

06-0946
Property Tax/Locally Assessed
Signed 03/15/2007

BEFORE THE UTAH STATE TAX COMMISSION

PETITIONER,)	INITIAL HEARING ORDER
)	
Petitioner,)	Appeal No. 06-0946
)	
v.)	Parcel No. #####
)	Tax Type: Property Tax/Locally
BOARD OF EQUALIZATION)	Assessed
OF SALT LAKE COUNTY,)	
STATE OF UTAH,)	Tax Year: 2005
)	
Respondent.)	Judge: Robinson

Presiding:

R. Spencer Robinson, Administrative Law Judge

Appearances:

For Petitioner: PETITIONER, *pro se*

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

STATEMENT OF THE CASE

The Salt Lake County Board of Equalization valued the above noted property at \$\$\$\$\$. From that decision, Petitioner appeals, asking the Commission to redetermine the value of the property and proposing a value of \$\$\$\$\$. As part of the appeal process, the parties participated in an Initial Hearing pursuant to the provisions of Utah Code Ann. §59-2-501.5 on October 19, 2006.

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 provided by law. (Utah Code 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 Sec. 59-2-102(12).)

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. (Utah Code Sec. 59-2-1006(1).)

Per the Utah Supreme Court, Petitioners' burden under Utah Power & Light Co. v. Utah State Tax Commission, 590 P.2d 332 (Utah 1979), is in two parts. "Where the taxpayer claims error, it has an obligation, not only to show substantial error or impropriety in the assessment but also to provide a sound evidentiary basis upon which the Commission could adopt a lower valuation." The Court reaffirmed this standard in Nelson v. Board of Equalization, 943 P.2d 1354 (Utah 1997).

DISCUSSION

The subject property is a condominium located at ADDRESS in CITY, Utah. It has two bedrooms, a full bathroom, a ¾ bathroom, and a ½ bathroom. The above grade square footage is 1,920, consisting of two floors of 960 square feet each. The basement consists of 960 square feet, of which 600 square feet are finished. The Board of Equalization determined the market value of the subject property to be \$\$\$\$\$. Petitioner appeals that value, proposing a value of \$\$\$\$\$.

Petitioner purchased the subject property on June 23, 2005, for \$\$\$\$\$. At the time Petitioner purchased it, the seller was in a retirement home and some young men had been living in it. Petitioner purchased it directly from the seller without involving a realtor. Respondent likened it to an estate sale.

The parties presented their cases as though the conditions requiring remediation were present on the lien date. The bathrooms had no toilets. The subfloors in the bathrooms were contaminated with urine and had to be replaced. Petitioner also replaced the subfloor in the kitchen. Petitioner stated the finished area in the basement needed to be completely redone. Additionally, Petitioner replaced the gold shag carpet and redid the avocado green kitchen.

Petitioner's limited financial circumstances caused her to do the work herself. Respondent said she has done an excellent job. Respondent estimated \$\$\$\$\$ would cover the cost of remediation. Petitioner did not provide receipts or other evidence of costs contrary to Respondent's estimate.

The parties did not submit appraisals. Respondent submitted information on twelve sales from the complex. The earliest sale is October 14, 2003. The latest is June 27, 2005. The median price per square foot was \$\$\$\$\$. Respondent made no adjustments for time of sale, characteristics of the properties, or conditions of sale. Instead, Respondent calculated the value of the subject based on a median price of \$\$\$\$\$ per square foot. This produced a value of \$\$\$\$\$.

In reviewing Respondent's argument, the Commission will consider valuation on the basis of cost per square foot. However, because the evidence suggests a different price per square foot depending on the size of the unit, the Commission will focus on the sales of four similar sized properties.

Looking only at the sales of the four similar sized properties produces a median price per square foot of \$\$\$\$\$. At this price per square foot, the value of the subject would be \$\$\$\$\$, rather than the \$\$\$\$\$ found by the Board of Equalization.

Calculations based on square footage alone do not make any adjustments for condition or other factors. They also produce a value slightly higher than the May 13, 2005 sale of a similar sized property for \$\$\$\$\$.

The subject sold for \$\$\$\$\$ in June of 2005. The subject needed at least \$\$\$\$\$ worth of remediation. This is sufficient to call into question the Board of Equalization value, and to support the value sought by the Petitioner. The data provided by the County regarding sales of similar sized properties also supports a value that is less than the \$\$\$\$\$ determined by the Board of Equalization. Thus, the Board of Equalization value cannot be sustained.

As a general rule, sales price is a good indicator of market value. In this case, the Commission finds it is the better indicator of value.

DECISION AND ORDER

Based on the foregoing, the Commission finds 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

Appeal No. 06-0946

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 _____, 2007.

Pam Hendrickson
Commission Chair

R. Bruce Johnson
Commissioner

Marc B. Johnson
Commissioner

D'Arcy Dixon Pignanelli
Commissioner

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