

06-1682  
Property Tax/Locally Assessed  
Signed 08/07/2007

---

BEFORE THE UTAH STATE TAX COMMISSION

<p>PETITIONER 1 &amp; PETITIONER 2,  Petitioners,  vs.  BOARD OF EQUALIZATION OF SALT LAKE COUNTY, UTAH,  Respondent.</p>	<p><b>ORDER</b></p> <p>Appeal No. 06-1682</p> <p>Parcel No. ##### Tax Type: Property Tax/Locally Assessed Tax Year: 2006</p> <p>Judge: Phan</p>
---	---

**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 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 order, specifying the commercial information that the taxpayer wants protected.**

**Presiding:**

Jane Phan, Administrative Law Judge

**Appearances:**

For Petitioner: PETITIONER 1  
For Respondent: RESPONDENT REPRESENTATIVE 1, Appeals Manager, Salt Lake County  
RESPONDENT REPRESENTATIVE 2, Appraiser, Salt Lake County

STATEMENT OF THE CASE

Petitioner brings this appeal from the decision of the County Board of Equalization. This matter was argued in an Initial Hearing pursuant to the provisions of Utah Code Ann. Sec. 59-1-502.5, on August 1, 2007. 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, 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(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, 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 sustained the value.

The subject property consists of .50-acres of land improved with a rambler style residence. The residence is 11 years old and of average quality of construction with stucco and brick trim. The residence was in good condition on the lien date. It has a total of 1,542 above grade square feet and 1,572 basement square feet. A portion of the basement is in the process of being finished. Petitioner has flooring and walls installed in 574 square feet of the basement. However, this area does not yet have doors, baseboards or completed lighting installations. The property has no garage or carport. The lot size is larger than typical for homes of the size and quality of the subject residence. The lot is fairly level, usable space.

At the hearing both parties were in agreement that the property had been overvalued by the County Board of Equalization and both parties submitted appraisals that supported a lower value. Petitioner submitted an appraisal prepared by APPRAISER, CRP. It was APPRAISER'S appraisal conclusion that as of April 4, 2006, the value of the subject property was \$\$\$\$\$. Respondent's appraisal had been prepared by RESPONDENT REPRESENTATIVE 2. It was RESPONDENT REPRESENTATIVE 2'S conclusion that as of January 1, 2006 the value of the subject property was \$\$\$\$\$.

These two appraisals were in a relatively reasonable range. Both appraisers had used as comparables residences that were similar to the subject, but were properties with much smaller lots. Respondent's representatives explained they were unable to find comparable residences in the area on that large of a lot. There were residences on large lots near the subject, but the houses were much larger and of higher value. RESPONDENT REPRESENTATIVE 2 concluded that it would be better to look for comparable residences and to make an adjustment for the lot size based on a compared sales analysis. APPRAISER did not attend the hearing, but

had apparently reached the same conclusion as RESPONDENT REPRESENTATIVE 2 as he relied on the same type of comparables.

The major differences between the two appraisals were the adjustments made for the lot size and basement finish. For a .17-acre lot APPRAISER adjusted only \$\$\$\$ for the difference in lot size. RESPONDENT REPRESENTATIVE 2's conclusion based on a compared sales analysis was that the adjustment for the difference between the subject lot at .50-acre and a comparable .17-acre lot size was \$\$\$\$\$. This difference contributed to the fact that RESPONDENT REPRESENTATIVE 2's value for the subject was higher than APPRAISER'S.

In addition, APPRAISER had not inspected the interior of the residence and indicated in his appraisal that it was a "drive-by appraisal." APPRAISER valued the residence as having an unfinished basement. Petitioner acknowledged that there was some basement finish. RESPONDENT REPRESENTATIVE 2 had viewed the interior and valued the property as having fair finish in the basement. He felt what had been completed of the finished areas was more of an average grade, but due to the fact that even the finished portion was not fully finished, he valued this portion on the basis of fair grade. This factor also contributed some toward RESPONDENT REPRESENTATIVE 2's higher value.

Upon reviewing the information and evidence in this matter, the weight of the evidence favors the County's appraisal value. Petitioner's appraisal was fairly reasonable, but did not account for the true value of the larger lot or basement finish.

#### DECISION AND ORDER

Based upon the foregoing, the Tax Commission finds that the value of the subject property as of January 1, 2006, is \$\$\$\$\$. The County Auditor is hereby ordered to adjust its records in accordance with this decision.

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

Appeal No. 06-1682

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.

\_\_\_\_\_  
Jane Phan  
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

JKP/06-1682.int