

04-0887  
Locally Assessed Property Tax  
Signed 07/13/2005

BEFORE THE UTAH STATE TAX COMMISSION

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PETITIONER,	)		
	)	<b>ORDER</b>	
Petitioner,	)		
	)	Appeal No.	04-0887
v.	)		
	)	Parcel No.	#####
BOARD OF EQUALIZATION	)	Tax Type:	Property Tax/Locally Assessed
OF SALT LAKE COUNTY,	)	Tax Year:	2003
STATE OF UTAH,	)		
	)	Judge:	Chapman
Respondent.	)		

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**This Order may contain confidential "commercial information" within the meaning of Utah Code Sec. 59-1-404, and is subject to disclosure restrictions as set out in that section and regulation pursuant to Utah Admin. Rule R861-1A-37. The rule prohibits the parties from disclosing commercial information obtained from the opposing party to nonparties, outside of the hearing process. However, pursuant to Utah Admin. Rule R861-1A-37, the Tax Commission may publish this decision, in its entirety, unless the property taxpayer responds in writing to the Commission, within 30 days of this notice, specifying the commercial information that the taxpayer wants protected. The taxpayer must mail the response to the address listed near the end of this decision.**

**Presiding:**

Kerry R. Chapman, Administrative Law Judge

**Appearances:**

For Petitioner: PETITIONER REPRESENTATIVE, Representative

For Respondent: RESPONDENT REPRESENTATIVE, from the Salt Lake County Assessor's Office

STATEMENT OF THE CASE

This matter came before the Commission for an Initial Hearing pursuant to the provisions of Utah Code Ann. 59-1-502.5, on April 13, 2005. Because the County had not provided the Petitioner the BOE decision issued in this matter and the information relating to it, such evidence was excluded from the Initial Hearing and not considered in this decision.

At issue is the fair market value of the subject property as of January 1, 2003. The subject property is an eight-unit apartment complex located at ADDRESS in CITY, Utah. For the 2003 tax year, the property was assessed at \$\$\$\$\$, which equates to approximately \$\$\$\$\$ per unit. The County BOE sustained this value.

The subject property is comprised of two separate buildings with four apartments each. All eight apartments are one-bedroom units approximately 769 square feet in size. One of the buildings was rebuilt after a fire in 2001 and, as a result, four of the units have new kitchens, baths, etc. The four units in the other building have not had major “upgrades.”

PETITIONER REPRESENTATIVE proffers four comparable sales within three blocks of the subject property. The comparables all have between five and eight units and sold at prices per unit of \$\$\$\$\$, \$\$\$\$\$, \$\$\$\$\$, and \$\$\$\$\$. PETITIONER REPRESENTATIVE adjusted these comparables to prices per unit of \$\$\$\$\$ to \$\$\$\$\$, from which she concluded that the subject property’s value is \$\$\$\$\$ per unit, or \$\$\$\$\$. However, PETITIONER REPRESENTATIVE is not a licensed appraiser and has adjusted the comparables for “condition,” in one instance over 23%. The Commission questions the amount of these adjustments. In addition, RESPONDENT REPRESENTATIVE, a registered appraiser, stated that PETITIONER REPRESENTATIVE’S adjustments for square footage in an apartment complex is suspect.

RESPONDENT REPRESENTATIVE proffered an appraisal that he had prepared, in which he estimated the subject to have a value of \$\$\$\$\$ per unit, or \$\$\$\$\$. He adjusted three comparables that sold at prices ranging from \$\$\$\$\$ to \$\$\$\$\$ per unit to adjusted values ranging from

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\$\$\$\$\$ to \$\$\$\$\$. The comparable closest in location to the subject sold for \$\$\$\$\$ per unit and adjusted to \$\$\$\$\$ per unit. Like the subject, it has eight apartments.

From the information submitted, it appears that an eight-plex sells for less per unit than a five-plex or a six-plex. Of the eight-plex comparables submitted, the most convincing evidence of value appears to be RESPONDENT REPRESENTATIVE'S comparable that sold for \$\$\$\$\$ per unit. Upon consideration of this sale and RESPONDENT REPRESENTATIVE'S appraiser judgment and because certain of PETITIONER REPRESENTATIVE'S adjustments are questionable, the Commission finds that RESPONDENT REPRESENTATIVE'S estimated value of \$\$\$\$\$ per unit, or \$\$\$\$\$, is the best estimate of value for the subject property.

#### APPLICABLE LAW

1. The Tax Commission is required to oversee the just administration of property taxes to ensure that property is valued for tax purposes according to fair market value. Utah Code Ann. §59-1-210(7).

2. Any person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, may appeal that decision to the Tax Commission. In reviewing the county board's decision, the Commission may admit additional evidence, issue orders that it considers to be just and proper, and make any correction or change in the assessment or order of the county board of equalization. Utah Code Ann. §59-2-1006(3)(c).

3. Petitioner has the burden to establish that the market value of the subject property

is other than the value determined by Respondent.

4. To prevail, the Petitioner must (1) demonstrate that the County's original assessment contained error, and (2) provide the Commission with a sound evidentiary basis for reducing the original valuation to the amount proposed by Petitioner. *Nelson V. Bd. Of Equalization of Salt Lake County*, 943 P.2d 1354 (Utah 1997), *Utah Power & Light Co. v. Utah State Tax Commission*, 530 P.2d. 332 (Utah 1979).

#### DISCUSSION

Both parties have submitted sufficient evidence to call into question the fair market value established by the County BOE. Based on the evidence proffered at the Initial Hearing, the Commission finds that the fair market value of the subject property is \$\$\$\$\$.

#### DECISION AND ORDER

Based upon the foregoing, the Tax Commission finds that the fair market value of the subject property should be reduced from \$\$\$\$\$ to \$\$\$\$\$ for the 2003 tax year. The Salt Lake County Auditor is ordered to adjust its records in accordance with this decision. It is so ordered.

This decision does not limit a party's right to a Formal Hearing. However, this Decision and Order will become the Final Decision and Order of the Commission unless any party to this case files a written request within thirty (30) days of the date of this decision to proceed to a Formal Hearing. Such a request shall be mailed to the address listed below and must include the Petitioner's name, address, and appeal number:

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Utah State Tax Commission  
Appeals Division  
210 North 1950 West  
Salt Lake City, Utah 84134

Failure to request a Formal Hearing will preclude any further appeal rights in this matter.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Kerry R. Chapman  
Administrative Law Judge

BY ORDER OF THE UTAH STATE TAX COMMISSION.

The Commission has reviewed this case and the undersigned concur in this decision.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

Pam Hendrickson  
Commission Chair

R. Bruce Johnson  
Commissioner

Palmer DePaulis  
Commissioner

Marc B. Johnson  
Commissioner

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