

07-0091  
Property Tax / Locally Assessed  
Signed 08/03/2007

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BEFORE THE UTAH STATE TAX COMMISSION

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PETITIONER,  Petitioner,  v.  BOARD OF EQUALIZATION OF SALT LAKE COUNTY, STATE OF UTAH,  Respondent.	<b>ORDER</b>  Appeal No.    07-0091  Parcel No.    #####  Tax Type:    Property Tax / Locally Assessed Tax Year:    2006  Judge:        Chapman
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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:**

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 July 31, 2007.

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

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The Petitioner asks the Commission to reduce the subject to a value of \$\$\$\$ or less, while the County asks the Commission to sustain the \$\$\$\$ value established by the County BOE.

#### 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 1.10-acre lot and a one-story, rambler-style home that was built in 1954. The home has 3,034 square feet of living space on the main floor and does not have a basement. The home also has a two-car attached garage and a four-car detached garage. Although the kitchen was remodeled approximately 25 years ago, the remainder of the home has never been remodeled.

County Information. The County proffers an appraisal in which the appraiser concludes that the subject’s highest and best use is to be sold for its land, where a buyer would raze the older home currently

on the property and replace it with a larger, much more expensive home. Given this conclusion, the appraiser estimates the subject's value to be \$\$\$\$\$ as of the lien date. The County states that it is proffering its appraisal not to request an increase in value but to support the \$\$\$\$\$ value established by the County BOE.

The County compares the subject to five residential "land" sales that sold for prices ranging between \$\$\$\$\$ and \$\$\$\$\$. Four of the comparables were sold with older homes on them, which were then razed or boarded up to await future development. The remaining comparable was sold without any improvements. The County contends that STREET 1, the street on which the subject is located, has similar desirability to the locations of all the comparables he used in his appraisal. After considering each comparable's time of sale and lot size, the County derived adjusted sales prices for the comparables that ranged between \$\$\$\$\$ and \$\$\$\$\$.

The Petitioner argues that all five of the County's comparables are superior to the subject because they are located on streets that are more "private" than STREET 1 and because they are more heavily wooded than the subject property. Two of the County's comparables are located on or just off STREET 1, and the other three are located on STREET 2 and near STREET 3. The County appraiser admits that STREET 1 is a busier street than STREET 3 and STREET 2. Nevertheless, he contends that lots on STREET 1, unlike lots on the much busier STREET 4, have similar market desirability to the lots on streets with lower traffic counts, such as STREET 3 and STREET 2. The County appraiser also contends that the subject property has so many trees on it that he had difficulty in taking pictures of the improvements.

The "land" sales provided by both parties appear to support the \$\$\$\$\$ value established by the County BOE. The three County comparables that sold in 2005 and 2006, which were 1.00 to 1.24 acres in size, sold for prices of \$\$\$\$\$, \$\$\$\$\$, and \$\$\$\$\$, respectively. The 1.00-acre lot that sold for \$\$\$\$\$ in August 2006 is the County comparable closest in location to the subject, as it is located approximately two blocks

south of the subject just off of STREET 1. Furthermore, the County provided a 2003 land sale for \$\$\$\$\$ and a 2004 land sale for \$\$\$\$\$ to demonstrate that nearby lots were selling at prices approaching the subject's current value of \$\$\$\$\$ as much as one to two years prior to the lien date. Furthermore, one of the Petitioner's own comparables, which is located two blocks north of the subject at ADDRESS 2, sold for \$\$\$\$\$ in July 2006. This comparable's Multiple Listing Service ("MLS") information shows that this lot is 1.36 acres in size and that its "value is in [the] land." Considering the totality of these land sales, the Commission is not convinced that the \$\$\$\$\$ value established by the County BOE is unreasonable.

Petitioner's Information. The Petitioner submitted seven comparable sales of homes located between two and thirteen blocks away from the subject property and which sold in 2006 and 2007 for prices ranging between \$\$\$\$\$ and \$\$\$\$\$. Two of the comparables, which sold for prices of \$\$\$\$\$ and \$\$\$\$\$, respectively, are less persuasive because they are located ten or more blocks away from the subject. The five remaining comparables sold for prices of \$\$\$\$\$, \$\$\$\$\$, \$\$\$\$\$, \$\$\$\$\$, and \$\$\$\$\$, respectively. The MLS remarks for two of these comparables, specifically the \$\$\$\$\$ sale of 1.03-acre property on STREET 5 property and the aforementioned \$\$\$\$\$ sale of a 1.36-acre property on STREET 1, suggest that they may have been marketed for their land.

The Petitioner's comparables do not convince the Commission that the highest and best use of the subject property is its current use as a residential property with an older, unremodeled home. Accordingly, the Petitioner's comparables, some of which are relatively far away and some of which have recently been remodeled or have much newer homes than the subject, are not persuasive. Furthermore, the comparables that were sold or marketed for their land, as submitted by both parties, suggest that the \$\$\$\$\$ value established by the County BOE is reasonable. For these reasons, the Commission finds that the Petitioner's evidence is insufficient to show that the \$\$\$\$\$ value is incorrect. Accordingly, the Petitioner's appeal is denied.

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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. 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.

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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.

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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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