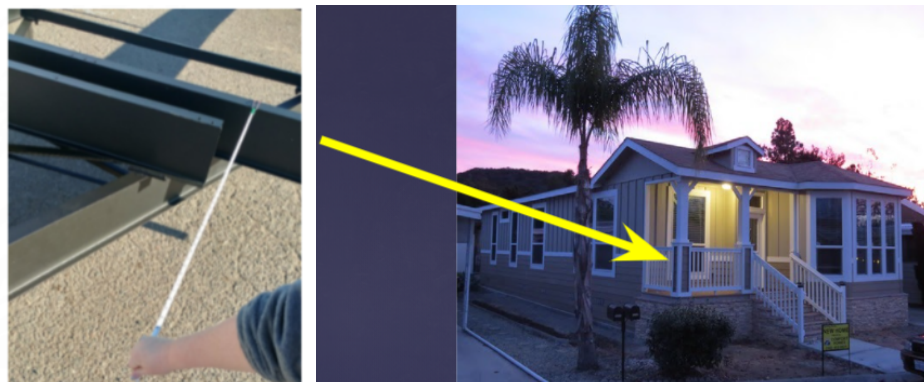
Square Foot Method

The square foot method is based on published building cost indexes. Key features of the square foot method include:

- Replacement cost new less depreciation (RCNLD) is derived, rather than historic cost less depreciation.
- Quality indicator / grade is based on the original quality of the manufactured housing.¹²
- Separate depreciation schedules are used for single- and multi-section manufactured housing.
- Depreciation tables are created using manufactured housing sales.
- Additional adjustments may be necessary for mobile offices, park models, or travel trailers.

Under the square foot method, the replacement cost new (RCN) of a manufactured housing unit is calculated based on size, number of sections, and construction quality. The replacement cost new will be adjusted annually to reflect changes in the manufacturing costs of new manufactured housing units.

With respect to size, only livable square footage should be included. Because the dimensions listed on a title may include the towing



¹² The quality indicator / grade benchmarks developed by the Department are based upon statewide data and should be used only as a starting point. Assessors should conduct a field check in order to make a final determination of the quality indicator / grade of individual manufactured housing units.

tongue and/or porch of a manufactured housing unit, a field check is necessary to obtain accurate measurements for calculating the livable square footage.

The appropriate valuation factor is applied to the replacement cost new to derive the replacement cost new less depreciation for each manufactured housing unit. Valuation Table 15, found in the Department publication, [Personal Property Valuation Tables and Index](#), contains valuation factors to be used with the square foot method.

Once the replacement cost new less depreciation is determined, a market adjustment factor should be applied, if appropriate, to reach a final market value. Assessors may use the statewide market adjustment factors provided by the Department, or they may conduct their own market studies to determine appropriate adjustment factors.

In the following example, assume the subject manufactured housing unit is a 2020 multisection home of average quality. Valuation Table 15 provides a valuation factor of 98 percent good. Applying this valuation factor to the replacement cost new of the unit yields the replacement cost new less depreciation. A market adjustment factor is applied to the replacement cost new less depreciation, which yields the market value, or full cash value, of the unit.

Replacement Cost New		\$	81,900
Valuation Factor			x 0.98
RCN Less Depreciation	=	\$	80,262
Market Adjustment Factor			x .82
Market Value (full cash value)	=	\$	65,815

Valuation Method Considerations

Advantages of the factory list price method over the square foot method arise mainly because the factory list price method is a simpler process. For example, there may be no need, or a reduced need, to perform field work, because the information necessary

for valuation is obtained directly from the title record, and it is not necessary to determine the quality indicator / grade of each manufactured housing unit.

Advantages of the square foot method over the factory list price method include determination of a full cash value that is more representative of market value (not based on historic cost), valuation that is more equitable across manufactured housing categories, and elimination of dependence on the accuracy of Motor Vehicle Division records. In addition, the square foot method utilizes the same appraisal techniques applied to real property and provides a more defensible value should an appeal be filed.

Improvements

All improvements to manufactured housing are valued by the assessor using a Computer Assisted Mass Appraisal (CAMA) system and are subsequently added to the value of the manufactured housing.

The following lists contain examples of items generally not included in the factory list price or the square foot cost of manufactured housing. These items are valued using a building cost system. These lists are illustrative only and not meant to be all inclusive.

Examples of Improvements Valued Using Building Cost Data

- | | |
|-----------------------------|--|
| Awning | Room Addition |
| Carport | Skirting |
| Central Air Conditioning | Stem Wall |
| Central Evaporative Cooling | Storage Building (permanently installed) |
| Deck / Patio | Stucco (installed after delivery) |
| Foundation | Tile Roofing (installed after delivery) |
| Garage | Window Cooling Unit (installed in wall) |



Example of tile roofing and stucco siding added after delivery of manufactured housing

Examples of Improvements to Manufactured Housing Assessed to the Land Owner

- | | |
|--------------------------------|-------------------------------|
| Pavement (asphalt or concrete) | Site Preparation |
| Septic Tank | Water, Gas, and Sewer Hookups |

Examples of Household Personal Property (may be exempt based on ownership)

- | | |
|-------------------------|--------------------------|
| Furniture | Swimming Pool (moveable) |
| Storage Shed (moveable) | Window Cooling Unit |

Additional Factors Affecting Valuation

The following are examples of additional factors that may affect the value of manufactured housing.

Excessive Depreciation

Excessive depreciation may exist when there is excessive wear and tear to a manufactured housing unit due to factors such as weather, deferred maintenance, or other circumstances. In these cases, the valuation tables provided by the Department may not truly reflect the actual condition of the manufactured housing. After a physical inspection is made, the county assessor may use discretion in applying depreciation. Depending on system requirements, this may be accomplished through adjustments to effective age, obsolescence, or quality.

Assimilation

Assimilation may occur when a manufactured housing unit (usually a single section) is completely absorbed by surrounding additions to the point that the identity of the manufactured housing is lost. Specific requirements for assimilation may vary among counties.

When a manufactured housing unit is completely assimilated into a larger structure, and the owner has either obtained a dismantling permit from the Arizona Department of Transportation or recorded an Affidavit of Affixture, the manufactured housing unit should be valued as part of the structure and not as manufactured housing. The county assessor should value the manufactured housing portion and the surrounding additions using standard appraisal methods and techniques that are applicable to any other conventionally constructed improvement.

If the owner has not obtained a dismantling permit or has not recorded an Affidavit of Affixture, the structure (less the square footage of the manufactured housing unit) must

be valued separately from the manufactured housing. In such a case, the manufactured housing unit must be assessed as personal property.

Valuing assimilated manufactured housing and associated additions as a single unit presents a number of issues for consideration. In most cases (excluding manufactured housing assessed as real property), this is because appraisal methods and depreciation applications are different for manufactured housing and site built homes. For example, site built homes generally have longer economic lives than manufactured housing. Historically, manufactured housing was considered only to depreciate in value, as opposed to site built homes, which mirror market conditions and both appreciate and depreciate in value.

Assimilation may also give rise to several considerations unrelated to valuation, because a classification change that is made for property tax purposes might not carry over to entities such as mortgage lenders, title companies, and planning and zoning authorities. This situation can cause problems and confusion for property owners.

Modernization

Modernization of manufactured housing tends to extend its remaining economic life. Modernization might include projects such as renovating the electrical service or plumbing system to meet current code requirements. Modernization would not include projects such as reroofing or painting, which fall under the category of normal maintenance. Significant upgrades made through modernization should be addressed by the assessor through an adjustment to either the quality indicator / grade and/or condition (square foot method) or the effective age (factory list price method) of the manufactured housing.

When adjusting the effective age of manufactured housing that was produced prior to the enactment of the NMHA, care must be taken to ensure that the final effective age does not surpass 1976. This helps prevent any supposition that the manufactured

housing meets the construction and safety standards of the NMHA. To meet such standards, manufactured housing built prior to enactment of the NMHA must undergo a specifically defined rehabilitation process. A.A.C. [R4-34-606](#) et seq. For more information regarding this process, refer to the website of the [Manufactured Housing Division](#) of the Arizona Department of Housing.

Location

In some areas, manufactured housing may sell at a premium (for example, homes located on a waterfront or in a resort). In other areas, the market may be depressed, or the location may be undesirable for buyers. If sufficient data exists to calculate the effect of location on the value of manufactured housing, the county assessor may use discretion in applying location or market area adjustments to all similarly located manufactured housing of the same type.

If a manufactured housing unit is sold, and the sale price differs significantly from the valuation of the assessor, market research is required to verify the valuation information. Recent sales data for comparable manufactured housing should also be consulted. The valuation of the assessor should **not** be adjusted if it is supported by information from these sources.

Data obtained through market research of comparable sales should always be examined carefully. For example, extra-market influences on a comparable sale price may result from a transaction that:

- Was not an arms-length transaction.
- Was a distressed or liquidation sale.
- Involved a trade-in.
- Included delivery and set up costs.

- Yielded the buyer a better bargain, or the seller a higher price, than is typical.
- Lowered the sale price as an inducement for the buyer to purchase a parcel of land.

Notice of Value

Once the assessor has classified and valued locally assessed manufactured housing, whether as real property or as personal property, the assessor must provide the owner of the manufactured housing with a Notice of Value (NOV).

The assessor must provide a Notice of Value for personal property on or before August 30 of each year (A.R.S. [42-19006\(A\) \(1\) and \(2\)](#)) and for real property on any date before March 1 of the assessment year (A.R.S. [42-15101\(A\)](#)).

For further information about the Notice of Value, including required contents, extension of deadlines, and amended and supplemental notices, refer to the section entitled “Notice of Value” in the Department publication, [Overview of the Arizona Property Tax System](#).

Valuation and Classification Appeals

Owners or persons in control or possession of manufactured housing who are dissatisfied with the valuation or classification of the property, as determined by the county assessor, have well defined rights of appeal. Both administrative and judicial appeal processes are provided for by law. Appeal processes for both real and personal property are similar, differing mainly in appeal periods and deadlines.

Comprehensive information regarding appeals may be found in the Department publications entitled *The Appeals Process* (real property) and [Business Personal Property Manual](#) (personal property). Summary information regarding appeals for both real and personal property may be found in the Department publication entitled [Overview of the Arizona Property Tax System](#) under the “Appeals Process” heading.

Property Tax Errors

Arizona law establishes procedures to correct certain errors in the assessment of property or collection of taxes. A.R.S. [42-16251](#) et seq. Such corrections may be initiated by either the taxpayer or a tax officer, meaning the assessor, treasurer, or Department. A.R.S. [42-16251\(4\)](#).

Examples of property tax errors include imposing an improper tax rate, incorrectly identifying property use, applying an erroneous assessment ratio, misreporting or failing to report personal property, and directly valuing a property based upon misentered data. A.R.S. [42-16251\(3\)](#).

For comprehensive information regarding the correction of property tax errors, refer to the Department publication entitled *Correcting Property Tax Errors*. For a summary of property tax error correction procedures, refer to the section entitled “Property Tax Errors” in the Department publication, [Overview of the Arizona Property Tax System](#).

Assessment of Manufactured Housing

Tax Roll Considerations

As set forth above under [Identification of Property Type](#), manufactured housing must be identified as either real property or personal property in order to be correctly valued and assessed, and to ensure that it is taxed only once. See A.R.S. [42-11003](#).

Factory built buildings are typically listed on the real property tax roll. All other types of manufactured housing are listed on either the real property tax roll or the personal property tax roll, depending on how each unit is titled.

If a manufactured housing unit is titled under a recorded Affidavit of Affixture (see A.R.S. [42-15203](#)), it is placed on the appropriate tax roll based on how the associated real property is held.

Personal Property Tax Roll

Manufactured housing that is titled through the Arizona Department of Transportation must be placed on the personal property tax roll, unless it is plated and tagged in a manner similar to a vehicle. Manufactured housing units with current plates pay in-lieu-of taxes through the Motor Vehicle Division, rather than paying property taxes. See Ariz. Const. art. IX, sec. [11](#).

Manufactured housing that is or will be listed as personal property becomes subject to property taxes, assessed as of January 1 (A.R.S. [42-17153 \(A\) and \(C\)\(1\)](#)), on the day the manufactured housing enters the state. See A.R.S. [42-19152\(A\)](#). Pursuant to A.R.S. [28-2063](#), manufactured housing kept in Arizona must be titled with the Arizona Department of Transportation, and the required fees paid, except for manufactured housing that is:

1. Owned and held by a dealer solely for the purpose of sale.
2. Owned and operated exclusively in the public service by the federal government or the State of Arizona or its political subdivisions. Such manufactured housing is still titled, but is not taxed.
3. Subject to a recorded Affidavit of Affixture.

Additional exceptions to the titling requirement include manufactured housing that is:

4. Licensed in another state and owned by a tourist temporarily in Arizona. See [Arizona Residency Status](#) below.
5. Owned by a military servicemember domiciled in another state but stationed in Arizona solely due to military orders. See [Servicemembers Civil Relief Act of 2003](#) below.

The assessor of the county in which a manufactured housing unit is located will list the manufactured housing unit on the personal property tax roll, whether or not it is titled, except in the cases stated above (A.R.S. [42-15152\(B\)](#)), or except when the unit is plated and tagged in a manner similar to a vehicle.

A manufactured housing unit located on leased land in a land lease community, and for which an Affidavit of Affixture is recorded, is treated as real property (A.R.S. [33-1501\(I\)](#)), primarily for financing purposes, but is nevertheless still assessed as personal property and is **not** moved to the real property tax roll (A.R.S. [42-15203\(K\)](#)). See [Appendix B](#) for a complete list of requirements for this procedure.

Real Property Tax Roll

A manufactured housing unit that is located on land owned by the owner of the manufactured housing, and for which an Affidavit of Affixture is recorded, will be assessed on the personal property tax roll until it can be relisted as real property when the next real property tax roll is prepared. A.R.S. [42-15204](#). At such time, the permanently affixed manufactured housing will be considered a fixture and a real

property improvement. A.R.S. [42-15204](#). See [Affidavit of Affixture — Manufactured Housing on Land Owned by Housing Owner](#).

Property Classes and Assessment Ratios

In accordance with A.R.S. [42-12001 to 42-12009](#), manufactured housing is assigned a property classification based upon its current use. A.R.S. [42-11054\(C\)\(1\)](#). Current use is defined as “the use to which property is put at the time of valuation by the assessor or the department.” A.R.S. [42-11001\(4\)](#).

There are nine property classes, many of which include numerous subclasses. A.R.S. [42-12001 to 42-12009](#). The property classes are established “for the common treatment of the property in each class for purposes of the assignment of a common assessment percentage.” A.R.S. [42-12010\(A\)](#). Thus, each property class has a corresponding assessment ratio. A.R.S. [42-15001 to 42-15009](#).

For additional information regarding classification of property, refer to the Department publication entitled [Property Classification](#).

Manufactured housing used for residential purposes is generally classified in property Classes Three and Four. Manufactured housing used for business and agricultural purposes is generally classified in property Classes One, Two, and Six.

The following table provides a general description of these property classes, their corresponding assessment ratios, and relevant statutes.

Class	General Description	Ratio	Statutes
One	Commercial Tax Year 2021 Tax year 2022 Tax year 2023 Tax year 2024 Tax year 2025 and after	0.18 0.175 0.17 0.165 0.16	42-12001 and 42-15001
Two	Agricultural & Property not included in any other class	0.15	42-12002 and 42-15002
Three	Primary Residential	0.10	42-12003 and 42-15003
Four	Other Residential	0.10	42-12004 and 42-15004
Six	Special Valuation Properties	0.05	42-12006 and 42-15006

Mixed Use Percentages and Assessment Ratios

Manufactured housing may be used simultaneously for more than one purpose. Such mixed-use property must be classified proportionally, according to the appropriate property classes for each use occurring on the property. For example, manufactured housing used for both agricultural and commercial purposes must be classified proportionally as property Class Two and property Class One.

For instructions on determining mixed-use assessment percentages for property subject to multiple uses, refer to the Department publication, [Determining Mixed-Use Percentages and Assessment Ratios](#).

Determining Assessed Value

The assessed value of manufactured housing is determined by applying the appropriate assessment ratio to the limited property value. A.R.S. [42-15010](#). The net assessed value (NAV) is calculated by subtracting any applicable exemptions from the assessed value. A.R.S. [42-11001\(8\)](#).

Additional Statutory Depreciation

Manufactured housing that is listed as personal property, used for agricultural or commercial purposes, and classified as property Class One, Subclasses (8), (9), (10), or (13); property Class Two, Subclass (P); or property Class Six, Subclasses (2) or (3), is eligible to receive additional statutory depreciation. A.R.S. [42-13054](#) and [42-13353](#).

Property Tax Exemptions

Arizona law authorizes several property tax exemptions applicable to manufactured housing. This publication refers only to the personal property exemptions related to Arizona residency status, business personal property, in-lieu-of of taxation, and military personnel. Information pertaining to other exemptions may be found in the Department publication entitled [Property Tax Exemptions](#).

Arizona Residency Status

Property taxation generally applies to manufactured housing owned by residents of Arizona, but does not apply to manufactured housing licensed in other states and owned by tourists temporarily in Arizona. A.R.S. [42-19153\(3\)](#). To determine whether manufactured housing is owned by a resident, and is thus subject to Arizona tax and titling requirements, the assessor should consult A.R.S. [42-19153\(3\)](#), which defines “resident” as follows:

- (a) A person, except a tourist or out-of-state student, who owns, leases or rents a dwelling in this state and occupies it as a place of residence.
- (b) A person who, regardless of domicile, remains in this state for a consecutive period of six months or more.
- (c) A person who engages in a trade, profession or occupation in this state or who accepts employment in this state in other than seasonal agricultural work.
- (d) A person who places a child in a public school without paying nonresident tuition.
- (e) A person who declares that the person is a resident of this state for the purpose of obtaining or paying at resident rates a state license or tuition fees at an educational institution that is maintained by public monies.
- (f) Any individual, partnership, company, firm, corporation or association that maintains a main office, a branch office or warehouse facilities in this state and that bases and operates motor vehicles in this state.

Business Personal Property Tax Exemption

The Arizona Constitution provides authority for the exemption of certain personal property used for agricultural and commercial purposes. Ariz. Const. art. IX, sec. [2\(6\)](#). This exemption is codified in A.R.S. [42-11127](#), which provides a property tax exemption for personal property in Class One, Subclasses (8), (9), (10), (11), and (13); and in Class Two, Subclass (P) (a) and (b).

The exemption is applied against the full cash value of qualifying personal property up to a maximum amount that is adjusted annually by the Department to account for inflation. A.R.S. [42-11127\(B\)](#). The current year maximum exemption is \$207,366.

The full cash value of a qualified manufactured housing unit must be included when applying the business personal property tax exemption allowed by A.R.S. [42-11127](#). Personal property records should be reviewed to determine if a taxpayer who owns manufactured housing in the property classes set forth above also owns other personal property. If so, the full cash value of the manufactured housing and the full cash value of the other personal property must be combined. The sum of the full cash values from both sources constitutes the total full cash value from which the exempt amount is deducted. See A.R.S. [42-11127\(A\)](#).

In-Lieu-Of Taxation

Property taxation does not apply to any trailer that is 8 feet or less in width and 32 feet or less in length and that is not used as a residence or for commercial purposes (i.e., a travel trailer). A.R.S. [42-19153\(2\)](#). An in-lieu-of license tax is assessed on such trailers in the same manner as on other vehicles. A.R.S. [42-19153\(2\)](#). See Ariz. Const. art. IX, sec. [11](#).

Servicemembers Civil Relief Act of 2003

The Servicemembers Civil Relief Act of 2003 (SCRA) establishes federal policy regarding taxation of military personnel on active duty in locations other than their state

of domicile. 50 U.S.C. [3901](#) et seq. In most cases, the host state (Arizona) cannot impose property taxes on personal property owned by a servicemember or nonmilitary spouse of a servicemember if the servicemember is domiciled in another state, but is stationed in Arizona solely due to military orders. 50 U.S.C. [4001 \(a\)\(1\) and \(d\)](#).

For further information, including exceptions to this rule, refer to the section entitled “13. *Personal Property of Servicemembers*” in the Department publication, [Property Tax Exemptions](#).

Relocation or Sale of Manufactured Housing

Property Tax Clearance

It is unlawful to knowingly move or sell certain manufactured housing if applicable property taxes have not been paid and are delinquent. A.R.S. [42-19107\(A\)](#) and [42-19155](#). Persons involved in the sale, transfer, or transport of manufactured housing are required to obtain a property tax clearance (Form 82504) from the assessor of the county in which the manufactured housing is currently located. The property tax clearance serves as evidence of payment of property taxes applicable to the subject manufactured housing. The property tax clearance can also assist assessors to identify manufactured housing that moves from county to county.

A property tax clearance is not required for new manufactured housing that is held as inventory. In that case, the manufactured housing is not titled, and personal property assessment and taxation are not applicable. This may occur when new manufactured housing is transported from a factory to a dealer, from one dealer to another, or between two locations of the same dealer. However, a property tax clearance is required to transport a used manufactured housing unit from one dealer to another.

The application for a property tax clearance must include the following information:

- Owner name (as listed on the title).
- Prior or current mailing address.
- Current location of manufactured housing.
- Mailing address for new location.
- Identification of land lease community or real property at new location.
- County into which the manufactured housing will be moved.
- Make, model, year, and complete VIN(s) or serial number(s).
- Length and width of manufactured housing.
- Factory list price of manufactured housing.
- Personal property account number, if applicable.

- Parcel number of real property on which the manufactured housing unit is currently affixed, if applicable.
- Mover name.

Before issuing a property tax clearance, the county assessor should consult records of both the county treasurer and the Motor Vehicle Division to ensure that all property taxes applicable to the manufactured housing unit are paid in full.

If the assessor discovers there are no county records for the manufactured housing, the manufactured housing VIN(s) or serial number(s) should be reverified. If the manufactured housing was previously located in another county, the assessor should contact that county to confirm there are no delinquent property taxes applicable to the manufactured housing.

If approved, the county assessor issues the property tax clearance and provides a copy to the applicant, who is typically the owner or mover. The applicant presents the tax clearance to the Arizona Department of Transportation as evidence of the property tax payment, and the Motor Vehicle Division issues a permit to move the manufactured housing. An oversized-load permit is required to move manufactured housing over 12 feet wide.

A property tax clearance is required prior to the transportation of previously affixed manufactured housing. It is not necessary to wait for issuance of a new title prior to issuing the property tax clearance.

Sale of Permanently Affixed Manufactured Housing

Sale of Affixed Manufactured Housing and Land Owned by Housing Owner

A buyer who purchases permanently affixed manufactured housing and the land upon which the manufactured housing is located is not required to reapply for a manufactured

housing title. In this instance, the ownership transfer is accomplished by recording a deed in the same manner as any other real property transaction.

Sale or Relocation of Affixed Manufactured Housing Apart from Land

An owner who intends to sell a permanently affixed manufactured housing unit apart from the land, or to relocate such a building, must reverse the process of affixture and retitle the manufactured housing with the Arizona Department of Transportation. After the owner submits the title application and other required documentation, the county assessor will reclassify the manufactured housing as personal property. Following is a list of requirements to unaffix and retitle manufactured housing:

- Completed Application for Arizona Certificate of Title and Registration.
- Copy of the Affidavit of Affixture.
- Lien clearance, if applicable.
- Property tax clearance.
- Verified manufactured housing VIN(s) or serial number(s).
- Notarized Bill of Sale, if applicable.
- Written verification that confirms the manufactured housing is no longer affixed to real property, such as an Affidavit of Removal (available from the assessor).
- Required fees.

The Relocation Fund

The Relocation Fund provides monetary assistance to a qualifying tenant of a land lease community for the costs of relocating or rehabilitating their home. A.R.S. [33-1476.01](#) et seq. and [33-2149](#) et seq. For additional information, refer to the [Relocation Fund](#) page found on the Arizona Department of Housing website.

Circumstances that qualify a tenant for this assistance pertain to changes at a land lease community that are beyond tenant control, including redevelopment or change in use (A.R.S. [33-1476.01](#) and [33-2149](#)), excessive increase in rent (A.R.S. [33-1476.04](#)),

or change in age restrictions (A.R.S. [33-1476.05](#) and [33-2150](#)). In addition, if a tenant meets certain income requirements, the fund also may be used to rehabilitate manufactured housing built prior to June 15, 1976. A.R.S. [41-4008](#).

Manufactured housing located in land lease communities is subject to an assessment of 50 cents per 100 dollars of the assessed value to generate monies for the Relocation Fund (there is no assessment for any year that monies in the fund exceed eight million dollars). A.R.S. [33-1476.03](#) and [33-2151](#). The assessment is charged against the value of the home only, not against additional improvements connected to the home.

Manufactured Housing Communities

Manufactured Housing Subdivision

A manufactured housing subdivision is similar in concept to a subdivision consisting of single family residential site built homes. The land in a manufactured housing subdivision is divided into separately parceled lots, and a manufactured housing unit is permanently affixed to each lot. Such properties are valued as real property and real property improvements using standard appraisal methods and techniques.

Manufactured Housing Cooperative

A manufactured housing cooperative is a type of nonprofit corporation, which owns the land and improvements that comprise a manufactured housing community. The cooperative is owned and operated by its shareholders, who are the residents of the community. The resident shareholders elect a Board of Directors, which is responsible for the day-to-day operations of the community. A cooperative offers its residents democratic control of their community and of decision making related to rents, management, and contracts.

Land Lease Community

A land lease community is a residential development in which manufactured housing owners lease the land upon which their manufactured housing is located. Land lease communities are developed with a number of separately identified spaces prepared for the installation of a single manufactured housing unit. Land lease communities often provide community infrastructure and amenities as well. The most common type of land lease community is the modern equivalent of a mobile home park, although land lease communities may take other forms.

The size of individual spaces and available amenities, common-use facilities, and services may differ greatly among land lease communities. Under certain conditions, a manufactured housing unit located in a land lease community may be affixed to the

leased land upon which it is located. A.R.S. [33-1501](#). See [Appendix B](#) for a complete list of requirements for this procedure.

Mobile Home Park

A manufactured home / mobile home park is defined as “any parcel of land that contains four or more mobile home spaces and two or more recreational vehicle spaces.”

A.R.S. [33-2102\(10\)](#). A mobile home or recreational vehicle space is “a parcel of land for rent that has been designed to accommodate a [mobile



home / recreational vehicle] and provide the required sewer and utility connections.”

A.R.S. [33-2102 \(11\) and \(19\)](#).

Manufactured home / mobile home parks typically lease spaces on a long-term basis. The spaces are usually designed to accommodate a single-section or a multi section unit and include a “pad” (concrete slab or patio) for use with the area outside of the unit. Each space will normally provide access to electricity, natural gas, septic/sewer, and water (collectively referred to as a “hookup”). Frequently, each space will also have access to telephone, cable television, internet, and similar services.

Most manufactured home / mobile home parks have asphalt or concrete streets, sidewalks, street lighting, laundry facilities, and common use or recreational facilities, such as a clubhouse or swimming pool. Many manufactured home / mobile home parks also include an area developed in a manner similar to that of a typical city park.

Recreational Vehicle Park

A recreational vehicle park is similar to a manufactured home / mobile home park, except that it caters to transient tenants. Recreational vehicle parks are usually located near a primary public roadway, such as a state highway or interstate freeway, or near a national forest, national / state park or monument, vacation or resort destination, commercial amusement facility, or similar recreational location.

Recreational vehicle parks typically lease spaces on an overnight or short-term basis, but long-term space rentals (over 30 days) may be available. Some recreational vehicle parks also offer spaces on a timeshare basis. Each space typically includes a hookup consisting of connections to electricity, propane or natural gas, septic / sewer, and water.

Many recreational vehicle parks provide elaborate recreational facilities and are designed with park-like settings. Fuel, parts, and repair facilities for recreational vehicles (and their towing vehicles) may also be available, or may be found nearby, along with other commercial enterprises, such as restaurants. Internal roadways are designed to be wide enough to accommodate easy entrance, turning, parking, and exit of recreational vehicles and the vehicles towing them.

Valuation of a Land Lease Community

This section addresses the valuation of improvements that typically comprise a land lease community, not the underlying land. For information regarding the valuation of land, refer to the Department publication entitled [Land Manual](#).

In the valuation of a land lease community, the assessor must separately consider the following four components: individual space improvements, other improvements, personal property, and land.

Individual Space Improvements. The assessor must first identify the individual spaces that make up a land lease community, including the size of each space and the

improvements associated with each space. Improvements to each space will include utility hookups, concrete pads, etc., as described above. The street and sidewalk that front each space, or a part of each space, may or may not be included in the total area of each space.

After separately identifying all the spaces in a land lease community, the assessor should determine the “typical” space size, similar to the identification of a typical lot or parcel within a single family residential subdivision. The number of typical single-wide, double-wide (or larger), and recreational vehicle spaces should be separately identified. If the land lease community has verifiably older and newer sections, the typical spaces in each of these sections should be identified separately. The typical space is the common unit of comparison used to value a land lease community, instead of per square foot, per room, or per unit, as with other properties.

Other Improvements. Structural improvements, such as a clubhouse or management office, and site improvements, such as landscaping, parking, swimming pool, tennis court, or other common use features, should be valued using the cost approach. Any residential use structure, such as a manager or owner residence, should be valued in the same manner as other residences in the area. Streets and sidewalks can be handled in one of two ways. Individual spaces can be assigned a prorated portion of the value of the surface materials of the street and sidewalk that abut each space (on either a lineal or square foot basis), or the streets and sidewalks can be valued as part of the site improvements.

Personal Property: Any significant items of personal property located in a land lease community should be inspected and valued by the assessor.

Land. A typical land lease community usually consists of a single parcel of land or, at most, a small number of parcels (i.e., an economic unit). Individual spaces in a land lease community may be separately parceled, but generally are not. The land on which a land lease community is located is valued as though vacant, unimproved, and

available for use as a land lease community, in the same manner as any vacant, unimproved land of comparable potential use, location, and size. For more information regarding the valuation of land, refer to the Department publication, [Land Manual](#). The land value is added to the total improvement value to yield a total full cash value of the real estate comprising the land lease community.

Community Valuation. Once the improvements that are typical to each category and size of space within a land lease community are determined, the value of each typical space is multiplied by the number of comparable spaces and a total value of all spaces is determined. This total is added to the replacement cost value estimates of all improvements and to the land value, yielding a total value for the entire land lease community.

Property Classification and Mixed-Use Assessment Ratio

In accordance with A.R.S. [42-12001 to 42-12009](#), a land lease community and the spaces within such a community are assigned a property classification based upon current use. A.R.S. [42-11054\(C\)\(1\)](#). See [Property Classes and Assessment Ratios](#) above. Those spaces that are leased on a long-term basis (30 or more days) should be classified as property Class Four residential rental property. Spaces that are leased on a short-term basis (29 or fewer days) to transient tenants should be classified as property Class One commercial property.

Land lease community operators must maintain a [register](#) of manufactured housing units within their communities that are occupied on a long-term basis and must file a monthly [report](#) with the assessor regarding these properties. A.R.S. [42-19154 \(A\) and \(B\)](#). See A.R.S. [33-1478\(B\)](#). Using this monthly report, the assessor determines which spaces qualify for the more favorable property Class Four classification.

If a land lease community contains both spaces that are leased on a long-term basis and spaces that are leased on a short-term basis, the assessor must calculate a

weighted classification and mixed-use assessment ratio to properly value the land lease community. For instructions on determining mixed-use assessment percentages for property subject to multiple uses, refer to the Department publication, [*Determining Mixed-Use Percentages and Assessment Ratios*](#).

Appendix A: Sample Manufactured Housing Tags

Installation Tag

An installation tag does not indicate whether the manufactured housing is a factory built building or one of the other types.

THIS INSIGNIA IS THE PROPERTY OF THE STATE OF ARIZONA DEPARTMENT OF BUILDING AND FIRE SAFETY OFFICE OF MANUFACTURED HOUSING. THE LICENSEE LISTED BELOW CERTIFIES THAT THE INSTALLATION WORK PERFORMED IS IN COMPLIANCE WITH THE RULES AND REGULATIONS OF THE OFFICE.

LICENSE NUMBER	CLASS	DATE
AZ 242270	SN	

WORK PERFORMED:

GAS	WATER	SEWAGE	SPLITTING / SINKING
ELECTRICAL	BLOCKING	ANCHORING	COILER / AIR CONDITIONER

Pre-2013 Installation Tag

INSTALLATION CERTIFICATE
THIS INSIGNIA IS THE PROPERTY OF THE STATE OF ARIZONA DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY OFFICE OF MANUFACTURED HOUSING. THE LICENSEE LISTED BELOW CERTIFIES THAT THE INSTALLATION WORK PERFORMED IS IN COMPLIANCE WITH THE RULES AND REGULATIONS OF THE OFFICE.

LICENSE NUMBER	CLASS	DATE

WORK PERFORMED: SOIL SUPPORT ANCHORING
 ELEC WATER SEWER GAS MECH

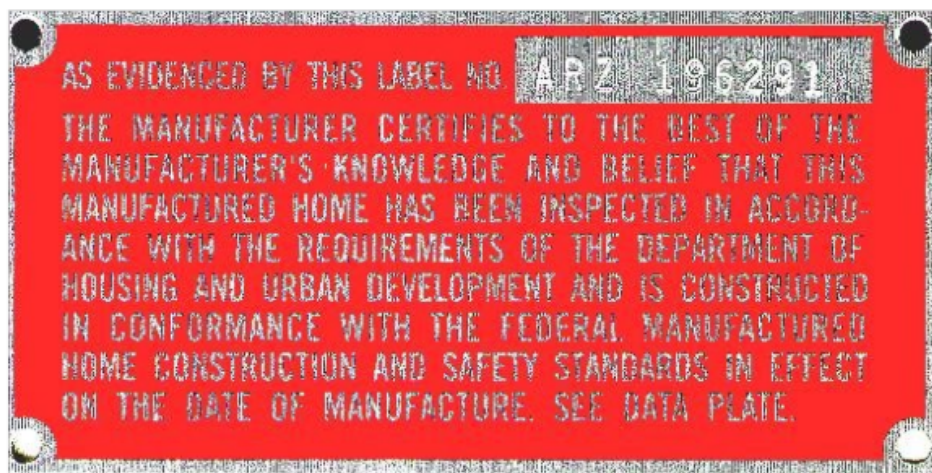
ACCESSORY PLAN #
 ACCESSORY PLAN #
 INSTALL/ FLOOD ZONE PLAN #

AZ I 000001	SN
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Post-2013 Installation Tag

Manufactured Home HUD Tag

This tag identifies the manufactured housing as a manufactured home and certifies that the unit was built in accordance with the NMHA (42 U.S.C. [5401 to 5426](#)) and Title VI of the HCDA (42 U.S.C. [5301 to 5321](#)).



Rehabilitation Tag

A mobile home that has been rehabilitated to meet NMHA standards will display a rehabilitation tag. See A.A.C. [R4-34-606](#) et seq. and the website of the [Manufactured Housing Division](#) of the Arizona Department of Housing.



Pre-2013 Rehabilitation Tag



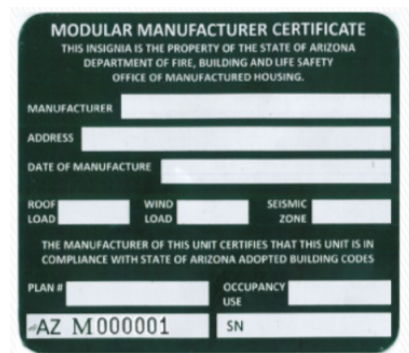
Post-2013 Rehabilitation Tag

Factory Built Building Tag

This tag identifies the manufactured housing as a factory built building and certifies that the unit was built in accordance with the International Building Code.¹³



Pre-2013 Factory Built Building Tag



Post-2013 Factory Built Building Tag

¹³ IBC, *supra* note 10.

Appendix B: Affixing Manufactured Housing in a Land Lease Community

Following is a summary of requirements found in A.R.S. [33-1501](#) that must be met to file an Affidavit of Affixture for manufactured housing located on leased land in a land lease community.

1. The manufactured housing must be installed on the leased space in compliance with applicable state and local installation standards, and the wheels and axles must be removed.
2. The leased space must be subject to a minimum 20-year lease, and the lease must specifically permit an Affidavit of Affixture to be recorded.
3. A memorandum of lease containing all of the following must be recorded:
 - a. Names and addresses of the landlord and tenant.
 - b. Duration of the primary lease term.
 - c. Conditions of any lease renewal provisions.
 - d. Make, year, size, manufacturer's list price, and VIN(s) or serial number(s) of the manufactured housing.
 - e. Legal description of the real property on which the manufactured housing is located.
 - f. Acknowledged signatures of both the landlord and the tenant.
4. The lease and memorandum of lease must both contain a legal description of the leased space on which the manufactured housing is located. The following are sufficient legal descriptions of a leased space:
 - a. Recorded subdivision plat that identifies individual lots in the community.
 - b. Recorded leasehold map that includes the name and legal description of the land lease community, the location of all rental spaces with a unique number assigned to each, and a certification by the community owner that the leasehold map accurately shows the location and dimensions of all rental spaces.

- c. Metes and bounds description of the real property that is subject to the lease.
 - d. Reference to a lot number in an unrecorded plat of the land lease community, if a legible copy of the plat is attached to both the memorandum of lease and the Affidavit of Affixture, and each copy of the plat sets forth the exact dimensions and location of the manufactured housing lot.
 - e. Reference to a lot number in a development plan approved by the county or municipal planning department that contains the name and date of the development plan, the designated lot number, and the actual or approximate approval date of the development plan.
5. The Affidavit of Affixture must contain all of the following:
- a. Make, year, size, manufacturer's list price, and VIN(s) or serial number(s) of the manufactured housing.
 - b. Legal description of the leased space.
 - c. Identity of the person to whom the last personal property tax bill for the manufactured housing was sent and its location when last taxed, or a statement that the manufactured housing has not been previously assessed or taxed.
 - d. Identity of the lien holders on the manufactured housing.
6. The certificate of title must be surrendered to the Motor Vehicle Division and a receipt for the title must be filed with the county assessor.

Appendix C: Resources

Valuation Resources

Datacomp Appraisal Systems: <https://www.datacompusa.com>

Grissim Guides: <https://grissimguides.com>

NADAguides: <https://www.NADAguides.com/manufactured-homes>

Other Resources

Department of Revenue Personal Property Unit: personalpropertyunit@azdor.gov

Manufactured Housing Communities of Arizona: <https://azmhca.com/>

Manufactured Housing Industry of Arizona: <https://azhousing.org/>

Manufactured Housing Institute: <https://www.manufacturedhousing.org/>