

07-1646  
Locally Assessed Property  
Signed 07/17/2008

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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>INITIAL HEARING ORDER</b>  Appeal No.    07-1646  Parcel No.    ##### Tax Type:    Property Tax / Locally Assessed Tax Year:    2007  Judge:        Chapman
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**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 8, 2008.

At issue is the fair market value of the subject property as of January 1, 2007. The subject is a single-family residence located at ADDRESS 1 in CITY, Utah. The Salt Lake County Board of Equalization ("County BOE") sustained the \$\$\$\$ value at which the subject was assessed for the 2007 tax year. The property owner asks the Commission to reduce the subject's value to \$\$\$\$\$. The County asks the Commission to reduce the subject's value to \$\$\$\$\$.

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 0.25-acre lot and a two-story home that was built around 1997. The home contains 1,892 square feet of above-grade living space and a fully finished basement that is 1,142 square feet in size. The home has a three-car garage.

Property Owner’s Information. The property owner asks the Commission to reduce the value of the subject property to \$\$\$\$\$. The property owner derived this value by applying a value of \$\$\$\$\$ per square foot to the subject’s 3,034 square feet of space (total of basement and above-grade floors). The property owner determined a value of \$\$\$\$\$ per square foot from the prices at which seven comparable properties sold in late 2006 and early 2007. The comparables sold between \$\$\$\$\$ and \$\$\$\$\$ per square foot when their sales prices are divided by their square footages (total of basement and above-grade floors). The Commission does not find this analysis convincing, given that it fails to take into account the higher value of above-grade square footage as compared to basement square footage. This approach also fails to account for differences in age,

condition and other factors. For example, the Commission notes that the subject is at least 10 years newer than almost all the comparables the property owner submitted.

In addition, the Commission notes that one comparable, at ADDRESS 2, sold for \$\$\$\$\$, the value requested by the County. This home has a similar style to the subject, yet is twenty years older than the subject. Although it has been remodeled and is slightly larger than the subject, it does not have a third garage.

In addition, the Commission notes that the property owner obtained an appraisal of the subject property in July 2005, in which the subject's value was estimated to be \$\$\$\$\$ at that time. The Commission also notes that both parties proffered that the market was increasing between July 2005 and the lien date of January 1, 2007. For these reasons, the Commission finds that the property owner has not demonstrated that the subject property's value is less than \$\$\$\$\$ as of the lien date.

County Information. The County proffers an appraisal in which it estimates the subject's value to be \$\$\$\$\$ as of the lien date. The County asks the Commission to reduce the subject's value to this amount.

The County's appraisal compares the subject to five comparable sales that sold for prices ranging from \$\$\$\$\$ to \$\$\$\$\$. The comparables closest in location and style, Comparables #2 and #5, adjusted to prices of \$\$\$\$\$ and \$\$\$\$\$, respectively. The County acknowledged that none of the five comparables sold for a price above \$\$\$\$\$. However, the County stated that it used these comparables because they were the ones it had that were most similar to the subject. The County proffered, however, that many homes in the subject's neighborhood sell for prices above \$\$\$\$\$. The County's statement is supported by several of the property owner's comparables that sold for \$\$\$\$\$ or more. Based on the totality of the parties' evidence and testimony, the Commission finds that \$\$\$\$\$ appears to be a reasonable value for the subject property as of the lien date. The Commission is not convinced that a lower value is appropriate.

DECISION AND ORDER

Based upon the foregoing, the Tax Commission finds that the value established by the County BOE for the 2007 tax year should be reduced to \$\$\$\$\$. The Salt Lake County Auditor is ordered to adjust its records to reflect this decision. 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 taxpayer'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 \_\_\_\_\_, 2008.

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Kerry R. Chapman  
Administrative Law Judge

Appeal No. 07-1646

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 \_\_\_\_\_, 2008.

Pam Hendrickson  
Commission Chair

R. Bruce Johnson  
Commissioner

Marc B. Johnson  
Commissioner

D'Arcy Dixon Pignanelli  
Commissioner

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