

Comptroller's Division of Property Assessment Proration Errors

Of the 773 properties indicated as "incorrect prorations" by the Division of Property Assessments auditors, approximately 310 were identified where the instructions by the auditors were to prorate new construction for assessments at a date later than determined by field appraisers personal observations as being "substantially complete" for assessment purposes, in accordance with TCA 67-5-603(b).

At least 40.10% we believe are incorrect determinations.

Any improvement or new building shall be deemed completed and to have a value for assessment purposes when the real property upon which such improvement or new building is located shall have been conveyed to a bona fide purchaser, or when such new building or improvement has been occupied or used or shall be suitable for occupancy or use, whichever shall first occur.

No where in this statute or in DPA or SBOE memos or rules is a certificate for occupancy by a codes department listed as definitive proof of a “substantially complete” determination for assessment and tax purposes.

Account #126153: The Comptroller's Division of Property Assessment's auditors instructed the property to be prorated for October 30th, 2024.(CO 10/30/2024) and the field appraiser after visual inspection judged the property "substantially complete" as of May 2024.



Note: Statutes do not permit prorations between September 1st and December 31st.

TCA 67-5-603 further states

- (1) If, after January 1 and before September 1 of any year, an improvement or new building is completed and ready for use or occupancy, or the property has been sold or leased, the assessor of property shall make or correct the assessment of such property, on the basis of the value of the improvement at the time of its completion, notwithstanding the status of the property as of the assessment date of January 1; provided, that for the year in which such improvement or building is completed, the assessment, or increase in assessment, of the improvement shall be prorated for the portion of the year following the date of its completion.*
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Account # 132202: The Comptroller's Division of Property Assessments auditors' instructions are to prorate the property for "All of 2025" (CO 12/5/2024). The appraiser inspected and deemed this property "substantially complete" and prorated the improvements as of May 2024. Photos indicate substantially complete in May 2024.(5/29/2024)



Account #135764: Comptroller's Division of Property Assessments auditors' instructions are to prorate for October 2024 (it has no CO). The appraiser deemed the property "substantially complete" and prorated improvements as of June 2024. Photos indicate the property was substantially complete in June 2024.



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TCA 67-5-603

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