

06-0620
Locally Assessed Property
Signed 12/19/2006

BEFORE THE UTAH STATE TAX COMMISSION

PETITIONER,)	INITIAL HEARING ORDER
)	
Petitioners,)	Appeal No. 06-0620
)	Parcel No. #####
v.)	
)	Tax Type: Property Tax/Locally Assessed
BOARD OF EQUALIZATION OF)	
SALT LAKE COUNTY,)	Tax Year: 2005
UTAH,)	
)	Judge: Robinson
Respondent.)	

Presiding:

R. Spencer Robinson, Administrative Law Judge

Appearances:

For Petitioner: PETITIONER, *pro se*
For Respondent: RESPONDENT REPRESENTATIVE, Appraiser, Salt Lake County

STATEMENT OF THE CASE

Petitioners bring this appeal from the decision of the County Board of Equalization. The parties participated in an Initial Hearing pursuant to the provisions of Utah Code Sec. 59-1-502.5, on September 7, 2006. Petitioner is appealing the assessed value as established for the subject property by Salt Lake County Board of Equalization. The lien date at issue is January 1, 2005.

APPLICABLE LAW

All tangible taxable property shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provide by law. (Utah Code Ann. Sec. 59-2-103 (1).)

“Fair market value” means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. (Utah Code Ann. 59-2-102(12).)

(1) 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 commission by filing a notice of appeal specifying the grounds for the appeal with the county auditor within 30 days after the final action of the county board. . . . (4) In reviewing the county board’s decision, the commission shall adjust property valuations to reflect a value equalized with the assessed value of other comparable properties if: (a) the issue of equalization of property values is raised; and (b) the commission determines that the property that is the subject of the appeal deviates in value plus or minus 5% from the assessed value of comparable properties. (Utah Code Ann. Sec. 59-2-1006(1)&(4).)

To prevail in a real property tax dispute, 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).

DISCUSSION

The subject property is parcel no. ##### and is located at ADDRESS 1, CITY, Utah. The Salt Lake County Assessor’s Office had originally set the value of the subject property, as of the lien date at \$\$\$\$\$. The Salt Lake County Board of Equalization determined the value was \$\$\$\$\$.

The subject property consists of a single family dwelling on .22 acres. The home is a 31-year-old, 1,882 square foot bi-level home in good condition. It has a total of twelve

rooms. It has five bedrooms and 2.5 bathrooms. It has a full basement of 1,064 square feet. The basement is 85% finished.

Petitioner received a tax notice that listed a value for the home and for the land. His issue is the value assigned to the land.

Petitioner submitted information on seven other properties, specifically citing the value of the land. Using the land values, he calculated an average value of \$\$\$\$ per acre. Based on that, he calculated the land value of the subject as \$\$\$\$.

Petitioner did not object to the value assigned to the home on the property. He accepted the value of \$\$\$\$\$. He argued the total value of his property should be \$\$\$\$\$.

Respondent submitted an appraisal with three comparables. Two of the three comparables are within one mile of the subject. Comparable number 1 is 1.35 miles from the subject.

Respondent's comparable number 1 is located at ADDRESS 2, CITY, Utah. It sold for \$\$\$\$\$ on June 25, 2004. After making adjustments, RESPONDENT REPRESENTATIVE opined that the adjusted sales price of this comparable was \$\$\$\$\$.

Respondent's comparable number 2 is located at ADDRESS 3, CITY, UT. It is 0.89 miles from the subject. It sold for \$\$\$\$\$ on September 13, 2004. After making adjustments, RESPONDENT REPRESENTATIVE opined that the adjusted sales price of this comparable was \$\$\$\$\$.

Respondent's comparable number 3 is located at ADDRESS 4, CITY, Utah. It is .22 miles from the subject. It sold for \$\$\$\$\$ on October 6, 2004. After making adjustments, RESPONDENT REPRESENTATIVE opined that the adjusted sales price of this comparable was \$\$\$\$\$. Based on the comparables, RESPONDENT REPRESENTATIVE opined the market value of the property on January 1, 2005, was \$\$\$\$\$.

The Commission notes that valuations for these types of property are generally determined from market sales of comparable properties. Comparable properties for the subject are properties that have both land and a home, as it does. Such properties sell the land and improvement together on a combined basis for a total value. The County Board of Equalization's value was based primarily on the total sale price of comparable sales (land plus building). Once the County determines a total value it is allocated between land and building based on land guidelines developed by the County Assessor.

When hearing a valuation appeal of improved property the Commission determines a total value for the property, including the improvements. It is the combination of land and improvements that comprises the property that would change hands between a willing seller and a willing buyer.

Petitioner focused on land value, rather than combined value of land and improvements. If there were no comparable sales of improved properties, valuing the land and calculating the cost of building the improvement would be an appropriate method of calculating a value, and would meet the Petitioner's burden. RESPONDENT REPRESENTATIVE also used the cost approach, and calculated a value of \$\$\$\$\$. However, there are comparable sales of improved property. The Commission finds that the more reliable means of determining the value of this property was the comparable sales approach employed in RESPONDENT REPRESENTATIVE'S appraisal.

DECISION AND ORDER

Based upon the foregoing, the Tax Commission finds that the value of the subject property as of January 1, 2005, is \$\$\$\$\$. The Salt Lake County Auditor is hereby 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. Any party to this case may file 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:

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 _____, 2006.

R. Spencer Robinson
Administrative Law Judge

BY ORDER OF THE UTAH STATE TAX COMMISSION.

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

DATED this ____ day of _____, 2006.

Pam Hendrickson
Commission Chair

R. Bruce Johnson
Commissioner

Marc B. Johnson
Commissioner

D'Arcy Dixon Pignanelli
Commissioner