

06-1526  
Property Tax/Locally Assessed  
Signed 08/17/2007

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BEFORE THE UTAH STATE TAX COMMISSION

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PETITIONER 1 & PETITIONER 2,	<b>ORDER</b>
Petitioners,	Appeal No. 06-1526
vs.	Parcel No. #####-1; #####-2
BOARD OF EQUALIZATION OF IRON COUNTY, UTAH,	Tax Type: Property Tax/Locally Assessed
Respondent.	Tax Year: 2006
	Judge: Jensen

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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:**

Pam Hendrickson, Commission Chair  
Clinton Jensen, Administrative Law Judge

**Appearances:**

For Petitioner: PETITIONER 2  
For Respondent: RESPONDENT REPRESENTATIVE 1, Iron County Assessor  
RESPONDENT REPRESENTATIVE 2, from the Iron County  
Assessor's Office

STATEMENT OF THE CASE

Petitioners bring this appeal from the decision of the Iron County Board of Equalization. This matter was argued in an Initial Hearing on April 5, 2007. Petitioners are appealing the market value of the subject property as set by Respondent for property tax purposes. The lien date at issue in this matter is January 1, 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 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(11).)

Utah Code Ann. §59-2-1006(1) provides that “[a]ny 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 . . . .”

Any party requesting a value different from the value established by the county board of equalization has the burden to establish that the market value of the subject property is other than the value determined by the county board of equalization.

To prevail, a party requesting a value that is different from that determined by the county board of equalization must (1) demonstrate that the value established by the county board of equalization contained error, and (2) provide the Commission with a sound evidentiary basis for reducing the value established by the county board of equalization to the amount proposed by the party. *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

The subject property is made up of two parcels. Parcel no. #####-1 is a 1.05-acre vacant lot in unincorporated Iron County. The County Assessor had valued this parcel, as of the lien date, at \$\$\$\$\$. The County Board of Equalization sustained the value. Petitioner requests that the value be reduced to \$\$\$\$\$. Respondent requests that the value set by the County Board of Equalization be sustained.

Parcel no. #####-2 is a 1.07-acre lot in unincorporated Iron County improved with a 1300-square foot residence. The County Assessor had valued the residence, as of the lien date, at \$\$\$\$\$. This portion of the valuation is not in dispute. The County Assessor had valued the land portion this parcel, as of the lien date, at \$\$\$\$\$. The County Board of Equalization sustained the value. Petitioner requests that the value of the land be reduced to \$\$\$\$\$. Respondent requests that the value set by the County Board of Equalization be sustained.

Both parcels of the subject property are in Unit 3 of the SUBDIVISION. This is an older subdivision outside the city limits of CITY Utah. Most of the lots in SUBDIVISION have homes on them. The county estimated three remaining vacant lots. Both parcels of the subject have R-1 zoning. The roads in the area are paved and both parcels of the subject have utilities available.

Petitioners have the burden of proof in this matter and must demonstrate not only an error in the valuation set by the County Board of Equalization, but also provide an evidentiary basis to support a new value. In this matter Petitioners indicated that they had heard about a SUBDIVISION lot having sold about a year before the lien date for \$\$\$\$\$. Petitioners had not had a chance to verify this sale and did not have further information on the sale such as whether this was an arms-length transaction.

Respondent provided information on the sale of seven comparable properties with sale dates from August 2005 to January 2006. All were within older developments, but some were inferior because they had detractors to value such as dirt roads and inadequate water infrastructure. The two comparable sales in the subdivision most like the subdivision containing the subject sold for \$\$\$\$\$ and \$\$\$\$\$. The two comparables with the lowest price sold for \$\$\$\$\$ each, but these lots were just over one half of an acre.

Weighing the evidence presented, the Petitioners have not borne their burden of proof with regard to presenting evidence that would show the value as determined by the board of equalization was incorrect. Petitioners' approach of finding comparable sales is the best way to establish the value of parcels such as those in the subject property, but the limited information regarding Petitioners' comparable sale does not provide the necessary showing to find error in the value set by the board of equalization. The county's comparable sales support the value as determined by the board of equalization of. Accordingly, the Commission sustains the values of \$\$\$\$\$ for each of the two parcels at issue.

#### DECISION AND ORDER

Based upon the foregoing, the Tax Commission finds that the value of the subject property as of January 1, 2006 is \$\$\$\$\$ for parcel no. #####-1, \$\$\$\$\$ for the land portion of parcel no. #####-2, and \$\$\$\$\$ for the building portion of parcel no. #####-2. 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.

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Clinton Jensen  
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

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