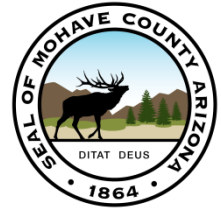


ASSESSOR OF MOHAVE COUNTY

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MEMORANDUM OF POLICY

DATE: 3/12/2026

TO: All Assessor Staff

FROM: Darren Rasmussen

SUBJECT: Short Term Rental (STR) Property Class Assignment

Purpose

This policy provides guidance to staff regarding the assignment of property class for properties used as short-term rentals (STRs).

Properties of residential design may be used for residential occupancy and/or commercial transient lodging purposes. This policy establishes consistent procedures for determining the appropriate property class based on current primary use.

This policy applies to:

- Single-family dwellings
- Townhomes
- Condominiums

The policy applies within general appraisal functions, property classification review, and administrative appeal processing.

Policy Statement

Property classification for properties used as short-term rentals shall be assigned based on primary use of the property in accordance with A.R.S. Title 42, Chapter 12, Article 1.

Classification shall be applied as follows:

- Class 01.12 (Commercial) – Properties primarily used for transient lodging through short-term rental activity.
- Class 03.3 (Owner-Occupied Residential) – Owner-occupied properties that also provide lodging to transient occupants.
- Class 04.10 (Residential Rental) – Non-Primary and properties leased to long-term tenants that may also provide short-term lodging.

Scope

This policy applies to all employees, supervisors, and management personnel within the Mohave County Assessor's Office who are responsible for property classification, valuation, and appeal processing.

1. Property Class and Current Use:

a. Property Class and descriptions are defined within A.R.S Title 42, chapter 12, Article 1.

- **01.12** -Real property and improvements that are devoted to any other commercial or industrial use, other than property that is specifically included in another class described in this article, and that are valued at full cash value.
- **03.3**-Real and personal property that is used for residential purposes and occupied by the owner as the owner's primary residence, as described in section 42-12053, who also uses the property for lease or rent to lodgers.
- **04.10**-Real and personal property and improvements that are used for residential purposes and that are leased or rented to lodgers, except for:
 - (a) Property occupied by the owner of the property as the owner's primary residence and included in class three.
 - (b) Property used for commercial purposes and included in class one.

b. Determination of Current Use (internal policy)

- **01.12** -Class 01.12 Commercial shall be assigned when a dwelling is primarily devoted to short-term rental use for transient lodging.
 - See the Illustrative Factors in Evaluating STR Properties

03.3- Class 03.3 shall be assigned when the property is occupied by the owner as the owner's primary residence and also provides lodging to short-term rental occupants.

This may include situations where:

- Short-term rentals occur within the primary dwelling, or
- Short-term rentals occur within an accessory dwelling unit (ADU) located on the property.

The number of days the property is available for or used as a short-term rental does not change this classification, provided the property qualifies as the owner's primary residence.

Class 01.12 Commercial shall not be assigned when the property qualifies as the owner's primary residence.

- **04.10**-Class 04.10 shall be assigned when the property is not qualified as a primary residence and or is leased to a long-term residential tenant, and short-term rental activity may also occur on the property.

Short-term rental activity may occur within:

- The primary dwelling, or
- An accessory dwelling unit (ADU).

For purposes of this policy, a long-term rental tenant is defined as a lease agreement with a term of 30 consecutive days or longer.

The number of days the property is available for or used as a short-term rental does not change this classification, provided the property is leased to a long-term tenant.

Class 01.12 Commercial shall not be assigned when the property is occupied by a long-term residential tenant under a qualifying lease.