

Centrally Assessed Property Valuation Appeals 2005-2014

Prepared for the Revenue and Taxation Interim Committee

October 15, 2014

Overview

Purpose

- Answer questions from May meeting regarding appeals

About the Data

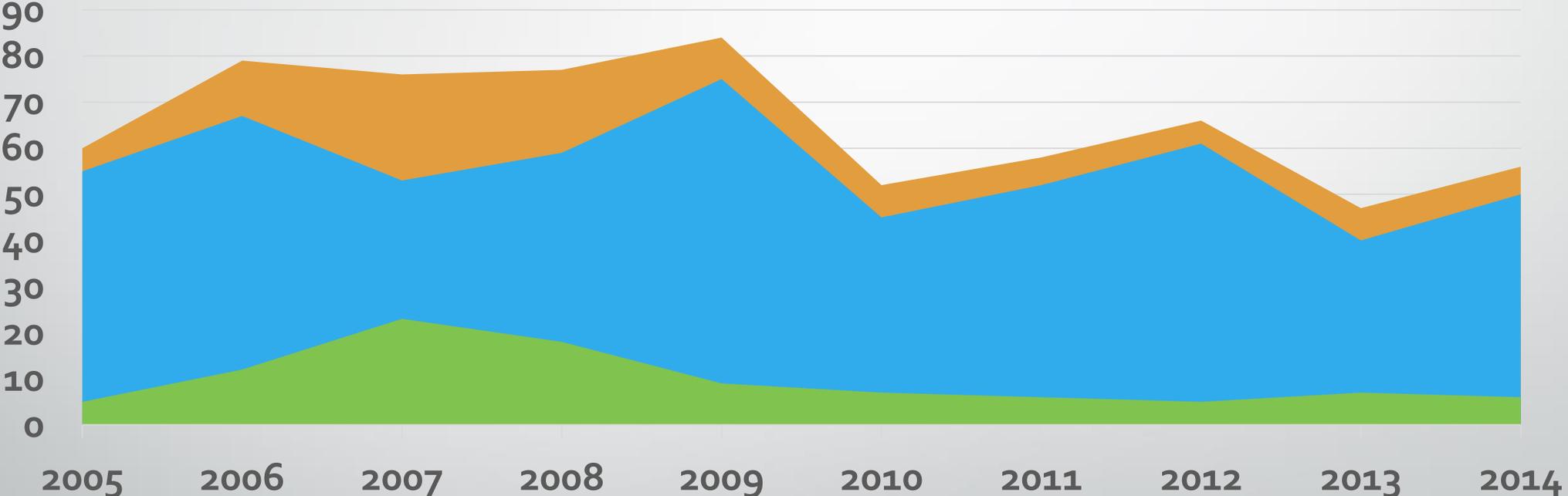
- Provided by Tax Commission
- Summary statistics
- Appeals made 2005 to 2014

Overview

Terminology

- **Initial value** = assessed value assigned by the Tax Commission before an appeal
- **Requested value** = value requested as part of an appeal
- **County only appeal** = an appeal filed for an initial value by the county but not the taxpayer
- **Taxpayer only appeal** = an appeal filed for an initial value by the taxpayer but not the county
- **Joint appeal** = an appeal filed for an initial value by the taxpayer and county (subsets include **county and taxpayer joint appeals**)
- **Total or all appeals** = all appeals in the data set

Who is filing the appeals?

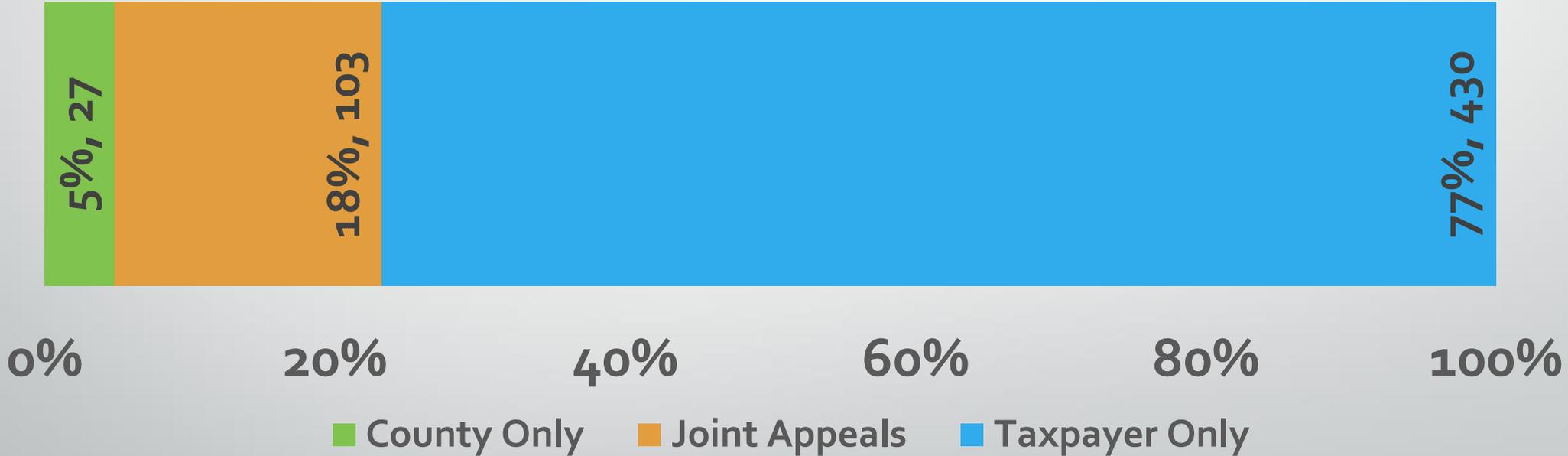


■ Total Appeals ■ All Taxpayer Appeals ■ All County Appeals

Data source: Utah State Tax Commission



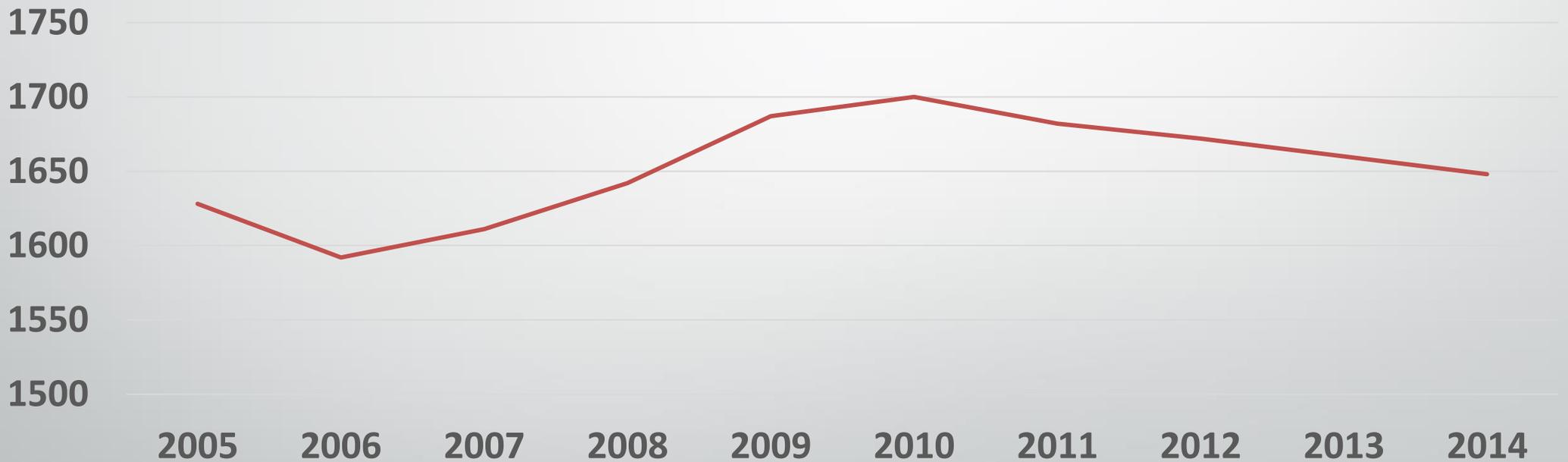
Who is filing the appeals?



Data source: Utah State Tax Commission

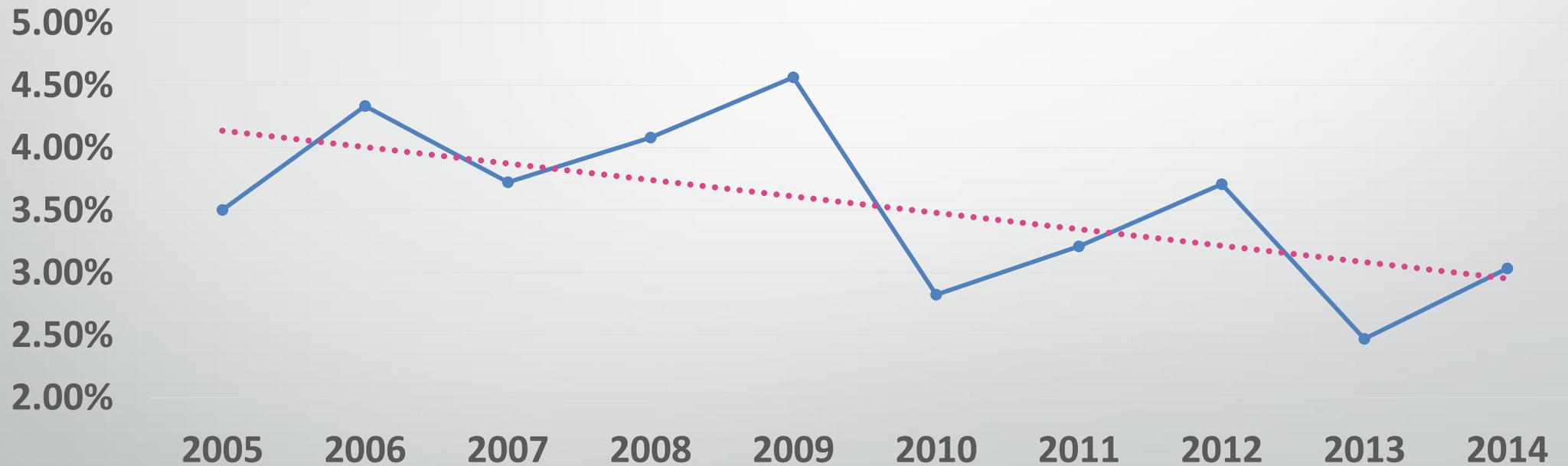


How many centrally assessed properties?



Data source: Utah State Tax Commission

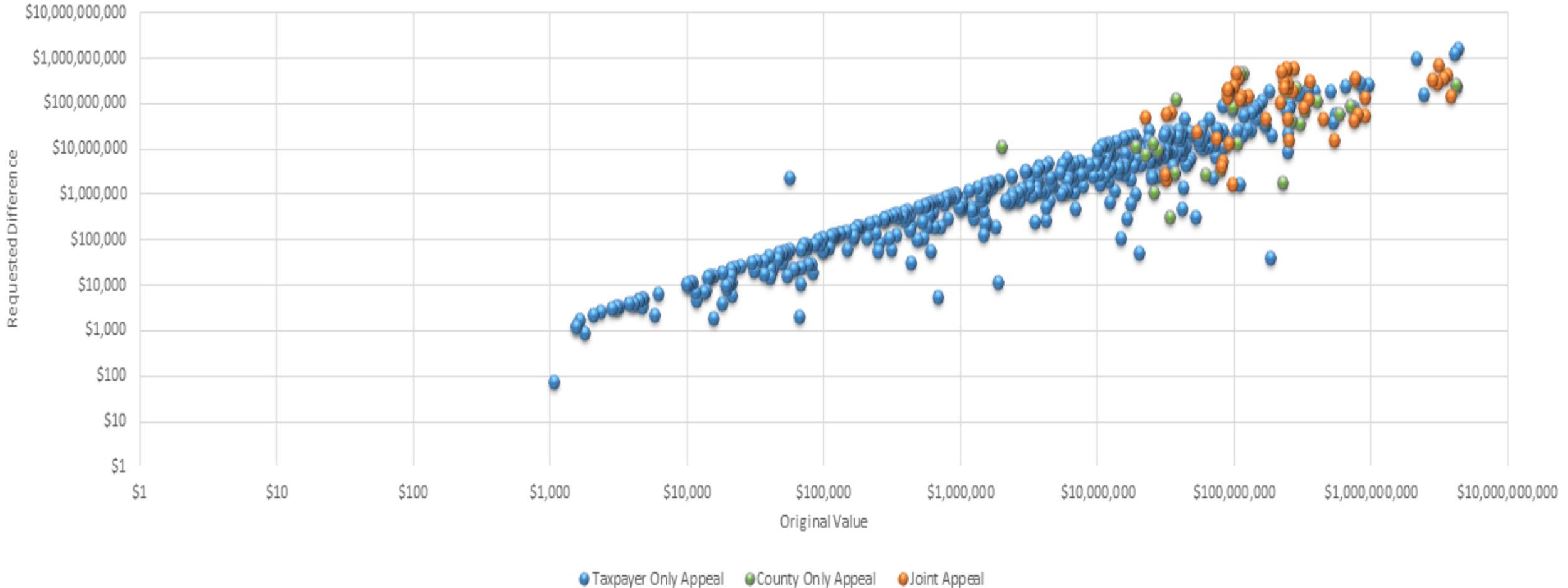
What percentage of centrally assessed properties are appealed?



Data source: Utah State Tax Commission

Scatter Plot: Requested Value vs. Initial Value

Requested Difference vs Original Value



Data source: Utah State Tax Commission

What is the value of properties being appealed?

Appeal Type	Average Initial Value
County Only Appeals	\$479,483,736
Taxpayer Only Appeals	\$70,379,088
County Joint Appeals	\$617,173,393
Taxpayer Joint Appeals	\$624,822,135

Data source: Utah State Tax Commission

How do requested values differ from the initial value?

Appeal Type	Average Initial Value	Average Request	Requested value as percent of initial value
County Only Appeals	\$479,483,736	\$95,795,982	19.98%
Taxpayer Only Appeals	\$70,379,088	\$(20,585,238)	-29.25%
County Joint Appeals	\$617,173,393	\$182,670,972	30.28%
Taxpayer Joint Appeals	\$624,822,135	\$(148,622,666)	-21.16%

Data source: Utah State Tax Commission

What is the difference between the initial value and value requested in the appeal?

Appeal Type	Min	Median	Max	Average
County Appeals	\$288,349	\$39,062,200	\$455,754,394	\$95,795,982
Taxpayer Appeals	(\$1,554,317,000)	(\$1,019,402)	\$10,996,066	(\$20,298,003)
County Joint Appeals	\$1,584,987	\$139,403,026	\$649,219,811	\$182,670,972
Taxpayer Joint Appeals	(\$1,566,087,381)	(\$31,018,415)	\$0	(\$148,622,666)

Data source: Utah State Tax Commission

What is the Magnitude of the Effects of the Appeals?

Appeal Type	Requested Value	Average Change in Initial Value	% Change in Initial Value
County Only Appeals	\$95,795,982	-\$3,153,016	-3.29%
Taxpayer Only Appeals	-\$20,298,003	-\$3,951,183	19.47%
County Joint Appeals	\$182,670,972	-\$37,944,204	-20.77%
Taxpayer Joint Appeals	-\$148,622,666	-\$37,944,204	25.53%

Data source: Utah State Tax Commission

What were the outcomes of the appeals?

Entity	Appeals for which initial value did not change in favor of the entity	Average increase/decrease from initial value
Taxpayer only appeals	16	\$8,913,597
County only appeals	1	(102,158,670)
Total	17	\$2,379,934

Appeals, even when unchallenged, can go either way.

Data source: Utah State Tax Commission

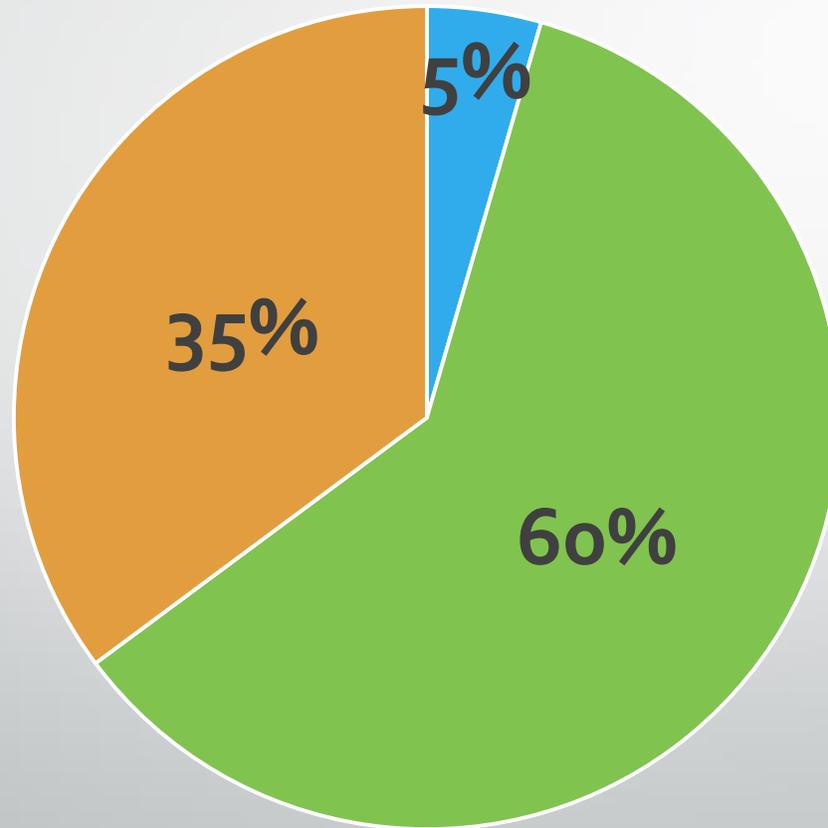
What were the outcomes of all appeals?

Entity	Appeals for which initial value changed in favor of the entity	Total appeals filed during period	Percentage of appeals filed for which value changed in favor of the entity
Taxpayer	304	480	63%
County	7	80	9%
Total	311	560	56%

Data source: Utah State Tax Commission

What were the outcomes of all appeals?

Value of Property after Appeal Compared to Initial Value
N = 560



- Greater than
- Less than
- No Change

Data source: Utah State Tax Commission

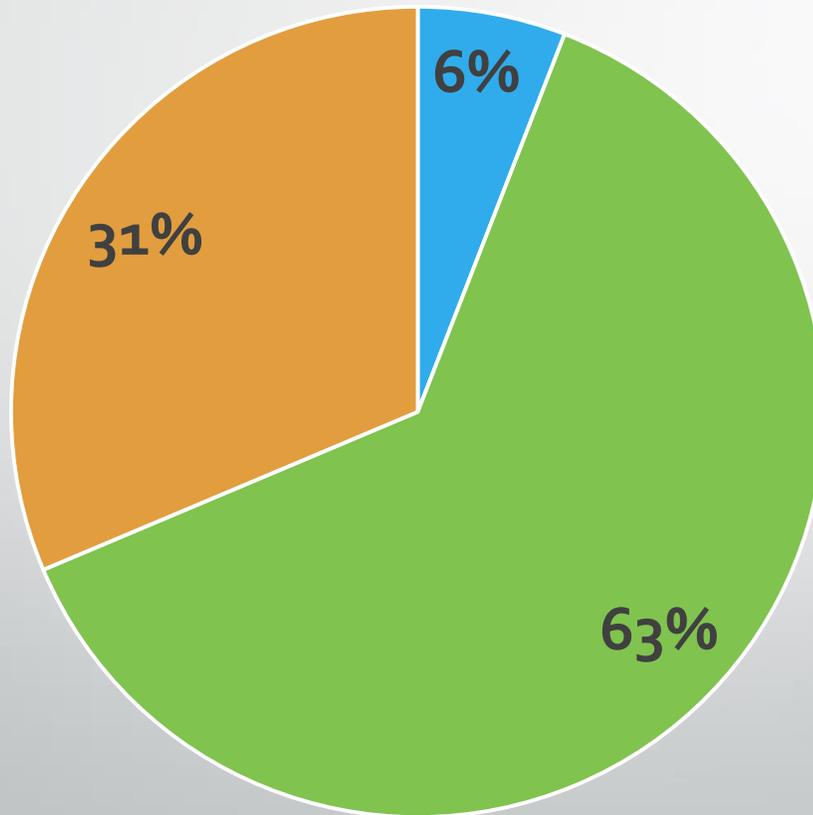
What were the outcomes of joint appeals?

Outcome	Number	Average change in initial value
Greater than initial value	3	\$3,053,453
Less than initial value	32	\$(61,373,071)
No Change	16	\$ -
Total	51	\$(37,944,204)

Data source: Utah State Tax Commission

What were the outcomes of joint appeals?

Value of Property after Appeal Compared to Initial Value
N = 51



- Greater than initial value
- Less than initial value
- No change

Data source: Utah State Tax Commission

How long do appeals take to resolve?

Appeal Type	Number of days
County Only Appeals	1108
Taxpayer Only Appeals	395
All Joint Appeals	1495

Data source: Utah State Tax Commission

Limitations of Data

- Sample Size
 - ~560 appeals is a small number of appeals
- May not be able to fully understand impact of taxpayer and county just by looking at the numbers
 - Hard to say what would happen if role of county or taxpayer was changed
- Can't do cost-benefit without knowing the cost of the appeals

Data source: Utah State Tax Commission