



2018

ANNUAL REPORT



TO THE SALT LAKE COUNTY
BOARD OF
EQUALIZATION

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Salt Lake County Auditor, Scott Tingley
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The 2017 Annual Report covers fiscal period August 1, 2018, through April 10, 2019.

LETTER FROM CLERK OF THE BOARD OF EQUALIZATION

I am honored to present the 2018 Annual Report for the Board of Equalization for Salt Lake County. The purpose of this report is to:

- Communicate the results of the 2018 Board of Equalization session to the board members and the public.
- Identify and provide trend analyses of note or significance and data that could inform decision-making, improve processes or functions, and provide insight into future conditions.
- Communicate and report on the County Auditor's Property Tax Division key performance measures.
- Identify and report on the progress of key Property Tax Division initiatives and projects to improve Board of Equalization processes and procedures.



It is a pleasure to serve the people of Salt Lake County and to present this Annual Report. As always, please do not hesitate to contact us should you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Scott Tingley". The signature is written in a cursive, flowing style.

Scott Tingley, CIA, CGAP
Salt Lake County Auditor

HIGHLIGHTS



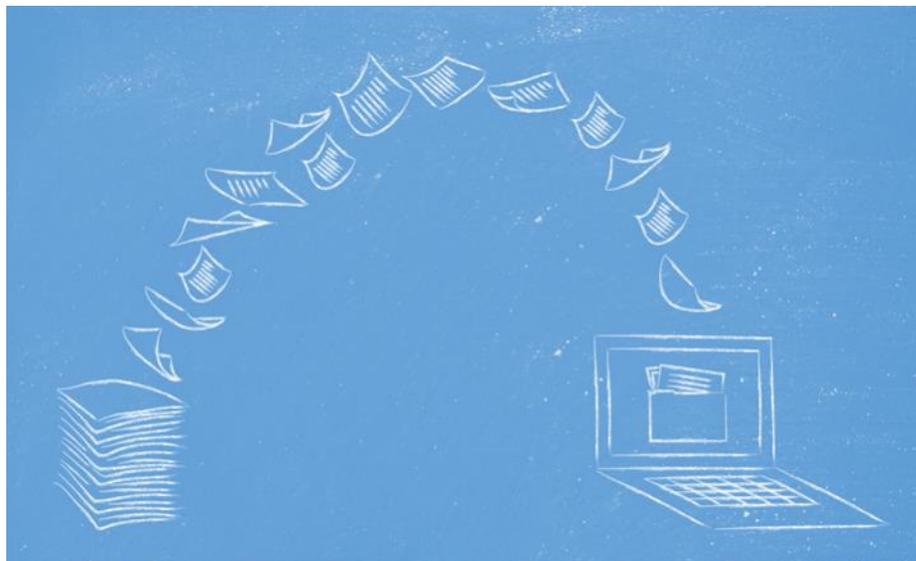
45.8% of all appeals resulted in adjustments; however, the average adjustment rate per appeal of 5.5% is a seven-year low.

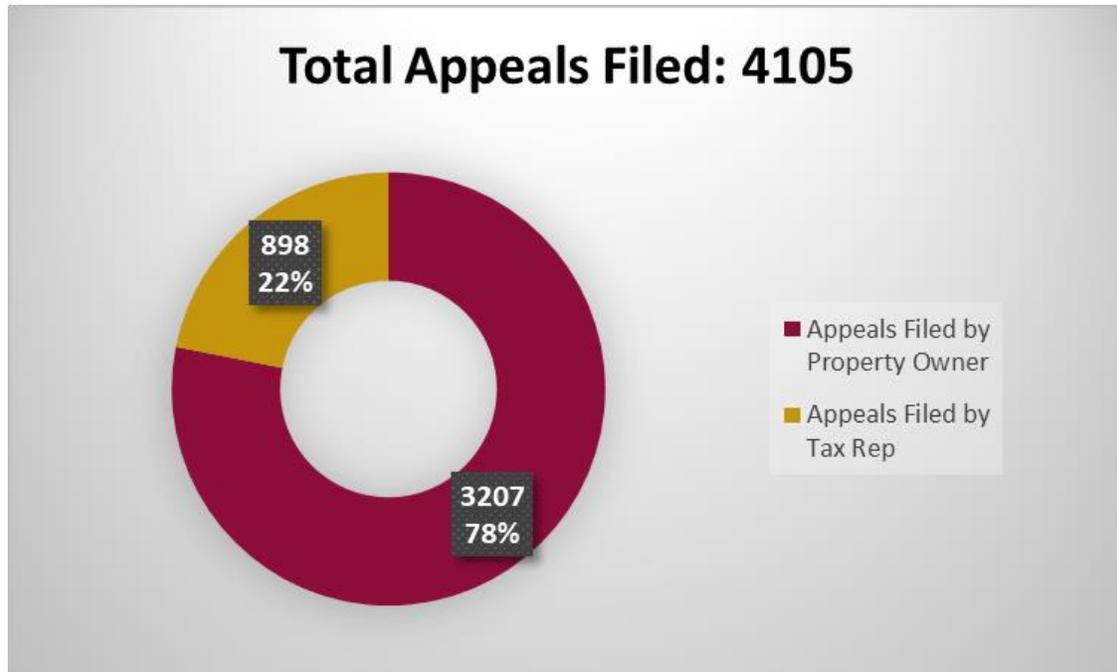


2018 marks the first year eNOVs were sent to property owners. Our office was able to track whether the email was opened and the attachment was clicked. If neither of those happened, a hard copy of the NOV was mailed to the owner of record. We had very positive feedback with this program.



2018 was also the first year we launched our online appeal filing. Of the 4,105 appeals we received, 393 were received online. This is one of a few initiatives we are working on that will allow an appeal to be processed electronically from beginning to end.

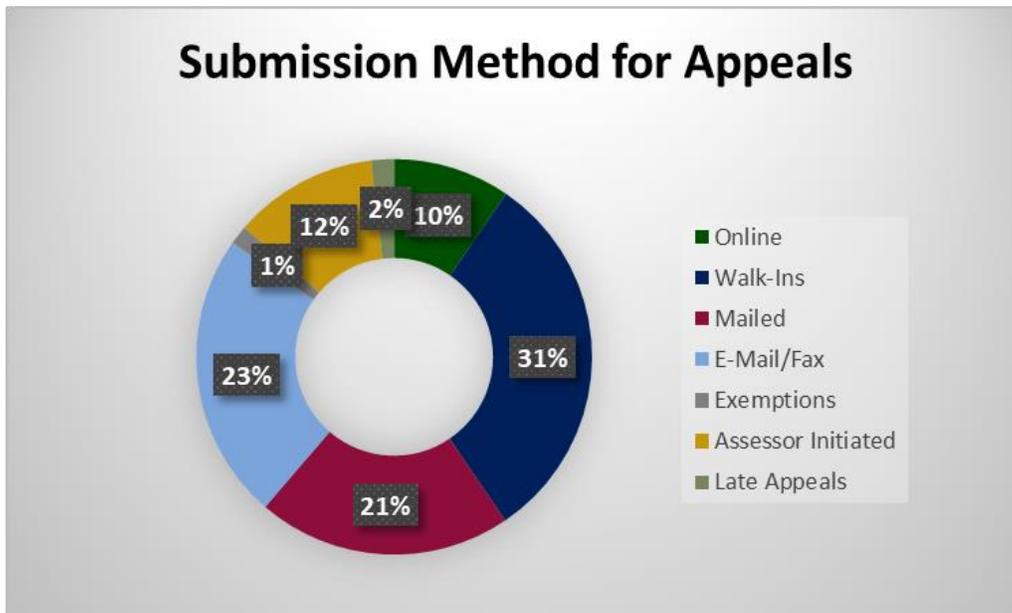




Appeals Filed in 2018

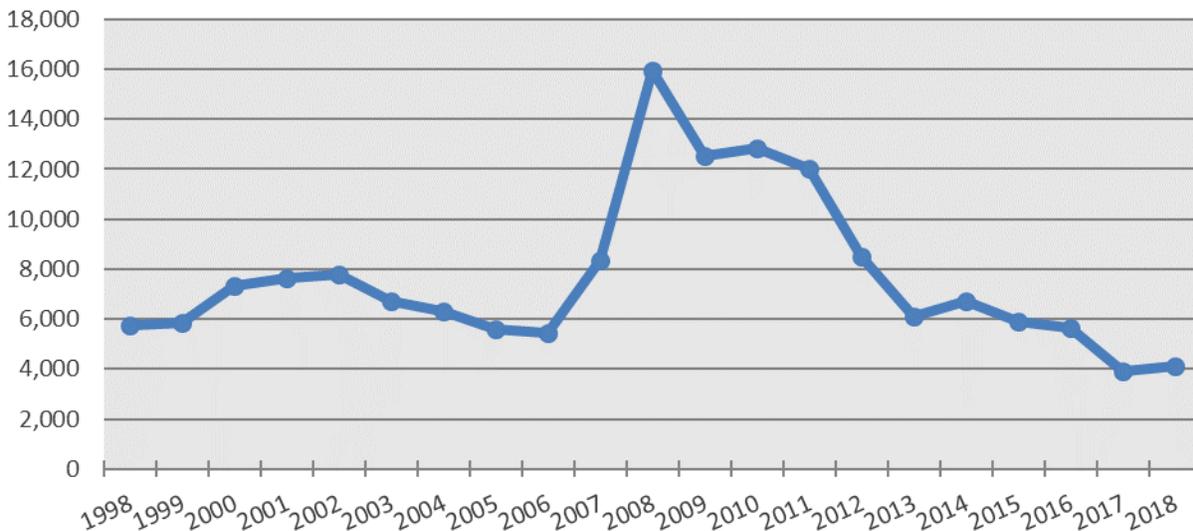
The 2018 Board of Equalization received 4,105 appeals representing approximately 1.1% of the 360,000 parcels assessed by the County Assessor. This year's appeals resulted in 287 Hearing Officer recommendations.

Twenty two percent (22%) of the appeals were filed with the help of a representative (tax rep). A large majority of appeals are delivered in person, though a sizable number (24%) chose to email their appeal. Appeals initiated by the Assessor made up 12% of the appeals in 2018, just about the same in 2017 of 11%.



The chart below shows the total number of appeals received for each year since 1998. After housing prices began to drop precipitously in 2007, the number of appeals skyrocketed to a high during 2009, stayed relatively high for three years, and then dropped off over the last five years back to more typical pre-housing bubble burst numbers.

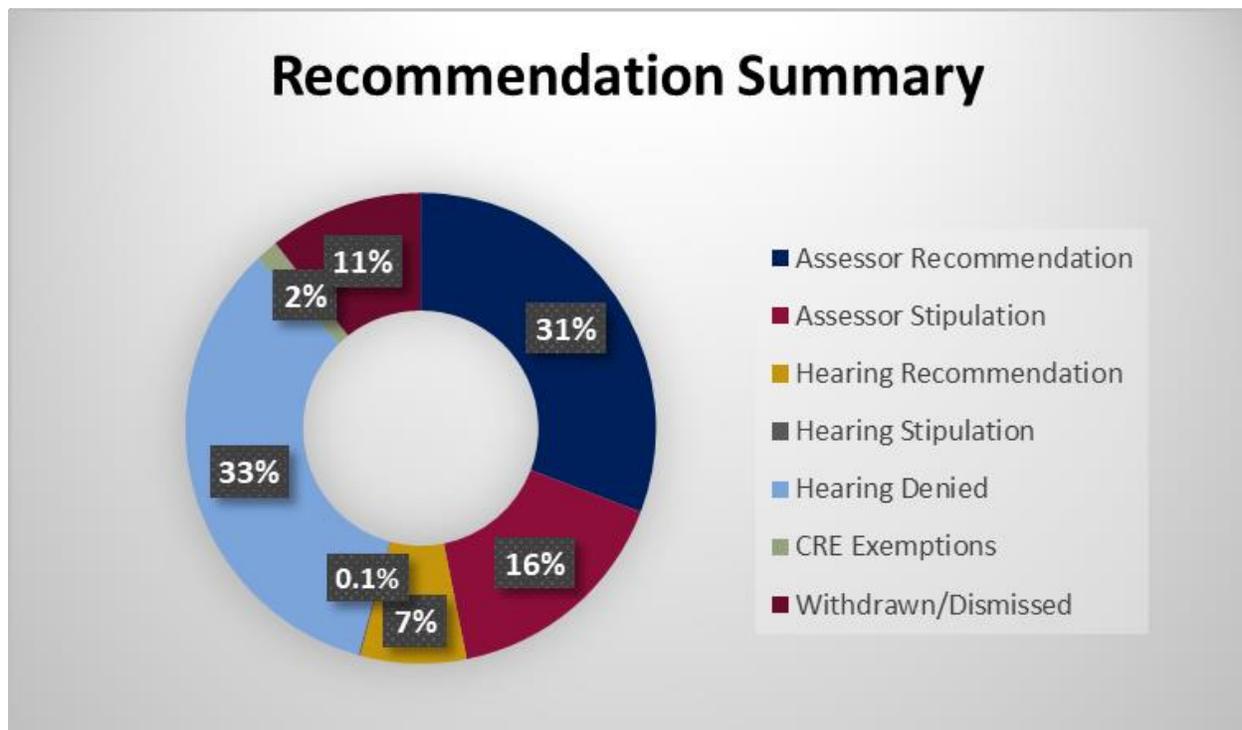
BOE Historical Appeal Volume



A summary of all actions taken by the Board of Equalization can be found in the tables below. The pie chart below also demonstrates that most appeals (56%) do result in a change of value. Of the appeals that result in an adjustment, almost half are resolved without ever going to a hearing, usually from an Assessor recommendation that is accepted or not disputed by the appellant.

Appeals Adjusted	2018	%
Assessor Recommendation	1264	31%
Assessor Stipulation	660	16%
Hearing Recommendation	299	7%
Hearing Stipulation	5	0.1%
Charity/Religious/Education	65	2%
Total Appeals Adjusted	2293	56%

Appeals Denied	2018	%
Withdrawn/Dismissed	435	11%
Denied	1377	33%
Total Appeals Withdrawn/Dismissed/Denied	1812	44%



TAX APPEALS PROCESS

Phase 1



Screening

Tax Administration screens submitted documentation for sufficient evidence.

- If necessary, taxpayer receives notification that more evidence is needed.
- If there is no response to this request, the appeal may be dismissed.

Estimated percentage of appeals resolved at each phase per year. ↓

Phase 2



Value Review

Assessor reviews documents and makes recommendation on whether the value should be adjusted or not.

- Taxpayer will receive recommendation by mail and can accept decision to finalize the appeal or continue to the next phase.

56%
resolved

Phase 3



Hearing

- Taxpayer presents case to hearing officer.
- Hearing officer proposes recommendation
- Board of Equalization approves recommendation.

Taxpayer will receive recommendation by mail and can accept decision to finalize the appeal or continue to the next phase.

39%
resolved

Phase 4



Utah State Tax Commission

Utah State Tax Commission will mediate dispute between Taxpayer and Assessor and send final decision.

- Taxpayer will receive recommendation by mail and can accept decision to finalize appeal or send appeal to 3rd District Court.

5%
resolved

For more information about the Property Tax Appeals Process, click [here](#).

Adjustments in Market Value

The 2018 Board of Equalization adjusted the value of properties appealed by 5.5% on average, which is the smallest average change in the last three years. In 2011 and 2012, for example, the Board of Equalization lowered the values of appealed properties by an average of almost 10%.

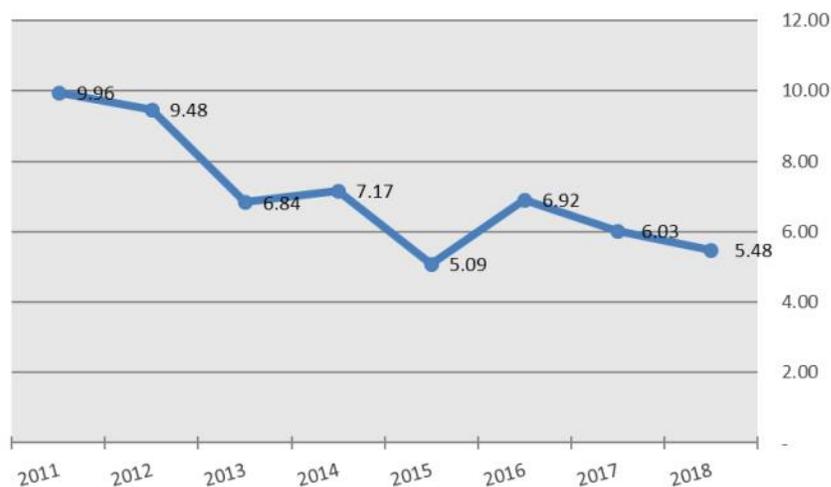
Market Value Changes

(Detailed Values)

Year	Value before BOE	Value after BOE	Change in Value	Change in %
2018	\$11,939,454,400	\$11,285,560,500	\$653,893,900	5.48%
2017	\$8,742,654,220	\$8,215,706,250	\$526,947,970	6.03%
2016	\$10,533,348,260	\$9,804,691,660	\$728,656,600	6.92%
2015	\$8,736,587,190	\$8,291,747,930	\$444,839,260	5.09%
2014	\$9,043,925,540	\$8,395,177,570	\$648,747,970	7.17%
2013	\$7,756,518,780	\$7,225,895,080	\$530,623,700	6.84%
2012	\$6,323,109,260	\$5,723,715,730	\$599,393,530	9.48%
2011	\$8,382,785,220	\$7,547,591,440	\$835,193,780	9.96%

Market Value Changes

%



Taxable Values

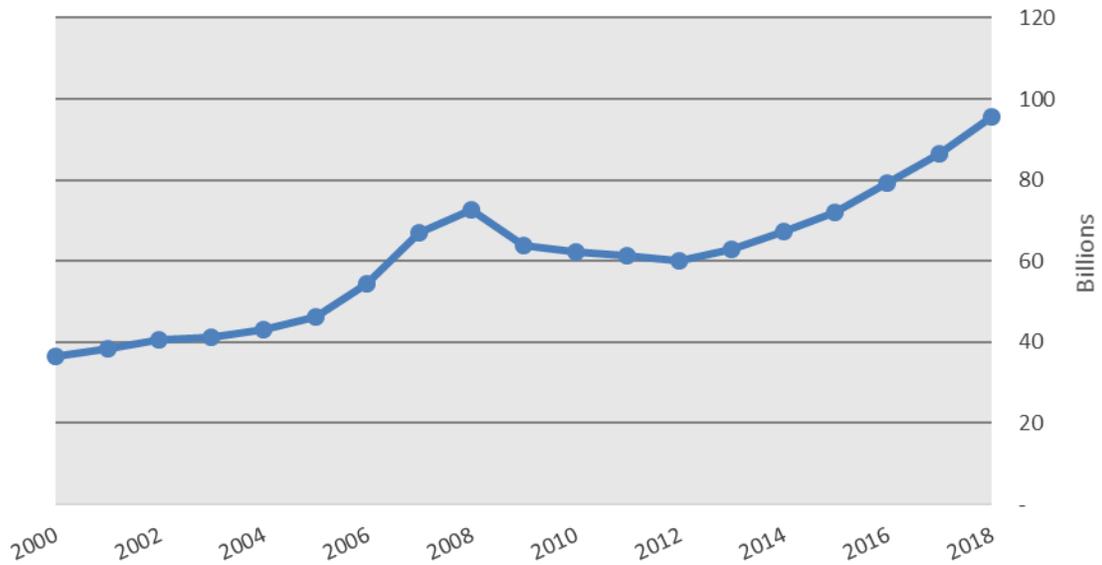
The overall effect of the Board of Equalization is somewhat minor relative to the total taxable value of the County. Adjustments to the County's total taxable value by the Board of Equalization have not exceeded 1% in the past 18 years. The 2018 BOE reductions to taxable value totaled 0.65%. While the dollar amount of taxable value reduced by the Board of Equalization is substantial, when considered as a portion of the total taxable value of the County, the effect of the BOE on taxable value is minimal.

Taxable Values

Year	Value before BOE	Value after BOE	Change in Value	Change in %
2018	\$95,653,137,333	\$95,026,883,661	\$626,253,672	0.65%
2017	\$86,336,774,869	\$85,801,918,382	\$534,856,487	0.62%
2016	\$79,233,595,595	\$78,583,145,767	\$650,449,828	0.82%
2015	\$71,902,752,393	\$71,628,162,466	\$274,589,927	0.38%
2014	\$67,304,452,911	\$66,998,807,195	\$305,645,717	0.45%
2013	\$62,964,220,832	\$62,599,128,637	\$365,092,195	0.58%
2012	\$59,997,122,412	\$59,620,307,049	\$376,815,363	0.63%
2011	\$61,295,708,455	\$60,919,138,807	\$376,569,648	0.61%
2010	\$62,405,817,683	\$61,943,195,826	\$462,621,857	0.74%
2009	\$63,938,904,145	\$63,504,049,451	\$434,854,694	0.68%
2008	\$72,796,328,237	\$72,326,389,077	\$469,939,160	0.65%
2007	\$67,094,657,293	\$66,749,895,053	\$344,762,240	0.51%
2006	\$54,400,703,421	\$54,150,434,745	\$250,268,676	0.46%
2005	\$46,131,197,631	\$45,954,275,906	\$176,921,725	0.38%
2004	\$42,981,245,934	\$42,772,474,580	\$208,771,354	0.49%
2003	\$41,122,748,586	\$40,852,279,896	\$270,468,690	0.66%
2002	\$40,435,737,048	\$40,047,416,563	\$388,320,485	0.96%
2001	\$38,392,790,510	\$38,160,979,484	\$231,811,026	0.60%
2000	\$36,383,002,901	\$36,186,677,266	\$196,325,635	0.54%

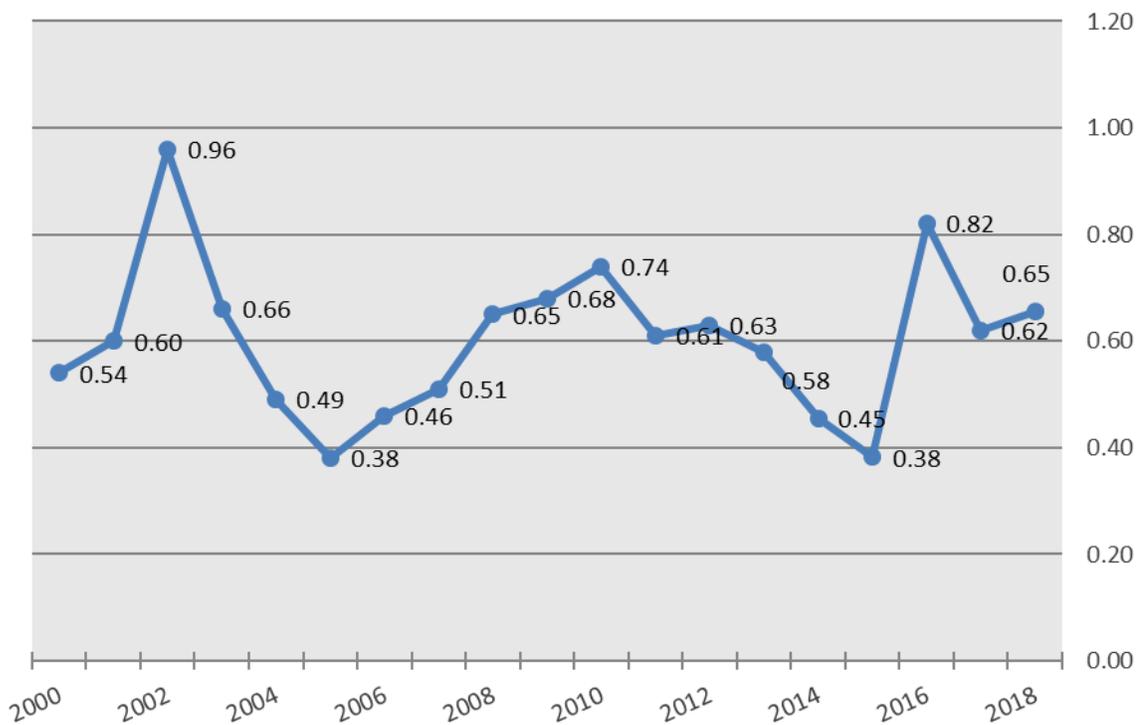
Total County Taxable Value by Year

\$



Taxable Values Adjustment

%



Outsized Effects

A small number of appeals over the last five years resulted in the bulk of the change in value. In 2018, this was even more pronounced than



usual. Eleven percent of the 2018 appeals were responsible for 94.15% of the total change in value for that year. Only about 0.65% of the total

taxable value was adjusted down through the BOE, and virtually all of that reduction in value was due to a handful of appeals.

Appeals with Value Changes Greater than \$250,000

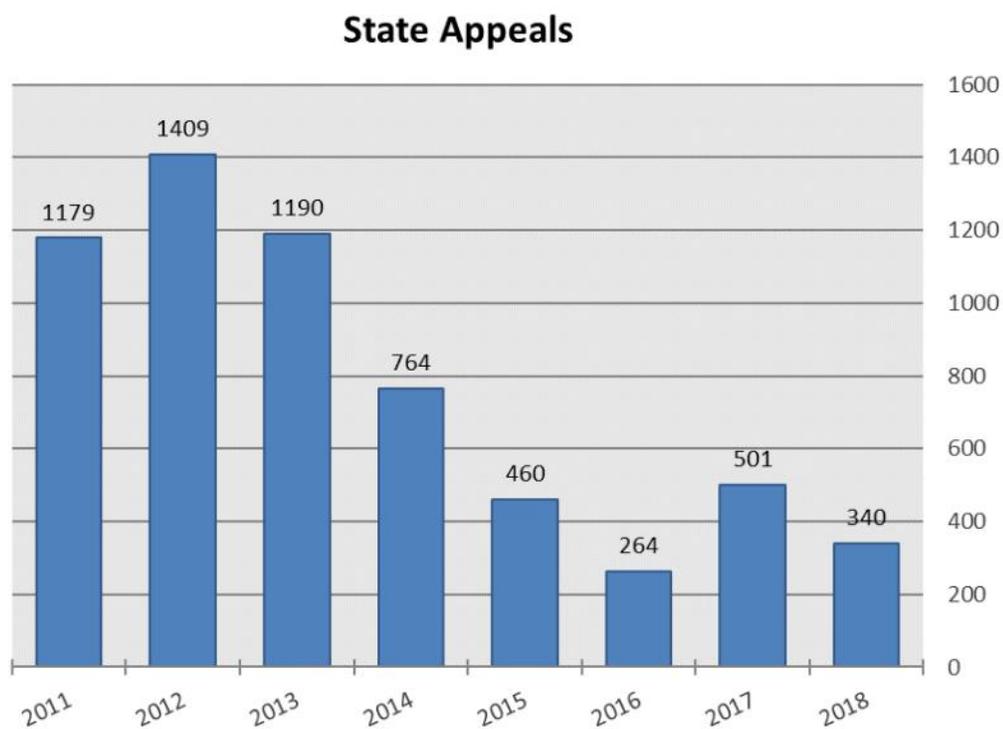
Year	Count	% of Total Appeal Count	Amount	% of Total Change in Value
2018	467	11.38%	\$615,671,870	94.15%
2017	409	10.45%	\$506,988,440	96.21%
2016	501	8.90%	\$602,695,600	82.71%
2015	368	6.23%	\$418,759,070	94.14%
2014	524	7.82%	\$529,394,360	81.60%
2013	421	6.87%	\$445,354,590	83.93%
2012	407	4.80%	\$442,489,130	73.82%
2011	608	5.06%	\$533,803,290	63.91%

Even though the total effect is small, several large appeals can impact a taxing entity's budget, and tax rates are adjusted up accordingly due to changes in value as a result of the BOE.

Another instance where the BOE can have an outsized effect is in Redevelopment Agencies (RDAs). An appeal on a property located in a RDA project area can sometimes greatly affect the amount of tax increment due the RDA for that project area. This happens because project areas often only have a handful of parcels and a reduction in value of one parcel in such an area can have an inflated effect on the value of the project area as a whole.

State Appeals

The last four years continue to reflect a trend of fewer state appeals. In 2018, 340 appellants appealed the BOE's decision to the State Tax Commission.



Appeals Filed by Tax Representatives

As noted earlier, appeals filed by tax representatives has been a decreasing percentage of total appeals over the last few years. However, appeals filed by tax representatives constitute a larger portion of the adjustments than their percentage of total appeals would suggest. For example, in 2018, appeals filed by tax representatives constituted 22% of all appeals but 49% of the amount ultimately adjusted by the BOE.

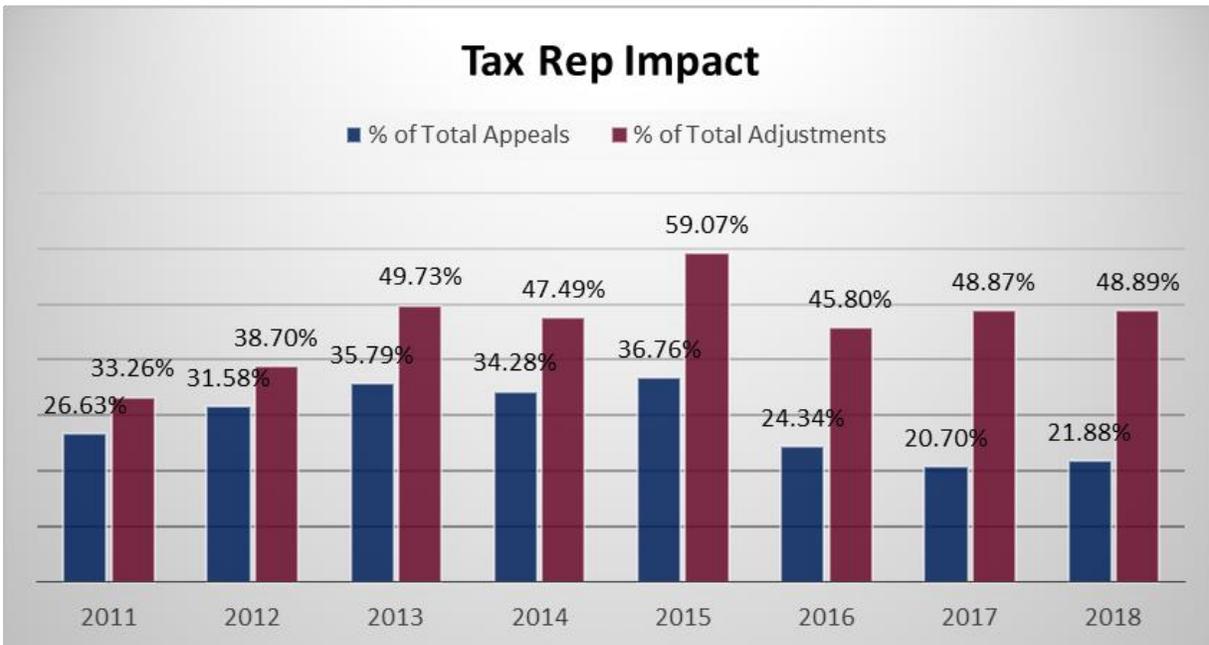


This outsized impact could either mean that tax representatives are more effective at successfully appealing values or that taxpayers with higher value properties who are more likely to get larger reductions by virtue of higher starting values are also more likely to hire tax representatives.

Tax Rep Impact

(Detailed Information)

Year	Amount Adjusted	Tax Rep \$	%	Owner \$	%
2018	\$653,893,900	\$319,703,800	48.89%	\$334,190,100	51.11%
2017	\$526,947,970	\$257,521,930	48.87%	\$269,426,040	51.13%
2016	\$728,626,600	\$333,690,240	45.80%	\$394,966,360	54.21%
2015	\$444,839,260	\$262,782,940	59.07%	\$182,056,320	40.93%
2014	\$648,747,970	\$308,094,220	47.49%	\$340,653,750	52.51%
2013	\$530,623,700	\$263,863,910	49.73%	\$266,759,790	50.27%
2012	\$599,393,530	\$231,982,170	38.70%	\$367,411,360	61.30%
2011	\$835,193,780	\$277,825,170	33.26%	\$557,368,610	66.74%



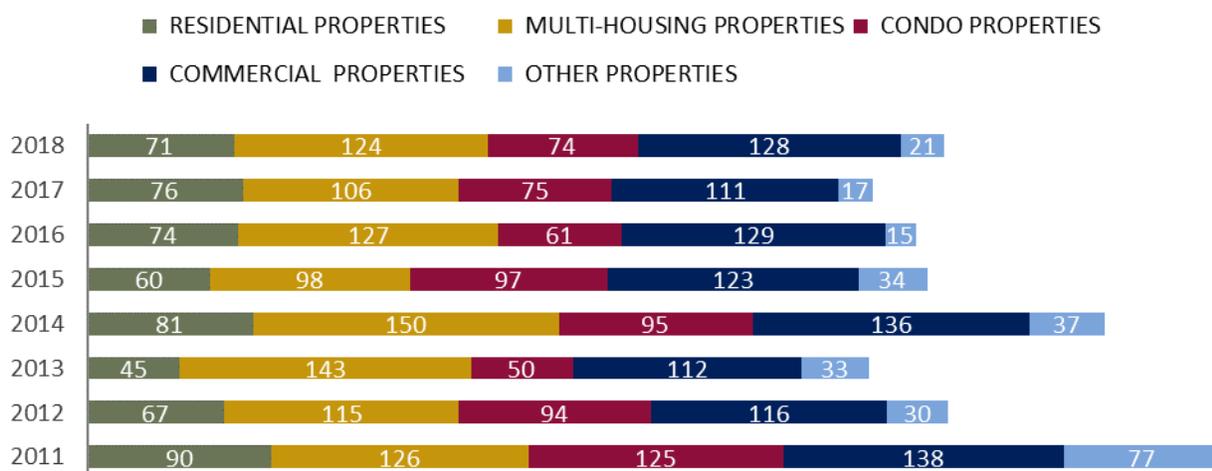
KEY PERFORMANCE MEASURES

During 2018, the average time from when an appeal was received to when a decision was mailed out was 84 days. The average time to decision varies greatly depending on the nature of the appeal, ranging from just 21 days to 124 days.

While this is a useful performance measure for the process, it depends on more than just one office, as the Auditor, Council-Tax Administration, and the Assessor work together to process appeals from beginning to end. In future years, we will keep track of office-level data to determine how long appeals spend during each stage of the appeal.

The real measure of our performance is whether we are maintaining the integrity of the process and whether we are treating all taxpayers fairly. While this is much harder to measure, it remains our primary focus.

BOE Average Processing Time (in Days)



Paperless Property Tax Appeals

- ✓ During the 2018 year, the Auditor's office continued to digitize appeal records throughout the process from beginning to end. This enables other offices to utilize the electronic record, as opposed to the original paper file, for the entire year.
- ✓ We also launched our online appeal filing process. We had very positive feedback from our users. This provided the taxpayer with an alternative way to appeal.
- ✓ Having a paperless process will provide cost savings and a more streamlined operation.

Enhanced Website

- ✓ The Property Tax website was enhanced to provide a more user-friendly experience.
- ✓ The appeal form was also improved to be more easily understood.

Apart from joining the 21st century, these initiatives should ultimately allow us to more easily find efficiencies and allow us to better control the workflow and maintain the data in order to ensure the integrity of the process.



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