

06-1543
Property Tax/Locally Assessed
Signed 05/15/2007

BEFORE THE UTAH STATE TAX COMMISSION

PETITIONER,)		
	)	ORDER	
Petitioner,)		
	)	Appeal No.	06-1543
v.)		
	)	Parcel No.	#####
BOARD OF EQUALIZATION	)	Tax Type:	Property Tax/Locally Assessed
OF SALT LAKE COUNTY,	)	Tax Year:	2006
STATE OF UTAH,)		
	)	Judge:	Chapman
Respondent.)		

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

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 May 10, 2007.

At issue is the fair market value of the subject property as of January 1, 2006. The subject property is a single-family residence located at ADDRESS in CITY, Utah. The Salt Lake County Board of Equalization ("County BOE") sustained the \$\$\$\$ value at which the subject was assessed for the 2006 tax year.

APPLICABLE LAW

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 BOE 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.

For a party who is requesting a value that is different from that determined by the County BOE to prevail, that party must (1) demonstrate that the value established by the County BOE contained error, and (2) provide the Commission with a sound evidentiary basis for reducing the value established by the County BOE 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 consists of a 0.23-acre lot and a one-story, rambler-style home that was built around 1977. The home contains 2,100 square feet of living space on the main floor and a two-car garage. It also has a 2,100 square foot basement that is 90% finished.

The County proffers an appraisal dated April 27, 2007, in which the value of the subject property is estimated to be \$\$\$\$\$, which is less than one percent greater than the value established by the

Appeal No. 06-1543

County BOE. The County states that it proffers the appraisal to support the value established by the County BOE and does not request that the Commission increase the subject's value.

The County's appraisal compares the subject to six comparable sales that sold between \$\$\$\$ and \$\$. Four of the comparables are located within 1¼ blocks of the subject and sold at prices between \$\$\$\$ and \$\$. Two of the comparables are on the same street as the subject, one selling for \$\$\$\$ in October 2005 and the other for \$\$\$\$ in June 2005.

The four comparables within 1¼ blocks of the subject are similar in age, style, and size to the subject, and the County made reasonable adjustments to the comparables, with one exception. In its appraisal, the County shows that Comparable #4, which is located at ADDRESS 2 (½ block from the subject), has an unfinished basement. The Multiple Listing Service ("MLS") information on this sale, however, shows that the basement is 100% finished, with three bedrooms, a bath, and a family room. The County's adjusted sales price for this comparable is \$\$. If the basement finish adjustment is revised to reflect the information shown in MLS, the adjusted sales price would be very similar to the \$\$\$\$ price at which it sold.

Given this one change, the adjusted sales prices of the four homes closest to the subject in location range from approximately \$\$\$\$ to \$\$\$\$, with the two homes on the same street adjusting to \$\$\$\$ and \$\$\$\$, respectively. For many of the County's comparable sales, the primary adjustment was related to date of sale. The County explains that it determined that homes in the subject's neighborhood were increasing in value at a rate of 15% per year during 2005 and adjusted its comparables accordingly. Based on the adjusted sales prices of the homes within 1¼ blocks of the subject, and particularly the adjusted sales prices of the two homes on the same street as the subject, the County BOE's \$\$\$\$ value for the subject appears reasonable.

The Petitioner proffered four comparables sales of homes that sold between \$\$\$\$\$ and \$\$\$\$\$. Two of the homes are located within 1¼ blocks of the subject and are the same sales as the County's Comparable #1, which sold for \$\$\$\$\$, and Comparable #4, which sold for \$\$\$\$\$. The other two comparables are located at least four blocks from the subject and are slightly older and smaller than the subject. The Petitioner did not adjust any of the sales. Although all of the Petitioner's comparables sold at prices that are lower than the subject's current value, most of them would require upward price adjustments in order to reflect the subject's value as of the lien date. Accordingly, the Commission does not find that the information provided by the Petitioner is sufficient to show that the \$\$\$\$\$ value established by the County BOE is incorrect. Given the information proffered at the Initial Hearing by both parties, the Commission finds that the \$\$\$\$\$ value established by the County BOE is reasonable.

DECISION AND ORDER

Based upon the foregoing, the Tax Commission finds that the fair market value of the subject property should be sustained at the \$\$\$\$\$ value established by the County BOE. Accordingly, the Petitioner's appeal is denied. 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:

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.

Appeal No. 06-1543

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 _____, 2007.

Pam Hendrickson
Commission Chair

R. Bruce Johnson
Commissioner

Marc B. Johnson
Commissioner

D'Arcy Dixon Pignanelli
Commissioner

KRC/06-1543.int