

06-0638
Property Tax/Locally Assessed
Signed 07/30/2007

BEFORE THE UTAH STATE TAX COMMISSION

PETITIONER,)	INITIAL HEARING ORDER
)	
Petitioner,)	Appeal No. 06-0638
)	Parcel No. #####
v.)	
)	Tax Type: Property Tax/Locally Assessed
BOARD OF EQUALIZATION)	
OF SALT LAKE COUNTY,)	Tax Year: 2005
STATE OF 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

Petitioner brings this appeal from the decision of the County Board of Equalization. The parties first appeared for an Initial Hearing pursuant to the provisions of Utah Code Ann. Sec. 59-1-502.5 on September 7, 2006. At that time, they stipulated to a continuance in order to allow PETITIONER to submit an appraisal from APPRAISER. RESPONDENT REPRESENTATIVE agreed to review APPRAISER'S appraisal and respond to it.

The Initial Hearing reconvened on April 10, 2007, following submission of APPRAISER'S appraisal. RESPONDENT REPRESENTATIVE submitted an amended appraisal at the hearing. Petitioner is appealing the assessed value set for the subject property by the Salt Lake County Board of Equalization (BOE). 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. #####. It is a Tudor home located at ADDRESS, 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 BOE determined the value was \$\$\$\$\$.

On September 7, 2006, Respondent submitted an appraisal prepared by RESPONDENT REPRESENTATIVE, a licensed appraiser in the Salt Lake County Assessor's Office. RESPONDENT REPRESENTATIVE opined the value of the subject property as of January 1, 2005, was \$\$\$\$\$. Petitioner's appraisal, prepared by APPRAISER, a certified appraiser, opined the value of the subject property was \$\$\$\$\$. RESPONDENT REPRESENTATIVE'S amended appraisal valued the subject property at \$\$\$\$\$.

There were differences in the description and measurements of the subject property in the two appraisals. After reviewing APPRAISER'S appraisal, RESPONDENT REPRESENTATIVE said he had not done an interior inspection. Therefore, he conceded APPRAISER'S description and measurements.

Based on APPRAISER'S description and measurements, RESPONDENT REPRESENTATIVE made adjustments to his comparables and submitted a revised appraisal. His original range of values for the subject was from \$\$\$\$\$ to \$\$\$\$\$. Based on APPRAISER'S description and measurements, he adjusted all his comparables to a lower value than in his original appraisal. After the adjustments, his range of value for the subject property was from \$\$\$\$\$ to \$\$\$\$\$. Notwithstanding his adjustments to the value of his comparables, RESPONDENT REPRESENTATIVE did not adjust his opinion of value for the subject. It remained \$\$\$\$\$.

Of the seven comparables used in the two appraisals, four required minimal adjustments. Two were from APPRAISER'S appraisal. Two were from RESPONDENT REPRESENTATIVE'S appraisal. These four comparables were the most similar to the subject and provide the best basis for determining the value of the subject.

Comparable number one from APPRAISER'S appraisal is .66 miles from the subject. It sold on July 29, 2004, for \$\$\$\$\$. It was on the market for 23 days. The net adjustment

APPRAISER made to it was 5.4%. The gross adjustment was 9%. APPRAISER stated the adjusted sales price was \$\$\$\$\$.

Comparable number two in APPRAISER'S appraisal is .38 miles from the subject and is on the same street. It sold on November 20, 2004 for \$\$\$\$\$. It was on the market for eighteen days. The net adjustment made to it by APPRAISER is 0.8%. The gross adjustment was 4.8%. Its adjusted sales price is \$\$\$\$\$. PETITIONER thought this was the best of all the comparables.

RESPONDENT REPRESENTATIVE commented on APPRAISER'S comparable number two. He said he would have made some of the adjustments differently than APPRAISER. He also would have adjusted it by \$\$\$\$\$ for condition. RESPONDENT REPRESENTATIVE'S adjusted sales price of APPRAISER'S comparable number two is \$\$\$\$\$.

RESPONDENT REPRESENTATIVE'S comparable number three had a net adjustment of 0.6%. It had a gross adjustment of 11.8%. It is 1.18 miles from the subject. It sold on March 23, 2004 for \$\$\$\$\$. Its adjusted sales price is \$\$\$\$\$.

RESPONDENT REPRESENTATIVE'S comparable number four had a net adjustment of 0.9%. It had a gross adjustment of 27.8%. It is 1.47 miles from the subject. It sold on January 9, 2004 for \$\$\$\$\$. Its adjusted sales price is \$\$\$\$\$.

RESPONDENT REPRESENTATIVE adjusted his comparables for time of sale by approximately .22 percent per month. APPRAISER did not make adjustments for time of sale.

Petitioner purchased his home in September of 1999 for \$\$\$\$\$. Petitioner traded another home when he acquired the subject property. Because of an issue regarding the amount of equity in the home Petitioner traded for the subject, Petitioner believes the true purchase price was approximately \$\$\$\$\$.

The subject property was listed on June 7, 2006 for \$\$\$\$\$. As of April 10, 2007, there were no offers at that price.

The Salt Lake County Board of Equalization determined the value of the subject property was \$\$\$\$\$. Both appraisals support a lower value.

The comparable requiring the least adjustment was APPRAISER'S comparable number two. It is closest in proximity to the subject, and on the same street. According to APPRAISER, it indicated a value for the subject of \$\$\$\$\$. According to RESPONDENT REPRESENTATIVE, this comparable indicated a value for the subject of \$\$\$\$\$.

APPRAISER did a cost approach. He said the cost approach was low due to the depreciation factor. His indication of value by cost approach was \$\$\$\$\$. RESPONDENT REPRESENTATIVE also did a cost approach. His indication of value by cost approach was \$\$\$\$\$.

Of the four comparables requiring the least adjustment, the sales prices range from a high of \$\$\$\$\$ to a low of \$\$\$\$\$. The adjusted values for the subject range from a high of \$\$\$\$\$ to a low of \$\$\$\$\$. Of these four comparables, the median adjusted value is \$\$\$\$\$. The mean adjusted value is \$\$\$\$\$.

RESPONDENT REPRESENTATIVE'S opinion of the subject's value, \$\$\$\$\$, is within the range established by the four comparables cited above. His amended appraisal changed data regarding the subject, showing it has approximately 500 fewer square feet of above grade living space, and one less bathroom, as well as a smaller basement. He also made adjustments to his comparables, though his opinion of the subject's value did not change. A review of his adjustments to the comparables shows the revised adjusted sale prices would decrease by at least \$\$\$\$\$ to \$\$\$\$\$. The Commission finds a reasonable range of value to be from \$\$\$\$\$ to \$\$\$\$\$. Given the previous sale of the subject and the current listing price, the Commission finds \$\$\$\$\$ to be the best estimate of fair market value.

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 _____, 2007.

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 _____, 2007.

Pam Hendrickson
Commission Chair

R. Bruce Johnson
Commissioner

Marc B. Johnson
Commissioner

D'Arcy Dixon Pignanelli
Commissioner