

BEFORE THE UTAH STATE TAX COMMISSION

PETITIONER 1 & PETITIONER 2, Petitioners, v. BOARD OF EQUALIZATION OF SALT LAKE COUNTY, STATE OF UTAH, Respondent.	INITIAL HEARING ORDER Appeal No. 08-0271 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 1
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 January 5, 2009.

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 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 owners ask the Commission to reduce the subject's value to \$\$\$\$\$. The County asks the Commission to increase 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 changing 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 0.27-acre lot and a two-story home that was built around 1976. The home contains 3,131 square feet of above-grade living space and a basement that is 1,822 square feet in size (80% finished). The home has a two-car garage and three fireplaces. The home has not been substantially remodeled since it was built. Since the subject was built, the only interior remodeling has been to replace the carpeting and the kitchen countertops.

Property Owners' Information. The property owners submit four comparable sales that are located several blocks away from the subject property. The four comparables sold between August 2006 and May 2007 for prices ranging between \$\$\$\$\$ and \$\$\$\$\$. However, the subject property is located in the (X) area, while the subject properties, for the most part, are located in a different neighborhood. For this reason and based on the County's sales, which are closer in location to the subject, the Commission is not convinced that the property owners have shown that the subject's current value of \$\$\$\$\$ is incorrect.

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

The County's appraisal compares the subject to five comparable sales that sold between March 2006 and March 2007 for prices ranging between \$\$\$\$\$ and \$\$\$\$\$. Three of the comparables are similar in age to the subject and sold for prices of \$\$\$\$\$, \$\$\$\$\$ and \$\$\$\$\$, respectively. The two homes that sold for \$\$\$\$\$ and \$\$\$\$\$ are located within two blocks of the subject property. The County adjusted these two properties to prices of \$\$\$\$\$ and \$\$\$\$\$, respectively.

The County's comparables are closer in proximity to the subject property than the property owners' comparables. Both parties provide comparables that are similar in age and size to the subject property. However, it appears from the County's comparables, that prices are higher in the subject's immediate neighborhood than in neighborhoods that are three or more blocks away. The property owners point out that most of the County's comparables are located in the "old" (X) area, where homes sell for higher prices than those in the "new" (X) area where the subject is located.

At the hearing, it was also discovered that many of the County's comparables had been remodeled, some extensively. The County appraiser, however, stated that it would be inappropriate to adjust the comparables for superior interiors because he had not seen the interiors. However, for the comparable that sold for \$\$\$\$\$, Multiple Listing Services ("MLS") information showed that it had had an "architectural remodel." The property owners, who are familiar with the property, indicated that this property sold for about \$\$\$\$\$ in 2005 prior to being remodeled. They indicated that the remodeling included adding copper rain spouts to the home. Information about three of the remaining four comparables also showed remodeling that had not been accounted for in the County's appraisal. For these reasons, the Commission is not convinced that the County has shown that the original value of \$\$\$\$\$ is incorrect.

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As neither party has shown that the original value is incorrect, the Commission sustains the \$\$\$\$ value established by the County BOE.

DECISION AND ORDER

Based upon the foregoing, the Tax Commission sustains the \$\$\$\$ value established by the County BOE for the 2007 tax year. 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 _____, 2009.

Kerry R. Chapman
Administrative Law Judge

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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 _____, 2009.

Pam Hendrickson
Commission Chair

R. Bruce Johnson
Commissioner

Marc B. Johnson
Commissioner

D'Arcy Dixon Pignanelli
Commissioner

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