Assessment of Salt Lake County 2019
Overview

• Most property values increased this past year.

• Many taxing entities (ex. Cities and school districts) are proposing tax increases in 2019.

• An increase in property value does not necessarily mean an increase in property tax.
Overview

• In tax areas without proposed tax increases the following is typically true:
  
  – If your value increase was **more** than the average value increase in a taxing area, you will receive a **tax increase**.
  
  – If your value increase was **less** than the average value increase in a taxing area, you will see a **tax decrease**.
**Property Tax** is the mechanism used in Utah to determine the share of Government Services.

In other words, we buy services and pay for them with property tax.

- Schools
- Transportation
- Police Protection
- Fire Protection
- Snow Removal
- Recreational Centers
- Sanitation
- Flood Control
- Water
- Planning & Zoning
- Health Care
- Criminal Prosecution
- Voting
- Substance Abuse
- Assessing & Collecting
- Mosquito Abatement
- Libraries
- Animal Control
- Parks & Zoo Facilities
- Government Buildings
- Elderly & Disabled Services
- Plus many other services
The Duty of the County Assessor is to value all tangible property

“All Tangible Property... assessed at a uniform and equal rate in proportion to its fair market value”

Article XIII of the Utah Constitution
What the Law Requires

§59-2-103
“All tangible taxable property located within the state shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1…”

§59-2-301
“The County Assessor shall assess all property located within the county…”

§59-2-303.1
“…each county assessor shall annually update property values,…based on a systematic review of current market data. In addition, the Assessor shall complete a detailed review of property characteristics for each property at least once every five years.”

§59-2-1001.(2) “The county board of equalization shall adjust and equalize the valuation and assessment of.. real property…”
Market Value
is the common denominator shared by all types of property.
What is Market Value?

• §59-2-102(12)

  “Fair market value” means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.
What is the fair market value of each home?

Suggested Value for all three: $450,000

- Sold for $461,000
- Sold for $439,000
- Has not sold
First Quarter Sales Data
Median Residential Sales

Median Sold Price
Total Homes Listed
Total Homes Sold
Every year market values are statistically developed using mathematical models with actual verified sales occurring throughout the county.
Salt Lake County Historical

Percent Change in Market Value – County Wide (Residential)
2007 Residential Value Percent Change

Percent Change

- <= 0
- 1 - 5
- 6 - 10
- 11 - 20
- >= 21

Rounded to the nearest whole number
2009 Residential Value Percent Change

Rounded to the nearest whole number
Rounded to the nearest whole number
2012 Residential Percent Value Change

Rounded to the nearest whole number
2013 Residential Percent Value Change

Percent Change
-100 - -21
-20 - -11
-10 - -6
-5 - -1
0
1 - 5
6 - 10
11 - 20
>= 21

Rounded to the nearest whole number
2016 Residential Value Percent Change

Percent Change

-100 - -21
-20 - -11
-10 - -6
-5 - -1
0
1 - 5
6 - 10
11 - 20
>= 21
2018 Residential Value Percent Change
2019 Residential Value Percent Change
This year we implemented new models on residential properties County-wide.
2010 Market Values Changes

% Change by Model Area (Rounded to nearest whole number)

- East Millcreek Model
- Holladay Model
- Lower Sandy Model
- Upper Sandy Model
- Southwest Model
- West Valley Model
- Avenues Model
- Foothill Model
- City Model
- Condo's
- Retail/Office/Industrial
- Multihousing
- All Res Improved
- All Property Types
2011 Market Values Changes

PCT CHANGE

-6.00%  -4.00%  -2.00%  0.00%  2.00%  4.00%  6.00%

-3.85%  -5.53%  -5.37%  -4.42%  -1.62%  -1.62%  2.78%  -0.37%  -2.47%  -2.10%  -4.53%  -1.36%

-6.00%  -4.00%  -2.00%  0.00%  2.00%  4.00%  6.00%

-3.85%  -5.53%  -5.37%  -4.42%  -1.62%  -1.62%  2.78%  -0.37%  -2.47%  -2.10%  -4.53%  -1.36%
2012 Market Values Changes

PCT CHANGE

-10.00%
-8.00%
-6.00%
-4.00%
-2.00%
0.00%
2.00%
4.00%
6.00%

-9.68%
-5.09%
-4.91%
-3.05%
-1.12%
0.00%
2.00%
4.87%
-6.63%
-4.57%
-4.09%
-2.70%
-2.47%
-2.76%
0.00%
-0.78%
-0.54%
0.28%
-0.78%
-0.54%
0.28%

East Millcreek Model
Holladay Model
Lower Sandy Model
Southwest Model
West Valley Model
Avenues Model
Foothill Model
City Model
Overall Residential
Canyons
Condo
Retail/Office/Industrial
Multifamily
Overall Commercial
Overall
2013 Market Values Changes

PCT CHANGE

- East Millcreek Model: 3.13%
- Holladay Model: 1.15%
- Lower Sandy Model: 4.85%
- Southwest Model: 3.73%
- West Valley Model: 3.74%
- Avenues Model: 3.92%
- Foothill Model: 5.23%
- City Model: 4.26%
- Overall Residential: 0.66%
- Canyons: 0.26%
- Condo: 0.41%
- Retail/Office/Industrial: 1.38%
- Multifamily: 4.65%
- Overall Commercial: 4.22%
- Overall: 6.05%
2014 Market Values Changes

- East Millcreek Model: 3.42%
- Holladay Model: 11.50%
- Lower Sandy Model: 6.08%
- Southwest Model: 6.20%
- West Valley Model: 10.12%
- Avenues Model: 7.37%
- Foothill Model: 3.07%
- City Model: 5.05%
- Overall Residential: 7.13%
- Canyons: 7.24%
- Condo: 6.80%
- Retail/Office/Industrial: 6.05%
- Multifamily: 4.31%
- Overall Commercial: 7.51%
- Overall: 7.21%
- Overall: 12.38%
2016 Market Values Changes

- East Millcreek Model: 5.24%
- Holladay Model: 4.07%
- Lower Sandy Model: 9.36%
- Upper Sandy Model: 5.50%
- Southwest Model: 5.24%
- West Valley Model: 5.53%
- Avenues Model: 11.61%
- Foothill Model: 4.64%
- City Model: 11.31%
- Overall Residential: 7.80%
- Canyons: 6.01%
- Condo: 3.01%
- Retail/Office/Industrial: 5.97%
- Multifamily: 3.12%
- Overall Commercial: 3.12%
- Overall: 7.44%
2017 Market Values Changes

- East Millcreek Model: 11.86%
- Holladay Model: 1.67%
- Lower Sandy Model: 4.87%
- Upper Sandy Model: 9.52%
- Southwest Model: 6.81%
- West Valley Model: 10.14%
- Avenues Model: 5.21%
- Foothill Model: 2.61%
- City Model: 9.79%
- Overall Residential: 7.95%
- Canyons: 9.90%
- Condo: 9.40%
- Retail/Office/Industrial: 7.30%
- Multifamily: 8.93%
- Overall Commercial: 8.20%
- Overall: 11.86%
2019 Market Values Changes

- East Millcreek Model: 8.93%
- Holladay Model: 5.42%
- Lower Sandy Model: 4.90%
- Upper Sandy Model: 3.33%
- Southwest Model: 7.26%
- West Valley Model: 9.00%
- Avenues Model: 8.49%
- Foothill Model: 3.74%
- City Model: 13.37%
- Canyons*: 1.49%
- Overall Residential: 8.01%
- Condo: 10.02%
- Retail*: 4.36%
- Office: 5.84%
- Industrial: 7.39%
- Multifamily: 2.31%
- Commercial Other: 3.43%
- Overall Commercial: 3.43%
Truth-in-taxation prohibits units of local government from obtaining windfall revenues as a result of revaluation or equalization.

(§59-2-303.1) & (§59-2-102, 918, 924)
CERTIFIED TAX RATE:

is that rate which will yield the taxing entity the same property tax revenue that it budgeted in the previous year, excluding new growth.
TRUTH IN TAXATION

REASONS WHY A PROPERTY OWNER’S TAXES MIGHT GO UP DESPITE ‘TRUTH IN TAXATION:’

- Variation in Market Values Within a Taxing Entity
  
  **Above** the average **CHANGE** in value within Entity – Taxes Increase
  
  **Below** the average **CHANGE** in value within Entity – Taxes Decrease

- State Assessed Shift (Utilities, Mines, Airlines, etc.)
- Taxpayer Voted Bond
- Property Tax Increase Following Truth In Taxation Hearing
TRUTH IN TAXATION

Utah State property tax law requires that when property values rise property tax rates must fall.
In Addition:

TRUTH IN TAXATION

Utah State property tax law requires that when property values fall, property tax rates must rise.
1 - Certified Tax Rate & Possible Impact on Taxes

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<td>$195,900</td>
<td>$202,300</td>
<td>3.16%</td>
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<td>$1,396.81</td>
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<td>5.58%</td>
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<td>$383,600</td>
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<td>7.90%</td>
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<td>$2,735.14</td>
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<td>Parcel 4</td>
<td>$468,100</td>
<td>$516,100</td>
<td>9.30%</td>
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<td>$3,337.65</td>
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<td>Average</td>
<td>$617,517</td>
<td>$694,717</td>
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<td>$4,403.02</td>
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<td>Parcel 5</td>
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<td>$1,163,300</td>
<td>13.05%</td>
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<td>$7,212.20</td>
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<td>Parcel 6</td>
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<td>Totals</td>
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<td>$26,418.10</td>
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“2019 Projected Tax Rate” is calculated using only the 6 represented properties shown above. Actual tax rate will be calculated based on all properties within that taxing entity which will generate the same revenue as the prior year.
Calculation of the Tax Rate

Suppose your house has a taxable value of $200,000 and the tax rate last year was 1%. This year the taxable value increased 10% to $220,000, the average change in value within that tax entity. The tax rate will be changed to 0.90% in order for that entity to receive the same funds as last year.

Last Years Value: $200,000 \times .01 = $2,000

This Year Value: $220,000 \times .0091 = $2,000

Each taxing entity calculates the tax rate based on the total property values within the entity’s boundary. Many entity boundaries will encompass other entities. A simple example is the Jordan School district which includes cities such as Riverton, Bluffdale, Herriman, West & South Jordan. Each city is a taxing entity and entitled to generate the same revenue this year as last year.
Appeals

- Appeals are based on whether the value is “Fair Market Value”, not tax increases and not value changes. (§59-2-1002)

- You may review your assessment for 2019 at: http://slco.org/assessor
** 2017 lowest appeal count in 25+ years
Summary

• In order to maintain the same services we enjoyed this past year, the tax rate should likely decrease for most taxing entities.

• If a property value increased more than the average value increase within a taxing district, the owner will likely see a tax increase.

• If a property value increased less than the average value increase within a tax district, the owner will likely see a tax decrease.