

# Utah Code 59-2-303.1

## Mandatory and Cyclical Appraisals (1993)

Without Completing the Mass Appraisal of  
All Properties, Inequitable Taxation Results

Prepared for Luke Searle and Karl McMillion

By:

Big Pole Taxpayer Association

Updated: 2/27/2023

## Why Did I Do This Analysis?

Big Pole Subdivision Average Increase 112%,  
Yet, Other Subdivisions Were Not Re-Appraised in 2022

Subdivision	Number of Properties	Average Market Value Increase from 2021 to 2022	Average Market Value
Cobblestone	126	\$0.0	\$520,408
Timber Lakes	877	\$0.0	\$451,286
Broadhead Estates	64	\$0.0	\$458,353
Shoreline - Kamas	91	\$0.0	\$760,093
Mill Road Estates	121	\$0.0	\$489,097
Lakeside Views, LLC (SN-OCH)	129	\$0.0	\$567,924
Bald Eagle Club at Dear Valley	19	\$0.0	\$4,560,823

## Process Used to Determine the Financial Impact of the Incomplete 2022 Assessment Process

- Complete 2021 & 2022 Property Tax Files were obtained
- Removed tax exempt properties (2083 properties)
- Combined portions of 2021 and 2022 files
- Analyzed 26,092 properties
- Sorted properties into eight categories
- Performed analysis to estimate the financial impact of the County 2022 taxation process

# Analysis Performed on 100% of Wasatch County Taxable Properties – 26,092

- This Analysis Now Uses All Taxable Properties and Sorts Them
  - Improved Properties - Assessed Value Change – 41%
  - Improved Properties - No Assessed Value Change – 22%
  - Improved Property - Assessed Value Reduction – 1%
  - Improved Property - First Assessed in 2022 – 1%
  - Land - Assessed Value Increase – 18%
  - Land - No Assessed Value Change – 12%
  - Land - Assessed Value Reduction – 1%
  - Land - First Assessed in 2022 – 4%

## What Does this Analysis Not Do ?

- Does not attempt to challenge the accuracy of the assessed market values developed by the Assessor's office for 26,092 properties

# What is a Weighted Average Tax Rate?

Tax District	Number 2022	Tax Rate 2021	Deviation from Weighted Average	Tax Rate 2022	Deviation from Weighted Average	% of Properties in Tax District
1	301	0.013099	6%	0.010697	10%	1.15%
2	74	0.011728	-5%	0.009347	-4%	0.28%
3	6787	0.012736	3%	0.010117	4%	26.01%
4	3905	0.012975	5%	0.010027	3%	14.97%
5	14	0.013072	6%	0.010672	9%	0.05%
6	711	0.011753	-5%	0.009351	-4%	2.72%
7	0	0.013713	11%	0.010714	10%	0.00%
8	173	0.013608	10%	0.011269	15%	0.66%
9	21	0.013624	10%	0.010641	9%	0.08%
10	165	0.012894	5%	0.010040	3%	0.63%
11	362	0.012109	-2%	0.009720	0%	1.39%
12	3429	0.011701	-5%	0.009322	-5%	13.14%
13	940	0.012736	3%	0.010117	4%	3.60%
14	3129	0.011701	-5%	0.009322	-5%	11.99%
15	3479	0.011701	-5%	0.009322	-5%	13.33%
16	250	0.011701	-5%	0.009322	-5%	0.96%
17	86	0.012109	-2%	0.009720	0%	0.33%
18	60	0.011701	-5%	0.009322	-5%	0.23%
19	102	0.011701	-5%	0.009322	-5%	0.39%
20	1	0.012524	2%	0.010054	3%	0.00%
21	121	0.012524	2%	0.010054	3%	0.46%
22	127	0.013713	11%	0.010714	10%	0.49%
23	49	0.011701	-5%	0.009322	-5%	0.19%
24	839	0.012980	5%	0.010347	6%	3.22%
25	69	0.012524	2%	0.010054	3%	0.26%
26	34	0.011701	-5%	0.009322	-5%	0.13%
27	0	0.011701	-5%	0	0	0.00%
28	187	0.013858	12%	0.010449	7%	0.72%
29	82	0.011701	-5%	0.009322	-5%	0.31%
30	9	0.011701	-5%	0.009322	-5%	0.03%
31	4			0.029322		0.02%
32	474			0.009322	-5%	1.82%
33	109			0.010054	3%	0.42%
<b>Total Properties</b>	<b>26093</b>	<b>0.012332</b>		<b>0.009765</b>		100.00%
				<b>Minimum</b>	-5%	
				<b>Maximum</b>	15%	

**Tax Rate Date from Wasatch County Treasurer's Office**

**Wasatch County has 33 tax districts with different tax rates.**

**All are around -5% to +15% of the Weighted Average for 2022**

# How Are Your Property Taxes Calculated?

## -- A Simplified Example

- Tax Rate = Total County Budget/**Total County Taxable Property Value**
  - If **Total County Taxable Property Value** is under assessed, the Tax Rate is too high
- Taxable Property Value = Market Value X 0.55 (Primary Residence)
- = Market Value (Secondary Residence)
- = Market Value (Unimproved Property– Land)
- Your Property Taxes = Your Taxable Value X Tax Rate for Your Tax District

## Utah Code 59-2-303.1 Requires that Every Residential Property Be Assessed Annually

- The Assessor stated ~ 80% were assessed, ~ 20% were not assessed
- Objective of this Analysis
  - Determine the actual number of properties that were assessed/not assessed
  - Determine the financial impact of the incomplete assessment
  - Estimate the potential impact on the tax rate if all properties were assessed



# Todd Griffin Presentation to Wasatch Council – Update on Assessments – July 13, 2022

Slide 7

## From this analysis:

- 2021
- Market Value \$12.09 B
- Taxable Value \$8.37 B
- 2022
- Market Value \$18.77 B
- Taxable Value \$12.20 B

## Summary of Property Tax Rolls

	2021 Tax Roll	2022 Tax Roll	Variance (Quantity)	Variance (% Change)
Total Parcels	26,555	27,763	1,208	5%
Taxable Parcels	24,122	25,296	1,174	5%
# of Parcels Assessed (through detailed or annual)	3,668*	20,253	16,585	452%
% of Parcels Assessed	14%	80%	66 Percentage Points	471%
# of Properties Not Assessed within Prior 5 Years	6,683	1,457	-5,226	-78%
# of Properties (W/ Structures) Not Assessed within Prior 5 Years		608		
Total Market Value	\$12,197,488,827	\$18,626,245,269	\$6,428,756,442	53%
Total Taxable Value	\$8,349,897,926	\$12,163,969,602	\$3,814,071,676	46%

\* Data may not be 100% accurate due to inaccurate reporting of review dates for prior years

- This analysis is consistent with Assessor's Data

# Todd Griffin Presentation to Wasatch Council – Update on Assessments – July 13, 2022

Slide 7

## From this analysis:

- Substantial differences from Assessor’s Results
- Taxable Parcels-26,092 in 2022
- 59% had MV increase
- 34% no MV change (includes most commercial)
- 5% new additions to tax roles
- 2% had MV reduced

## Summary of Property Tax Rolls

	2021 Tax Roll	2022 Tax Roll	Variance (Quantity)	Variance (% Change)
Total Parcels	26,555	27,763	1,208	5%
Taxable Parcels	24,122	25,296	1,174	5%
# of Parcels Assessed (through detailed or annual)	3,668*	20,253	16,585	452%
% of Parcels Assessed	14%	80%	66 Percentage Points	471%
# of Properties Not Assessed within Prior 5 Years	6,683	1,457	-5,226	-78%
# of Properties (W/ Structures) Not Assessed within Prior 5 Years		608		
Total Market Value	\$12,197,488,827	\$18,626,245,269	\$6,428,756,442	53%
Total Taxable Value	\$8,349,897,926	\$12,163,969,602	\$3,814,071,676	46%

\* Data may not be 100% accurate due to inaccurate reporting of review dates for prior years

# Wasatch County Tax Notices Demonstrate Serious Inequity in the Property Taxes for 2022

- Wasatch County has reappraised 61% (59% +2%) of the property in the county for the 2022 taxes resulting in very large increase in the appraised value
  - 87% for the improved properties and 284% for unimproved properties
  - Resulted in vary large property tax increases
- But 34% have maintained the same market value as for the 2021 taxes
  - **This is not conceivable**
- Thus, the County Taxable Value is considerably undercalculated
- Assuming the “34%” had the same average increased value as the “61%”, the taxable value increases to \$2.89 billion or 24%

# If Properties that were “Not Assessed” Had Increased Average Market Value Increases Similar to the Assessed Properties

## From this analysis:

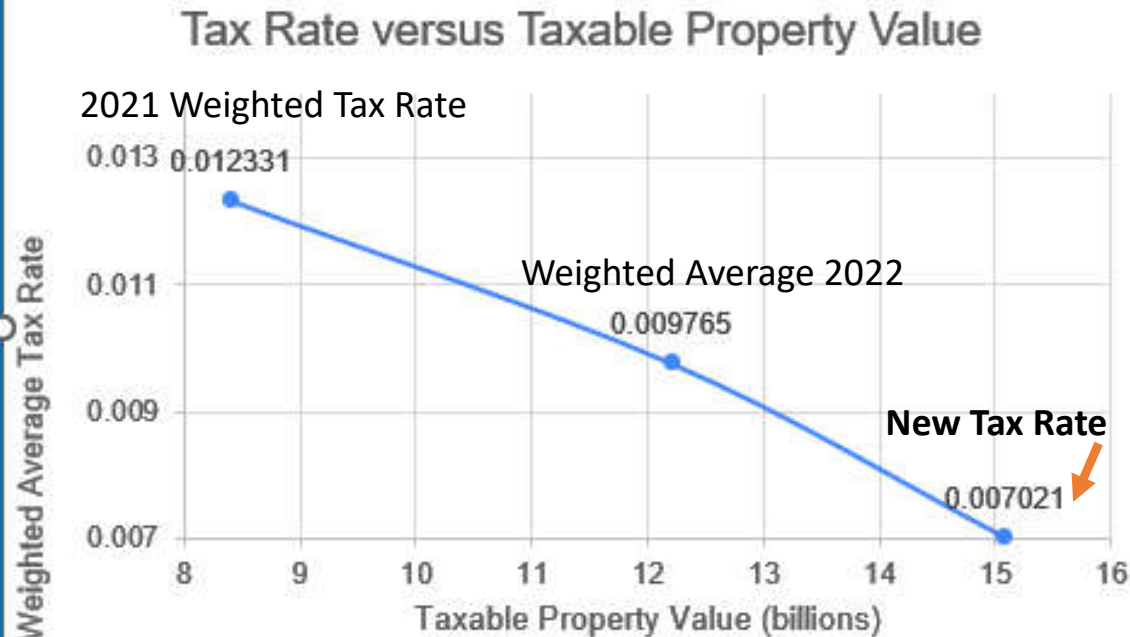
- Taxable Parcels-26,092
- 93% evaluated
- 5% new additions
- 2% reduced MV
- 2022 – Griffin
- Market Value \$18.63 B
- Taxable Value \$12.16 B
- 2022 – If All Prop Assessed
- Market Value \$23.44 B
- Taxable Value \$15.09 B
- Average Tax Rate becomes 0.007021 or 28% Lower than Weighted Average Tax Rate

## Summary of Property Tax Rolls

	2021 Tax Roll	2022 Tax Roll	Variance (Quantity)	Variance (% Change)
Total Parcels	26,555	27,763	1,208	5%
Taxable Parcels	24,122	25,296	1,174	5%
# of Parcels Assessed (through detailed or annual)	3,668*	20,253	16,585	452%
% of Parcels Assessed	14%	80%	66 Percentage Points	471%
# of Properties Not Assessed within Prior 5 Years	6,683	1,457	-5,226	-78%
# of Properties (W/ Structures) Not Assessed within Prior 5 Years		608		
Total Market Value	\$12,197,488,827	\$18,626,245,269	\$6,428,756,442	53%
Total Taxable Value	\$8,349,897,926	\$12,163,969,602	\$3,814,071,676	46%

\* Data may not be 100% accurate due to inaccurate reporting of review dates for prior years

# If the County Assessed all Taxable Properties



To estimate the new weighted average tax rate, budgets from State Tax Commission report To County Clerk were used to develop the County Budget revenue needs

The tax rates used in 2022 then resulted in a transfer of wealth between the “Assessed” and the “Not Assessed” amounting between \$13 to \$17 million

Because Wasatch County has not assessed all properties  
-----The County Taxable Value is undercalculated by ~ \$2.89 billion  
-----The resultant tax rates are too high and inequitable!

- 15,286 properties were reassessed in 2022 and 1,449 were new additions to tax role
- 8,869 property assessments were not assessed in 2022 as required by law
- Because the County 2022 tax rate is calculated based on a lower total market value, the tax rate is too high
  - 41 % of the county improved properties (homes) saw an average market value increase of ~87% → much higher taxes
  - 18% of the unimproved properties (land) saw an average market value increase of ~284% → much higher taxes
- Then, 34% of the county properties saw an unjustified tax decrease of about 21%

## This Serious Impact Should Have Been Understood Before the Tax Notices Went Out But No Corrective Action Was Taken

- The State Tax Commission representative for Wasatch County, Josh Nielsen, was asked to address this issue
- In a public meeting ~ August 24, he spent time explaining all of the challenges associated with fixing the problem in 2022
- He seemed to ignore that Utah Code 59-1-210 requires the Tax Commission to help fix the problem:
  - to administer and supervise the tax laws of the state
  - to exercise general supervision over assessors and county boards of equalization including the authority to enforce Section [59-2-303.1](#)
  - to direct proceedings, actions, and prosecutions to enforce the laws relating to the penalties, liabilities, and punishments of public officers, persons, and officers or agents of corporations for failure or neglect to comply with the statutes governing the reporting, assessment, and taxation of property;

## Utah State Auditor Received Complaints about Inequitable Taxation

- The State Auditor Initiated an audit of the Tax Commission and the Taxation Process in Wasatch County
- Issued a report in Jan 2023
- Created a database that includes five years of tax data for all 29 counties in the state.
- Can show graphically what areas have had assessments on a yearly basis (heat map)
- Their report supports what this analysis has concluded



## In Conclusion, What Should Be the Path Forward?

- The County Council should require the County Assessor to develop a detailed plan on how he intends to comply with Utah Code 59-2-303.1 in 2023
- The County Council should ask the State Tax Commission to assign a new representative who will review plan, provide support to Wasatch County, and implement 59-1-210 as needed
- The County Council should establish and fund a Citizens Committee to monitor the progress of the Assessor's plan and the Commission's actions and report monthly to Council

## Other Improvements that Should Be Implemented in Wasatch County's Process

- Modify the county property database to identify commercial properties (Received numbers from assessor of 744 and 1472. Using data he provided, I calculated 773)
- Audit primary vs secondary property classifications for accuracy
- Incorporate subdivision identification in database
- Use the State Auditor's database to determine multiyear assessment trends

## Back up -- Why Did I Do This Analysis?

All Nearby Subdivisions Were Re-Appraised in 2022

Subdivision	Number of Properties	Average Market Value 2021	Average Percent Change	Average Market Value 2022
Big Pole Estates	21	\$566,348	112%	\$1,146,231
Lake Creek Estates	32	\$529,963	106%	\$1,022,160
Lake Creek Farms	121	\$901,211	53%	\$1,378,877
The Crossings at Lake Creek	133	\$793,935	110%	\$1,309,266
Greener Hills	34	\$986,332	114%	\$1,990,946

## Back up -- Why Did I Do This Analysis?

### Other Subdivisions that Were Re-Appraised in 2022

Subdivision	Number of Properties	Average Market Value Increase	Average Market Value
Lacy Lane	65	99%	\$1,898,964
Lime Canyon	25	161%	\$1,768,705
Lodges at Snake Creek	60	67%	\$692,170
Mountain View Estates	90	73%	\$751,988
Links at Homestead	56	89%	\$1,005,273
Burgi Hill Ranches	43	74%	\$1,220,813
Interlaken	145	116%	\$1,016,015

## Back up -- Why Did I Do This Analysis?

### Subdivisions that Were Not Re-Appraised in 2022

Subdivision	Number of Properties	Average Market Value Increase from 2021 to 2022	Average Market Value
Cobblestone	126	\$0.0	\$520,408
Timber Lakes	877	\$0.0	\$451,286
Broadhead Estates	64	\$0.0	\$458,353
Shoreline - Kamas	91	\$0.0	\$760,093
Mill Road Estates	121	\$0.0	\$489,097
Lakeside Views, LLC (SN-OCH)	129	\$0.0	\$567,924
Bald Eagle Club at Dear Valley	19	\$0.0	\$4,560,823