

Annual Report 2023



TO THE
SALT LAKE COUNTY BOARD
OF EQUALIZATION

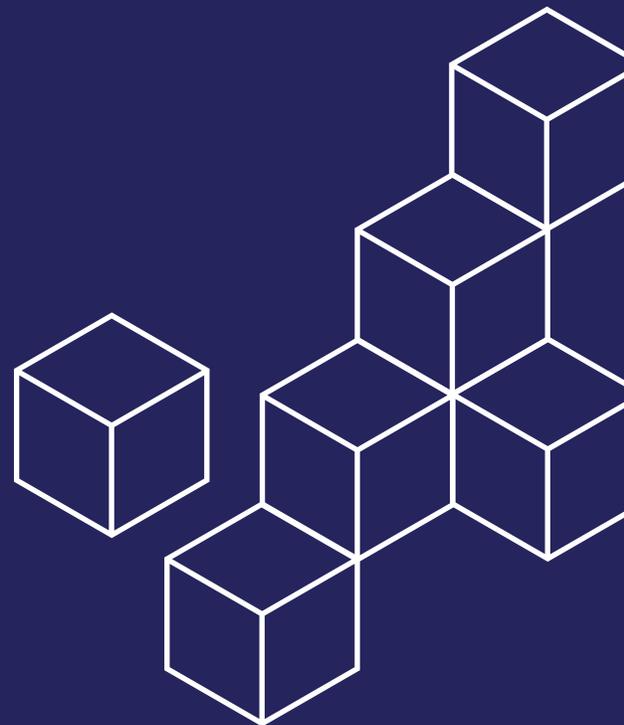


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CHRIS HARDING, SALT LAKE COUNTY AUDITOR**

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**The 2023 Annual Report covers fiscal period August 1, 2023, through
May 7, 2024.**

LETTER FROM THE CLERK OF THE BOARD OF EQUALIZATION



I am honored to present the 2023 Annual Report for the Board of Equalization for Salt Lake County. The purpose of this report is to:



- Communicate the results of the 2023 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,

Chris Harding, CPA, CFE, CIA
Clerk of the Board of Equalization

HIGHLIGHTS



17% of all appeals resulted in adjustments; however, the average adjustment rate per appeal of 0.6% is a ten-year low.



2023 marks the fifth 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.



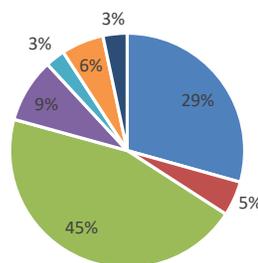
2023 was also the fifth year since we launched our online appeal filing. Of the 2,744 appeals we received, 803 were received online. This is one of a few initiatives we have implemented that allows an appeal to be processed electronically from beginning to end.

OVERVIEW

The 2023 Board of Equalization received 2,744 appeals representing less than 1% of the 385,778 parcels assessed by the County Assessor. This year's appeals resulted in 2,058 Hearing Officer recommendations. Fifty-nine percent (59%) of the appeals were filed directly by taxpayers with forty-one percent (41%) filed with the help of a representative (tax rep).

The majority of appeals are filed electronically either online (29%) or by email (45%). Appeals initiated by the Assessor made up 6% of the appeals in 2023.

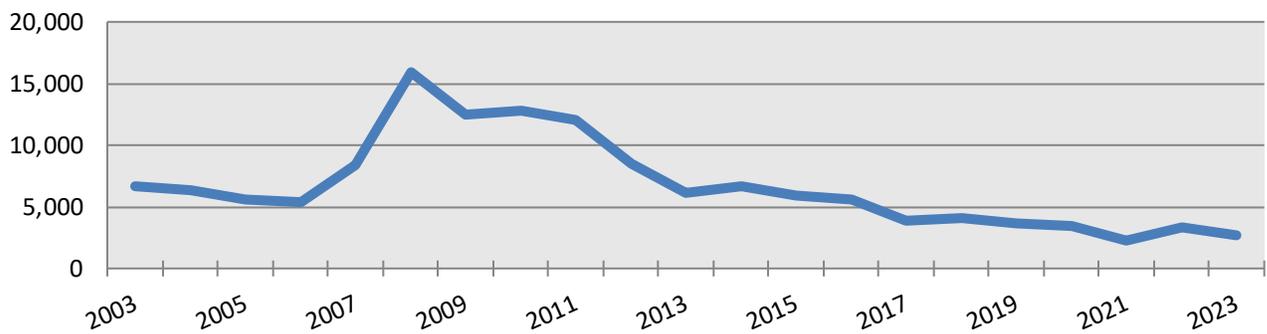
Submission Method for Appeals



■ ONLINE ■ DROP OFF/IN PERSON ■ EMAIL ■ MAIL
■ EXEMPTIONS ■ ASSESSOR INITIATED ■ LATE APPEALS

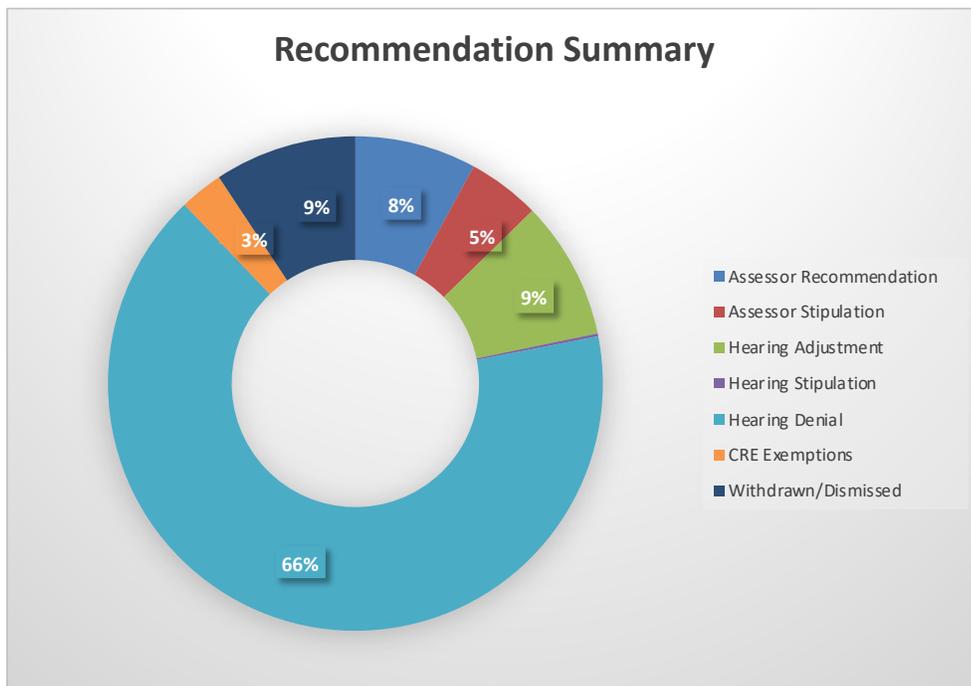
The chart below shows the total number of appeals received for each year since 2003. After housing prices began to drop precipitously in 2007, the number of appeals skyrocketed to a high during 2009, stayed relatively high for three years, and then dropped off over the last ten years to even fewer than 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 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.

Recommendation Summary



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.

22%
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.

53%
resolved

Phase 4



Utah State Tax Commission

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

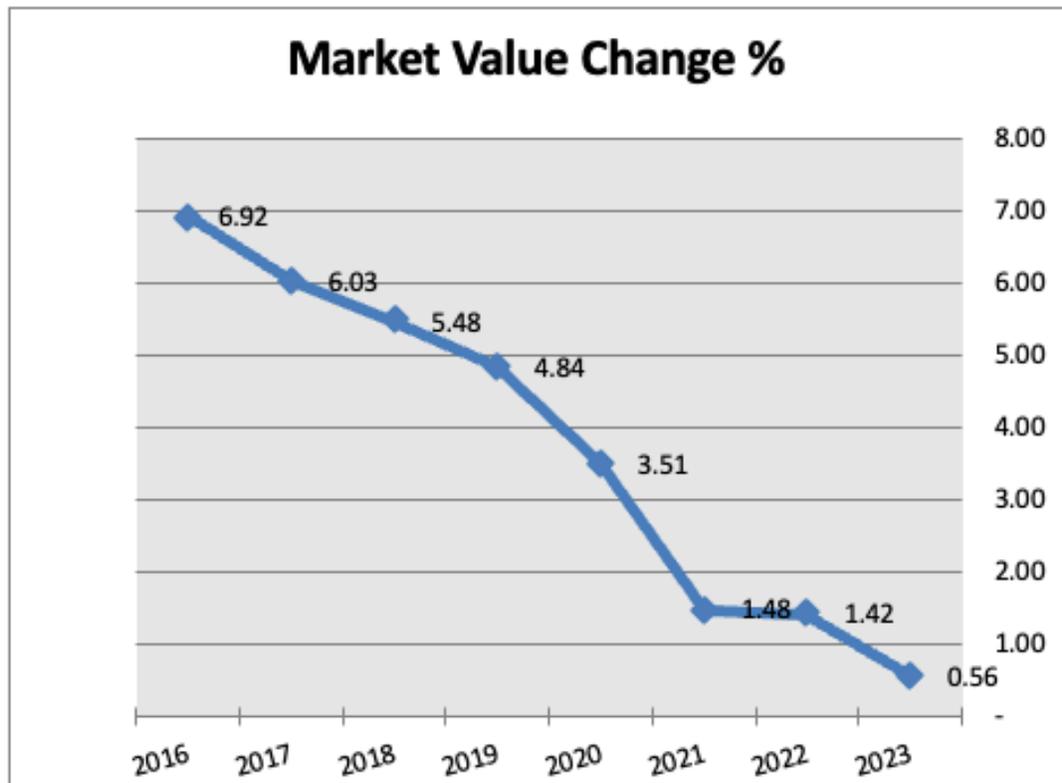
- Taxpayer will receive recommendation by mail and can accept decision to finalize appeal or send appeal to 3rd District Court.

25%
resolved

Adjustments in Market Value

The 2023 Board of Equalization adjusted the value of properties appealed by .6% on average, which is the smallest average change in the last eight years.

Year	Before BOE	After BOE	Amount Adj	%
2023	16,467,330,920	16,374,442,940	92,887,980	0.6%
2022	15,649,437,120	15,427,200,180	222,236,940	1.4%
2021	11,097,672,250	10,933,362,730	164,309,520	1.5%
2020	14,087,254,610	13,593,221,460	494,033,150	3.5%
2019	10,985,907,120	10,454,508,160	531,398,960	4.8%
2018	11,939,454,400	11,285,560,500	653,893,900	5.5%
2017	8,742,654,220	8,215,706,250	526,947,970	6.0%
2016	10,533,348,260	9,804,691,660	728,656,600	6.9%



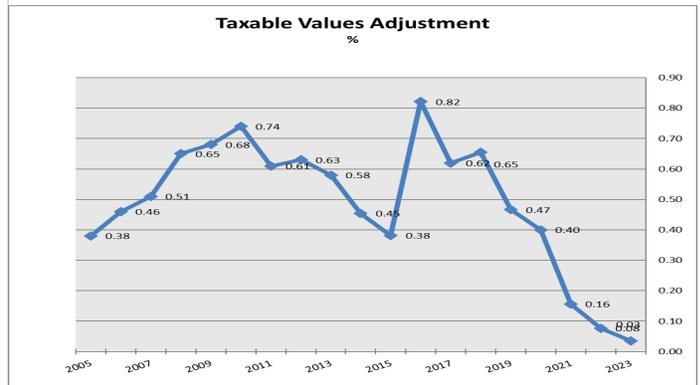
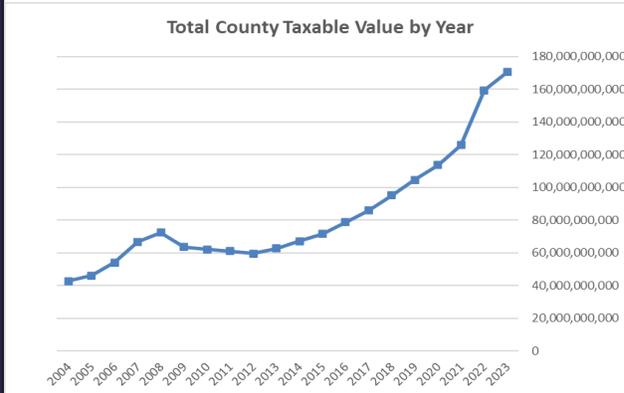
Taxable Values

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 has not exceeded 1% in the past 20 years. The 2023 BOE reductions to taxable value totaled 0.03%. 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
2023	170,656,107,548	170,596,519,149	\$59,588,399	0.03
2022	159,491,174,634	159,368,953,677	\$122,220,957	0.08
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

Large Appeals

A small number of appeals result in the bulk of the change in value each year. Three and a half percent of the 2023 appeals were responsible for 75.35% of the total change in value.



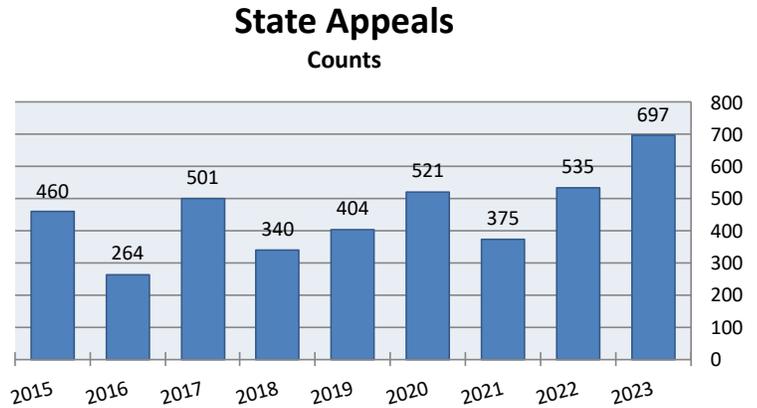
Although the total effect is small, several large appeals can have an effect on a taxing entity’s budget, and tax rates are adjusted up due to changes in value as a result of the BOE. Another instance where the BOE can have an outsized effect is in project areas of Community Reinvestment Agencies (CRAs).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

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

Year	Count	% of Total appeal count	Amount	% of Total Change in Value
2023	100	3.60%	69,993,000	75.35%
2022	122	3.70%	186,522,660	83.93%
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	81.51%

State Appeals

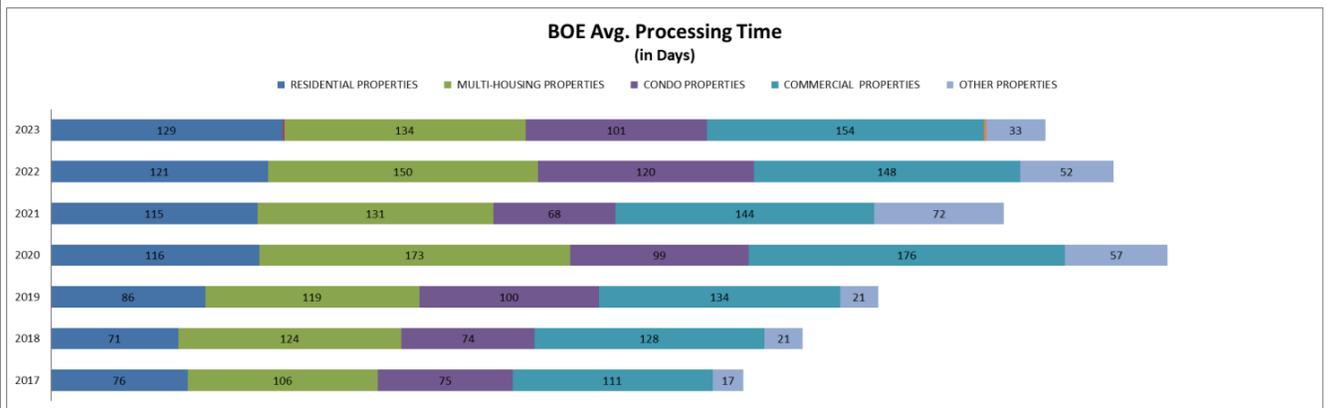
Even though the trend has been fewer appeals received over the last few years, 697 appellants have appealed the BOE's decision to the State Tax Commission.



Key Performance Indicator

During 2023, the average time from the time an appeal was received to when a decision was mailed out was 110 days.

The average time to decision varies greatly depending on the nature of the appeal, ranging from 33 days to 154 days.



Conducting a survey of appellants provides invaluable insights into the overall efficiency and fairness of the appeal process. By gathering feedback directly from participants, the Board of Equalization can identify areas for improvement, particularly in how appellants perceive the processing time, fairness, and clarity of instructions. The survey helps to bridge the gap between procedural intentions and real-world experiences, guiding future efforts to enhance transparency, communication, and satisfaction. Ultimately, this feedback is crucial for building trust and ensuring that the appeals process is both accessible and equitable.

KEY FINDINGS

- Across all groups, the appeal processing time was generally perceived as unacceptable.
- Participants frequently expressed concerns about fairness across all groups, indicating a need for improved equity in the process.
- Slightly more than half of the respondents found the instructions and documents easy to understand.
- About 49% of participants found online information regarding how and when to file an appeal easy to follow, while around 24% did not.
- Transparency regarding the status of property tax appeals could significantly enhance the perception of wait times. Regular updates and clear communication about the progress of appeals could improve the overall experience. The Auditor's Office is working on solutions to implement in 2024.

OPPORTUNITIES

Enhanced Communication: There is a consistent complaint about poor communication throughout the appeals process. Many individuals mentioned receiving little to no updates, not being contacted about their appeal status, or experiencing delays in receiving decisions. Improving communication through regular updates, clear timelines, and responsiveness to inquiries could significantly enhance satisfaction.

Transparency and Clarity in Decision Making: Several comments highlighted confusion and frustration regarding how decisions are made and the lack of clarity on the rationale behind decisions. Providing clearer explanations for decisions, ensuring all evidence is considered transparently, and making the decision-making process more accessible to appellants could improve trust in the system.

Educational Resources and Support: There's a notable lack of understanding and guidance regarding what evidence is required, how to prepare for hearings, and what to expect during the appeals process. Providing more comprehensive educational resources, including examples of supporting materials and tips for presenting cases effectively, could empower property owners and improve their experience.

Process Efficiency: Many comments cited lengthy delays and inefficiencies in processing appeals, which led to frustration and added financial burden. Streamlining the process, setting clearer deadlines for decisions, and reducing the backlog of appeals could improve overall efficiency and satisfaction .

Fairness and Consistency: Concerns were raised about perceived biases, inconsistencies in decision-making, and the fairness of assessments compared to neighboring properties. Improving the transparency of the process by sharing evaluation criteria and providing evidence of fairness based on comparable assessments may improve participant's perceptions of fairness and consistency.

Wins

Professionalism of Some Members: "The lady that helped me was good, I still disagree with the assessor's opinion but did not want to take the time to go through a full hearing."

Informative and Helpful Feedback: "The people involved were prompt and provided good information."

Online appeals process is easy to follow: "Your clerk is very good, and your appeal process is easy to follow online which is ahead of most jurisdictions."

Pain points

Dismissive Treatment: “I feel they were condescending and dismissive. I provided strong comparable and information as to why I know my property taxes are a lot higher than most homes in my area.”

Lack of Proper Communication: “The appeals officer was very kind; I don’t feel I received an explanation as to why it was rejected.”

Unfair Assessment Practices: “It’s ridiculous how you’re trying to nickel and dime Utah residents. I presented very accurate information to show that my property value was not as high as reported.”

Complex and Inaccessible Process: “Instructions were complicated and cumbersome.”

Inefficiency in Handling Appeals: “I had an appraisal done by September 15. Didn’t hear anything for five months. It was dismissed.”

Next Steps

As a result of this survey, each office involved in the Board of Equalization has carefully reviewed the feedback provided by appellants. We recognize the importance of continuous improvement and are committed to addressing the concerns raised. Moving forward, we will actively seek opportunities to enhance the appeal process to create a more efficient and satisfactory experience for all involved.



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