

Annual Report 2021



TO THE
SALT LAKE COUNTY
BOARD OF EQUALIZATION

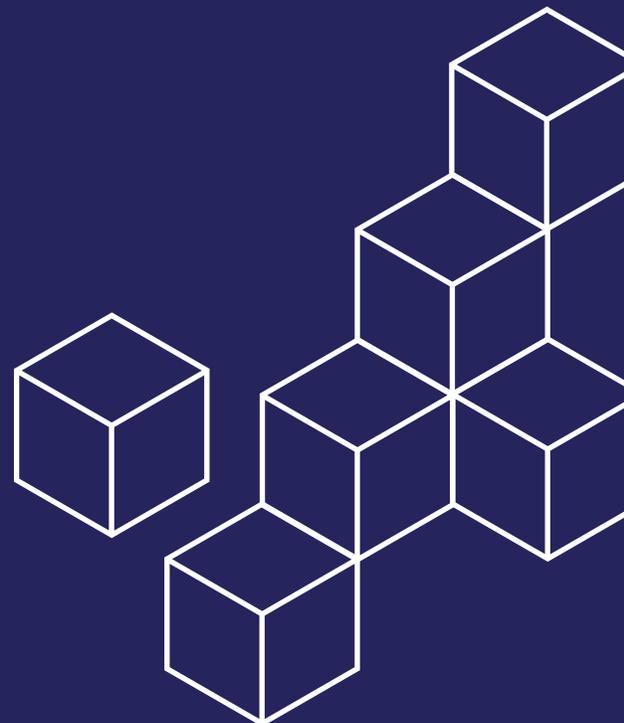


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CHRIS HARDING, SALT LAKE COUNTY AUDITOR**

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The 2021 Annual Report covers fiscal period August 1, 2021, through May 11, 2022.

LETTER FROM THE CLERK OF THE BOARD OF EQUALIZATION



I am honored to present the 2021 Annual Report for the Board of Equalization for Salt Lake County. The purpose of this report is to:



- Communicate the results of the 2021 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 circumstances.
- 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 "Chris Harding". The signature is written in a cursive, flowing style.

Chris Harding, CPA, CFE, CIA

HIGHLIGHTS



37% of all appeals resulted in adjustments; however, the average adjustment rate per appeal of 1.5% is a nine-year low.



2021 marks the fourth 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 three days after it was sent out, a hard copy of the NOV was mailed to the owner of record.



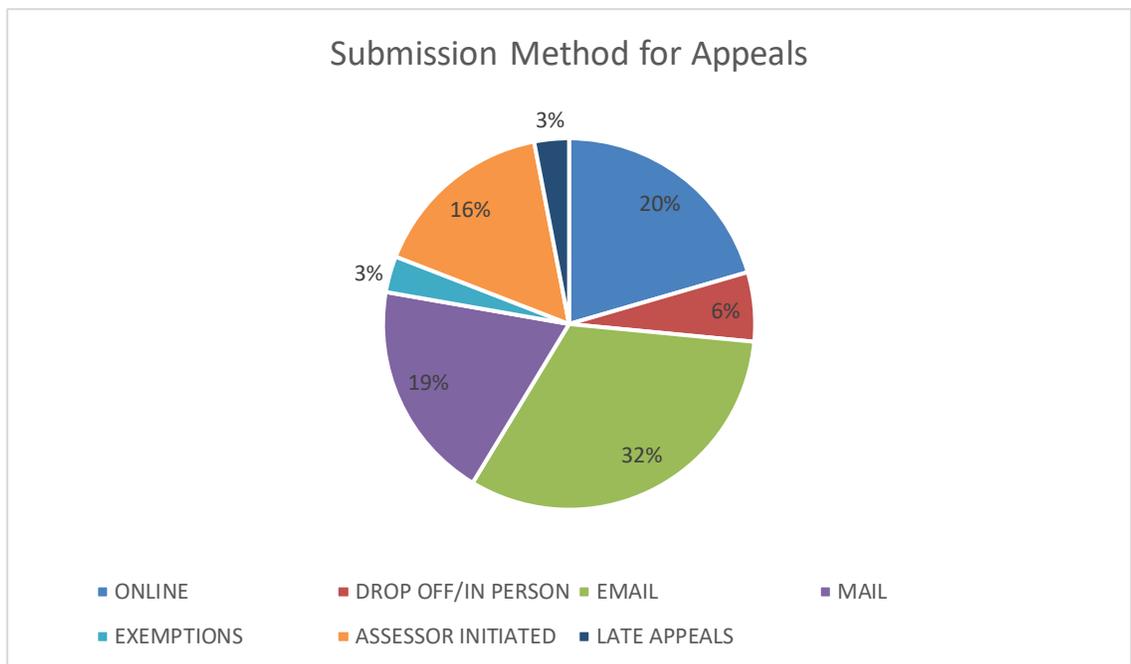
2021 was also the fourth year since we launched our online appeal filing. Of the 2,235 appeals we received, 456 were received online. This is one of a few initiatives we have implemented that allows an appeal to be processed electronically from beginning to end.

OVERVIEW

Appeals Filed in 2021

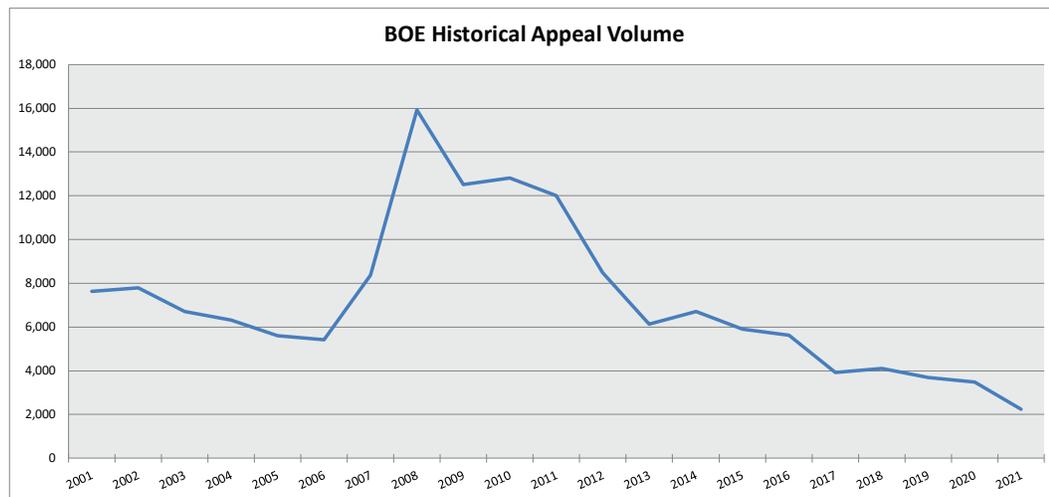
The 2021 Board of Equalization received 2,235 appeals representing less than 1% of the 381,601 parcels assessed by the County Assessor. This year's appeals resulted in 1,143 Hearing Officer recommendations. Sixty-one percent (61%) of the appeals were filed directly by taxpayers with thirty-nine percent (39%) filed with the help of a representative (tax rep).

The majority of appeals are filed electronically either online (20%) or by email (32%). Appeals initiated by the Assessor made up 16% of the appeals in 2021.



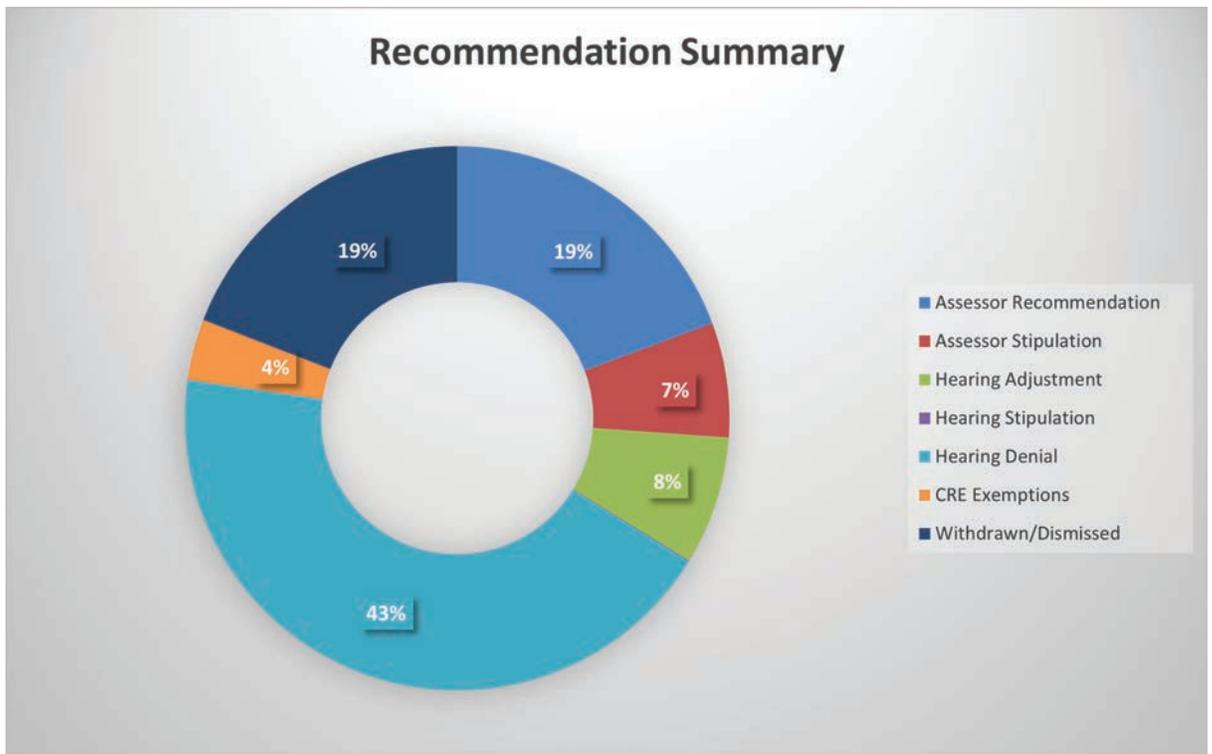
OVERVIEW

The chart below shows the total number of appeals received for each year since 2001. 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 nine years to even fewer than pre-housing bubble burst numbers.



OVERVIEW

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 over one-third of appeals result in a change of value. Of the appeals that result in an adjustment, about a quarter are resolved without ever going to a hearing, usually from an Assessor recommendation that is accepted or not disputed by the appellant.



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.

26%
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.

57%
resolved

Phase 4



Utah State Tax Commission

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

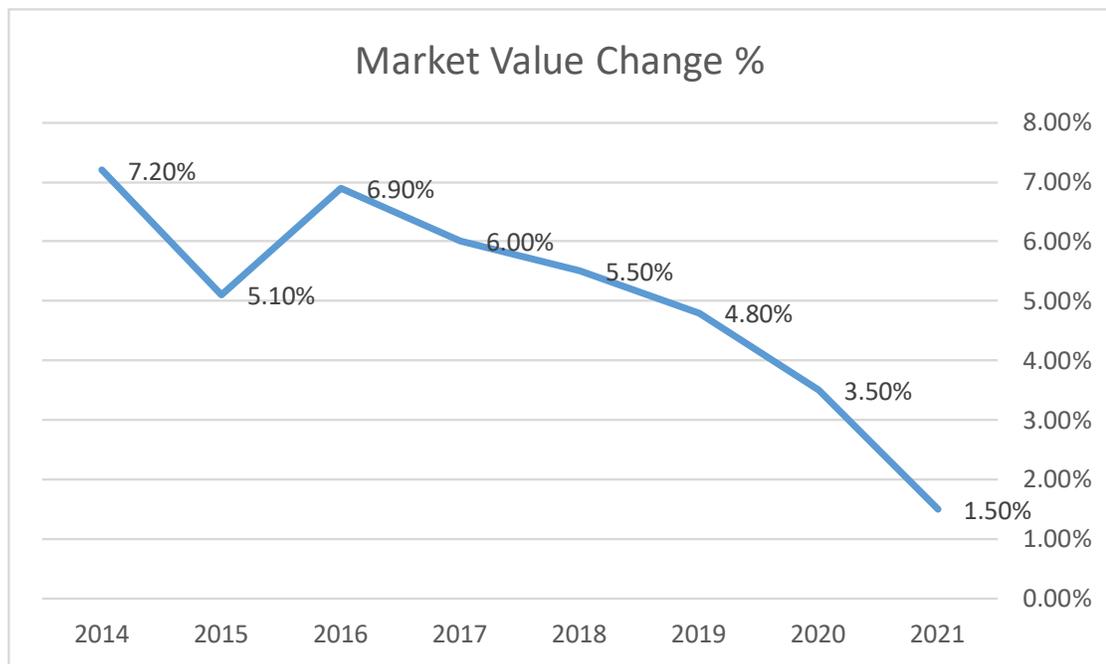
- Taxpayer will receive recommendation by mail and can accept decision to finalize appeal or send appeal to 3rd District Court.

17%
resolved

Adjustments in Market Value

The 2021 Board of Equalization adjusted the value of properties appealed by 1.5% on average, which is the smallest average change in the last eight years.

Year	Before BOE	After BOE	Amount	Percent
2021	11,097,672,250	10,933,362,730	164,309,520	1.50%
2020	14,087,254,610	13,593,221,460	494,033,150	3.50%
2019	10,985,907,120	10,454,508,160	531,398,960	4.80%
2018	11,939,454,400	11,285,560,500	653,893,900	5.50%
2017	8,742,654,220	8,215,706,250	526,947,970	6.00%
2016	10,533,348,260	9,804,691,660	728,656,600	6.90%
2015	8,736,587,190	8,291,747,930	444,839,260	5.10%
2014	9,043,925,540	8,395,177,570	648,747,970	7.20%



TRENDS

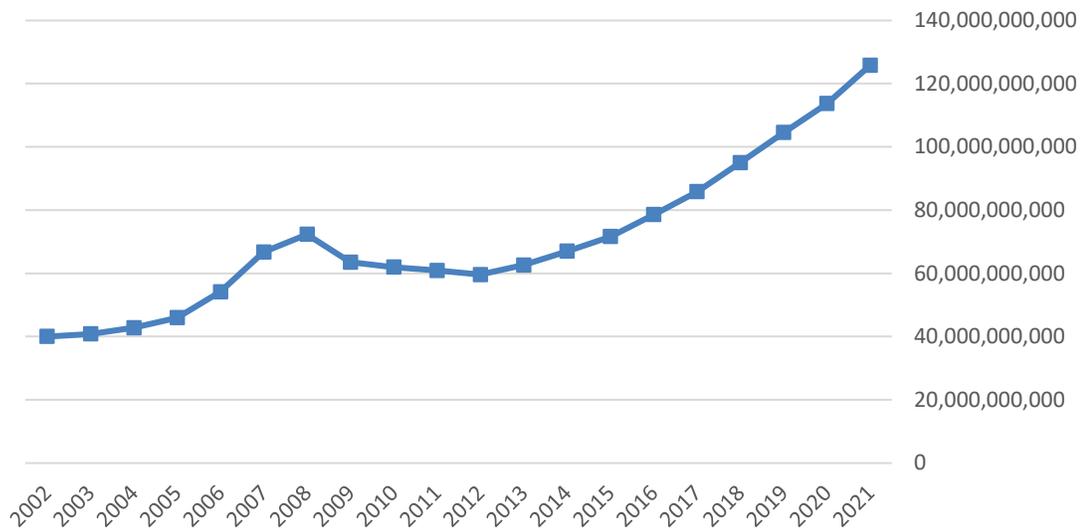
Taxable Values

The Board's actions to change the values, exemptions and tax areas are relatively 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 20 years. The 2021 BOE reductions to taxable value totaled 0.16%. 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.

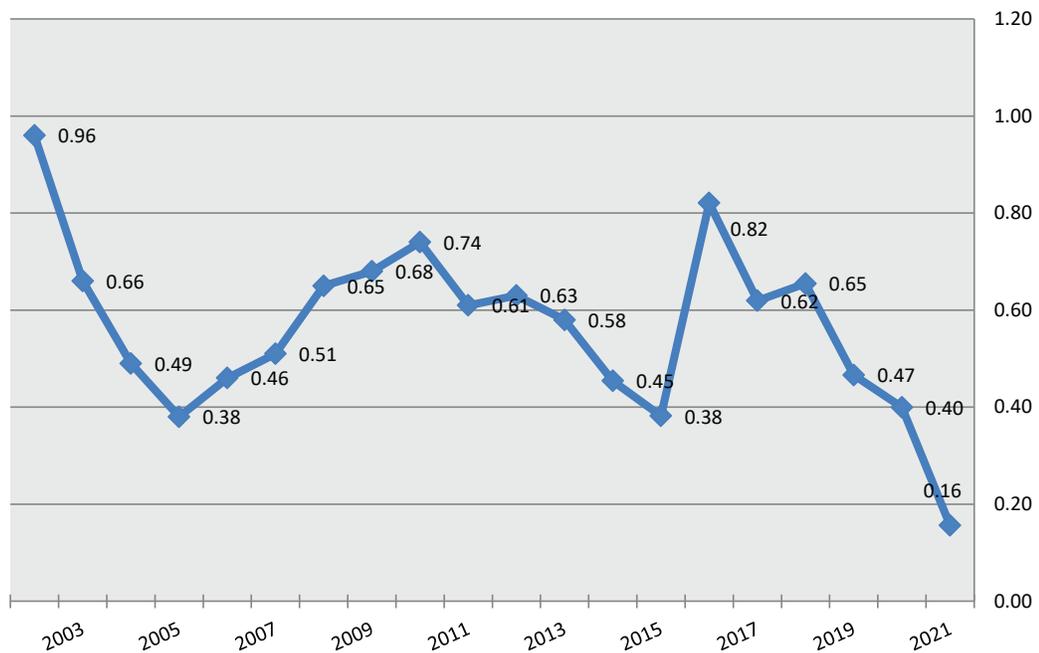
Year	Before BOE	After BOE	Amount	Percent
2021	125,988,046,927	125,791,280,109	\$196,766,818	0.16%
2020	114,161,520,466	113,705,056,383	\$456,464,083	0.40%
2019	104,990,493,209	104,500,912,910	\$489,580,299	0.47%
2018	95,653,137,333	95,026,883,661	\$626,253,672	0.65%
2017	86,336,774,869	85,801,918,382	\$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%

TRENDS

Total County Taxable Value by Year



Taxable Values Adjustment %



Outsized Effects

A small number of appeals result in the bulk of the change in value each year. Seven percent of the 2021 appeals were responsible for 87.11% of the total change in value.



Appeals with value changes greater than +/- \$250,000

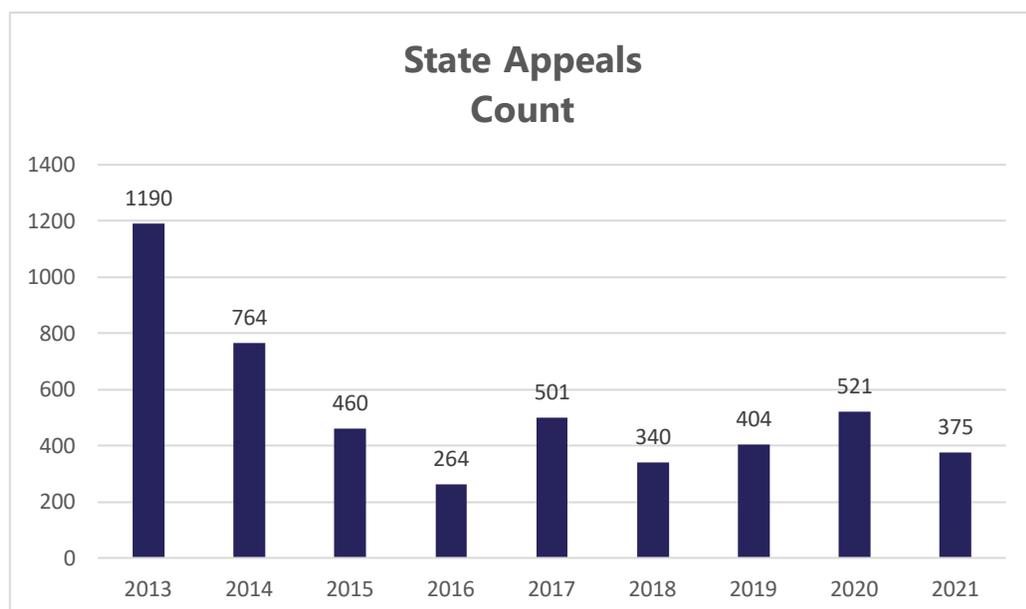
Year	Count	% of Total Appeal Count	Amount	% of Total Change in Value
2021	159	7.11%	143,134,310	87.11%
2020	260	7.48%	417,405,690	84.49%
2019	305	8.26%	464,427,570	87.40%
2018	467	11.38%	615,671,870	94.15%
2017	409	10.45%	506,988,440	96.21%
2016	501	8.90%	602,695,600	82.71%
2015	368	6.23%	418,759,070	94.14%
2014	524	7.82%	529,394,360	81.60%
2013	421	6.87%	445,354,590	83.93%
2012	407	4.8%	442,489,130	73.82%

TRENDS

Although the total effect is small, several large appeals can have an effect on a taxing entity's budget, and tax rates are adjusted up due to changes in value as a result of the BOE. Another instance where the BOE can have an outsized effect is in project areas of Community Reinvestment Agencies (CRAs). An appeal on a property located in a CRA project area can sometimes greatly affect the amount of tax increment due the CRA 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

Even though the trend has been fewer appeals received over the last few years, 375 appellants have appealed the BOE's decision to the State Tax Commission.

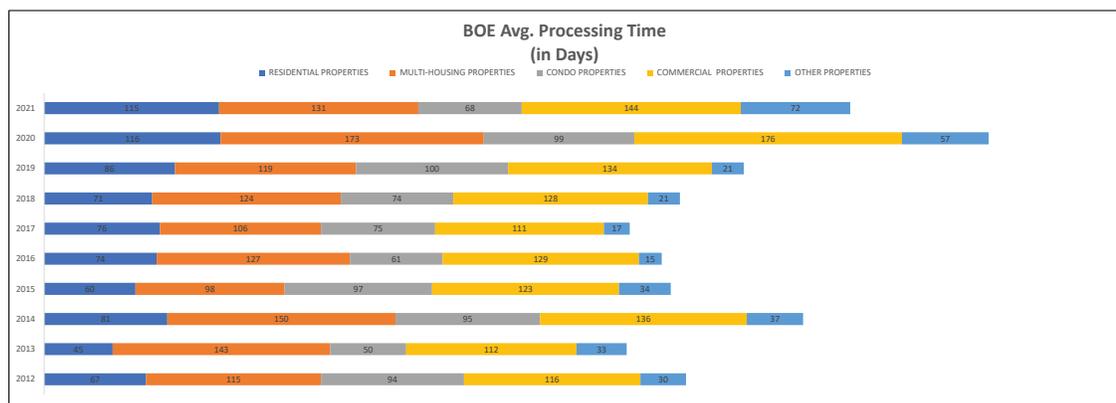


KEY PERFORMANCE INDICATORS

During 2021, the average time from the time an appeal was received to when a decision was mailed out was 106 days. The average time to decision varies greatly depending on the nature of the appeal, ranging from 68 days to 144 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, whether we are treating all taxpayers fairly, and whether we are using the appeal process to improve other property tax responsibilities. While this is much harder to measure, it remains our primary focus.



INITIATIVES AND PROJECTS TO IMPROVE

Paperless Property Tax Appeals

- ✓ During the 2021 year, the Auditor's office continued to digitize appeal records. This enables other offices to use the electronic record instead of a paper file throughout the year, and removes the chances of the paper files getting lost.
- ✓ Our online appeal filing application option continues to be a success, as more taxpayers choose to appeal using this platform. We had very positive feedback from our users. This provided the taxpayer with a more convenient and secure alternative way to appeal.
- ✓ The Auditor's office, in collaboration with Council-Tax Administration and the Assessor, worked to improve the digital appeal process and will continue to work toward decreasing the number of days to finalize an appeal.

Enhanced Web Site

- ✓ The Property Tax website was enhanced to provide a more user-friendly site.
- ✓ The appeal form was also improved to a more understandable version. While it's available in English only, our office arranged to have foreign and sign language and Braille interpreters available when we met with taxpayers who needed translation and assistance.

Other Property Tax Enhancements

- ✓ In 2021, the Auditor proposed resolving high value appeals, mostly in Community Reinvestment areas, before final settlement with the Treasurer, which the Assessor and Tax Administration agreed to. This resulted in more property tax revenues distributed to Entities sooner, and better data for certified tax rate calculations. In prior years, money would have gone to the Agencies and been returned in a future year, after appeals are finalized and refunds could be processed.

These initiatives ultimately allow us to find efficiencies more easily in the process and allow us to better control the workflow and maintain the data to ensure the integrity of the process.



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