

# Salvage



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

## Salvage Structure Defined

There are several dictionary definitions of salvage. The one that most closely approximates the use of the term for property tax purposes is “something extracted (as from rubbish) as valuable or useful.” Consistent with this definition for property tax purposes, the value of a salvage structure will be the estimated value of the recoverable components less the cost of demolition and recovery.

Salvage value may increase or decrease from one year to the next, but the value change is not directly related to construction costs. Decreasing value commonly is attributed to deterioration of components due to lack of care, aging, weathering, or vandalism. Increasing values relate to the market value of recoverable components.

An improvement may be designated and classified as a salvage structure when one or more of the following conditions exist:

1. Uninhabitable. An uninhabitable structure is a structure designed or intended to be used either for living, sleeping or eating which is no longer capable of providing the needs for habitation.
2. Unusable. An unusable structure is a structure that is unsafe to live in, to store items in, to work in or to use for any other useful purpose.
3. Condemned. A condemned structure is a structure that has been officially declared unsafe, unfit for occupancy or unfit for use. Condemnation is usually initiated by local authorities on the basis of local building codes and regulations.

## Legal Class

As outlined above, salvage improvements are “uninhabitable, unusable or condemned structures.” Salvage structures will be included in Legal Class 2 and assessed at 16% of full cash value.

In the construction cost system, model numbers with 9 in the fourth position (Example 0109) indicate that this improvement is salvage only. In some instances however, a parcel may include both usable and unusable improvements. In such instances, it is essential that only the unusable improvements be identified as salvage structures. Whether there are one or several salvage structures existing on a parcel, it is important that assessor personnel have the capability of designating specific structures.

To identify and designate individual structures as salvage, the first three digits of the improvement model number will be used and a “9” will be entered as the fourth digit in the improvement model number. For example: an 0103 structure that has deteriorated or been damaged to the extent that it is no longer usable will become 0109. A 1513 structure that is no longer usable will become 1519. This procedure will identify the use for which the building was designed as well as the identification of salvage structures.

### **Entering Data Pertaining to Salvage Property**

1. Access PT50 to update the computer file; change legal class to 2.
2. Gain access to PC01, with menu, request “improvement maintenance” and select “change” from that option. (Illustration A).
3. Press “PF5 = base factors”. This brings up the base factors screen (Illustration B)
4. Change “base model” fourth digit to “9” indicating salvage. In making this change, obsolescence will change to 95 and the message “Warning - obsolescence defaults to 95%- Press enter to accept” prints across the bottom of the screen. (Illustration C). The appraiser has the option of entering a different obsolescence factor if needed, but in no case will an obsolescence factor of less than 80 percent be accepted under designation of salvage property. Press “enter” to accept. This changes the assessable full cash value to the salvage amount (Illustration D).

5. Press “PF6 = save improvements”. This will bring up change screen showing the assessable FCV at salvage value. (Illustration E). Press “enter” to save improvement. This completes the transaction.

**ILLUSTRATION A**

PROPERTY INTERACTIVE INTERFACE		PANEL: MPC1101
IMPROVEMENT GENERAL INFO	CONSTRUCTION	DATE: *CURRDATE
CHANGE	COST MODEL	
PARCEL ID: XX XXX XX XXX X X	XXXX XX	FUTURE-YEAR-
CO BK MP PAR S C	IMPR SECT	TAX YEAR
IPR OWNER:	0	
APPRAISAL DATE:	01 01 XX	
	MM DD YY	
APPRAISER NO:	98765	
NEEDS REVIEW:	0	
COST MARKET FCV:	REPLACEMENT FCV:	
LOC REPL FCV:	ASSESSABLE FCV:	
<b>PRESS "ENTER" TO SAVE IMPROVEMENT</b>		
PF2 = PT50	PF3 = EXIT	PF5 = BASE FACTORS
	PF4 = MAIN MENU	PF6 = IMPR DESC
		PF7 = IPR OWNER

\* Today's Date

**ILLUSTRATION B**

IMPROVEMENT BASE FACTORS	PROPERTY INTERACTIVE INTERFACE CONSTRUCTION COST MODEL		PANEL: MPC2101 DATE: *CURRDATE
IMPROVEMENT: 07 111 11 111 8 0002 01		COST-YEAR: 200X	TAX-YEAR 200X FUTURE-YEAR-1
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 2000	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 \$77,990	LOC REPLACEMENT FULL CASH VALUE \$75,650	ASSESSABLE FULL CASH VALUE 75,650
PF3 =EXITS PF4 =MAIN MENU PF5 =COMPONENTS PF6 =SAVE IMPROVEMENT			

\* Today's Date

**ILLUSTRATION C**

IMPROVEMENT BASE FACTORS	PROPERTY INTERACTIVE INTERFACE CONSTRUCTION COST MODEL		PANEL: MPC2101 DATE: *CURRDATE
IMPROVEMENT: 07 111 11 111 8 0002 01		COST-YEAR: 200X	TAX-YEAR 200X FUTURE-YEAR-1
BASE MODEL 0109	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 2000	PARTIAL COMPLETE 00	PERCENT OWNERSHIP 1.0000	
OBSOLESCENCE 95	MODERNIZATION 1.00	PHYSICAL CONDITION 1.00	
COST MARKET FULL CASH VALUE	REPLACEMENT FULL CASH VALUE \$77,990	LOC REPLACEMENT FULL CASH VALUE \$75,650	ASSESSABLE FULL CASH VALUE \$75650
<b>WARNING - OBSOLESCENCE DEFAULTS TO 95%, PRESS ENTER TO ACCEPT</b>			
PF3 =EXITS    PF4 =MAIN MENU    PF5 =COMPONENTS    PF6 =SAVE IMPROVEMENT			

\* Today's Date

ILLUSTRATION D

IMPROVEMENT BASE FACTORS	PROPERTY INTERACTIVE INTERFACE CONSTRUCTION COST MODEL		PANEL: MPC2101 DATE: *CURRDATE
IMPROVEMENT: 07 111 11 111 8 0002 01		COST-YEAR: 200X	TAX-YEAR 200X FUTURE-YEAR-1
BASE MODEL 0109	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 2000	PARTIAL COMPLETE 00	PERCENT OWNERSHIP 1.0000	
OBSOLESCENCE 95	MODERNIZATION 1.00	PHYSICAL CONDITION 1.00	
COST MARKET FULL CASH VALUE	REPLACEMENT FULL CASH VALUE \$77,990	LOC REPLACEMENT FULL CASH VALUE \$75,650	ASSESSABLE FULL CASH VALUE \$ 3783
PF3 =EXITS PF4 =MAIN MENU PF5 =COMPONENTS PF6 =SAVE IMPROVEMENT			

\* Today's Date



**ILLUSTRATION E**

PROPERTY INTERACTIVE INTERFACE		PANEL: MPC1101
IMPROVEMENT GENERAL INFO	CONSTRUCTION	DATE: *CURRDATE
CHANGE	COST MODEL	
PARCEL ID: XX XXX XX XXX X X	XXXX XX	FUTURE-YEAR-
COBK MP PAR S C	IMPR SECT	TAX YEAR
IPR OWNER:	0	
APPRAISAL DATE:	01 01 XX	
	MM DD YY	
APPRAISER NO:	98765	
NEEDS REVIEW:	0	
COST MARKET FCV: 0	REPLACEMENT FCV: 77990	
LOC REPL FCV: 75650	ASSESSABLE FCV: 3783	
<b>PRESS "ENTER" TO SAVE IMPROVEMENT</b>		
PF2 = PT50	PF3 = EXIT	PF5 = BASE FACTORS
	PF4 = MAIN MENU	PF7 = IPR OWNER
	PF6 = IMPR DESC	

\* Today's Date