



# THE UTAH TAXPAYER

A PUBLICATION OF THE UTAH TAXPAYERS ASSOCIATION

## Property Value Too High? Appeal the County's Valuation

Utah's 29 counties recently mailed property tax notices to every Utah property owner. These notices indicate the parcel's market value, the taxable value, the property tax rate each taxing entity with jurisdiction over the parcel intends to levy, the anticipated total property tax due on the property, and any Truth-in-Taxation hearings being held in the area.

If you believe the county assessor set your property value higher than what it would sell for, state law allows you to appeal the valuation. To begin the appeal process, property owners must notify the county's Board of Equalization that they intend to appeal their valuation. Each county accepts notification in different ways. For information on how to notify the Board of Equalization in your county, see instructions included with your mailed property tax notice or call your county assessor's office.

After notifying the county that you plan to appeal the valuation of your property, the next step is to gather comparable sales data justifying your belief that the county assessor overvalued your property.

If you purchased the property within the past year from an unrelated party, the closing or settlement statement for that sale suffices. If you choose to share it, that sales price will determine your property's fair market value.

You can also identify at least 3 properties similar in style, quality, size, age, location and land area, and then determine the assessed value or sales price of those 3 properties. The least expensive way to obtain comparable sales data is to contact a real estate agent. Most agents will provide comparable sales data at no charge. You will need to describe your property's location, physical characteristics (number of bedrooms and bathrooms), size (acreage, finished and unfinished square feet in the home) and age of home. With that information, a real estate agent can usually identify several comparable sales within a few days. Another option is to hire a professional to conduct an appraisal of your property.

In Utah, a typical residential appraisal costs about \$350, and takes about one week to complete.

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## My Corner: On the Brink of Tax Increases for Education, School Boards Need to Look at Alternatives



Association President  
Howard Stephenson

Tax discord, tax increases and tax sticker-shock in the Beehive State are becoming more common than ever. South Davis taxpayers are feeling they are victims of a “bait-and-switch” in the creation of a new fire district; Salt Lake and Weber Counties are attacking centrally assessed property owners, specifically Delta Airlines, saying they should pay more. Local taxing entities are

inventing new fees and raising property taxes, and Our Schools Now is moving forward with their modified proposal to hike taxes for education by \$700 million.

But one of the most interesting tax related stories right now in Utah is what’s happening with school districts in their quest to find and retain quality teachers. It’s a real problem, which must be solved for our kids’ sakes and for our future. Tooele Superintendent Scott Rogers reports to me how he is constantly losing some of his best teachers to Wasatch Front districts, even with a local property tax rate 143% of the state average.

### Schools Hike Taxes to Fund Teacher Salaries

Your Taxpayers Association has been meeting with school district officials privately to review their proposed bond elections and property tax hikes. Many Wasatch Front districts have been in a bidding war this hiring season to ensure they have the best possible teachers to fully staff schools this fall. When one district announced a starting salary of \$40,000, just days later another announced \$41,000 and another topped that at \$41,500. In most cases, these higher salaries are accompanied with immediate tax hikes, or future hikes when fund balances run out.

Your Utah Taxpayers Association recognizes that school districts need to provide competitive salaries and benefits to teachers in order to provide quality education for children. This is not only true when districts and charters compete for the best talent, but also necessary to attract the best and the brightest into the profession in the first place.

Your Taxpayers Association urged school boards to look at other alternatives before increasing property

taxes. The following are two alternatives which could provide far more funding per student than their proposed property tax increases.

### Equalize Local Property Tax Funding Per Student

The first recommendation is for school districts to get behind the property tax equalization legislation which the Utah Legislature has considered for the past few years. SB80, sponsored by Senator Lincoln Fillmore during the 2017 General Session of the Legislature, would have set the state on a course of gradually but permanently correcting the inequities in local property tax revenues per student. This would ensure that local property taxes don’t continue to discriminate against students and teachers who live in the wrong zip code. The measure would provide equalization across all school districts and far more in new dollars than tax increases.

The worst example of this inequity is Morgan School District which has the lowest funding per student in the state in spite of a high tax rate, spending approximately \$2,200 less per student than the state average.

Another example of gross inequities in funding is Alpine School District, which generates approximately \$450 per student on one of the highest property tax rates in the state while Park City schools generate \$4,500 per student on a tax rate just half of Alpine’s.

### Pay Teachers 50% More by Simply Altering the School Calendar

The second alternative is to increase pay significantly without any additional taxes.

This alternative comes from the [Sperry Study](#), a report completed in March 2007, designed by a statewide blue ribbon panel of school leaders, UEA officials, and economists to address the teacher shortage challenge. The report calls for a third semester to empower teachers to teach 50% more students and get paid 50% more *without any additional cost* to taxpayers.

The study reported that this is the “most impactful way” the state could eradicate teacher shortages, while saving taxpayers money and ensuring that districts remain competitive, while providing a

quality education for our students.

In 2016, the Legislature provided half a million dollars for full-year teaching contracts for schools to begin planning this modified schedule, but we have yet to see any movement on this highly recommended issue.

Your Taxpayers Association will continue to send the message to these school districts that additional teacher

pay can be achieved without property tax hikes.

We call on all local school board members to look to innovation and break the habit of simply pushing forward the status quo. When this is done, teachers will be paid the salary they deserve and taxpayers can be assured their dollars are being used efficiently.

## Property Value Too High? Appeal the County’s Valuation

*(continued from page 1)* If you recently refinanced your property, the bank appraisal can be used in your appeal.

Regardless of how you collect comparable sales data, it’s important to collect documents supporting your comparable sales data. These documents may include listings for your comparable sales, county assessments for those properties, or the appraisal you paid for.

Having these documents will streamline your appeal, and give you a better chance of winning. Please be aware of one cautionary note: If your comparable sales data, including your property’s closing documents,

show the value of your property to be higher than what the assessment notice states, the county may actually increase your assessed valuation higher. You may be frustrated that your assessed valuation went up 30% in one year, but that frustration will fall on deaf ears if your property proves to be worth even more than what the county assessed.

Armed with the best comparable sales data, you will be well prepared to have your property value lowered in your appeals hearing with the Board of Equalization.

## 2017 City and School District Truth-in-Taxation Hearings

Entity	Date of TnT Hearing	Time of TnT Hearing	Location of TnT Hearing
Salt Lake City	August 8, 2017	7:00 p.m.	451 S. State Street, SLC
Ogden	August 8, 2017	6:00 p.m.	2549 Washington Bl, Ogden
West Valley City	August 8, 2017	6:30 p.m.	3600 Constitution Bl, WVC
Bluffdale	August 16, 2017	6:30 p.m.	2222 W. 14400 S., Bluffdale
Mapleton	August 16, 2017	7:00 p.m.	125 W. 400 N., Mapleton
Jordan Valley Water	August 9, 2017	6:00 p.m.	8215 S. 1300 W., W. Jordan
Box Elder SD	August 9, 2017	6:30 p.m.	960 S. Main, Brigham City
S. Davis Fire	August 7, 2017	6:00 p.m.	255 S. 100 W., Bountiful
Logan City SD	August 8, 2017	6:00 p.m.	101 W. Center St., Logan
Millard SD	August 10, 2017	6:00 p.m.	285 E. 450 N., Delta
West Point	August 15, 2017	7:00 p.m.	3200 W 300 North, W. Point

For a complete list of entities that are looking to increase taxes during August, including the rate

increase and Truth in Taxation hearing, email [taxwatch@utahtaxpayers.org](mailto:taxwatch@utahtaxpayers.org).

## Guest Op-Ed: All Taxpayers Should Be Treated Equal

*This op-ed originally appeared in the August 5, 2017 edition of the Salt Lake Tribune. This was authored by Sen. Curt Bramble and Rep. Dan McCay in rebuttal to an op-ed written in July about the property valuation of centrally-assessed taxpayers. You can access the original [op-ed here](#).*

“We've all experienced the annoyance of a single mosquito bite, but can you imagine 29 mosquitoes biting you at the same time? You don't even know where to start swatting.

That's what it used to be like for centrally-assessed businesses located in multiple counties. That's what it will be like if the counties are again allowed to swarm Utah's businesses. In an op-ed published in the Salt Lake Tribune on July 16th written by some county leaders, they buzzed incessantly about Utah's centrally-assessed taxpayers. The county officials claimed these types of taxpayers receive an unfair advantage over other taxpayers in Utah. That is not true.

“Utah has the most fair and transparent tax system in the country, thanks to the wisdom of the Utah Legislature, Governor, Tax Commission and tax watchdogs like the Utah Taxpayers Association. The Utah tax system ensures revenue is provided to sustain essential government services, while the burden placed on property taxpayers is limited and transparent.

“Centrally-assessed property is assessed by the state Tax Commission, rather than a county assessor. Centrally-assessed taxpayers are generally businesses that own property spanning county lines such as railroads, telecommunications or pipelines.

“The legislature created the centrally assessed system to make it easier to comply with state property tax law, and therefore easier to do business in the state. The classification protects our economy from local government officials who want to favor one taxpayer over another or hide tax increases. Centrally-assessed property owners are typically the businesses

that keep the lights on in Utah, and deserve the same fairness and transparency as any other taxpayer in the state.

“Unfortunately, such tactics from the counties to punish taxpayers is not new. The counties, like clouds of mosquitoes, have constantly made attempts to suck the money not only from businesses within the state, but also homeowners. We've all received our property tax notification from the county, and wondered if the county would like to buy our property for what they say it's worth.

“To counter the counties' aggressive tax collector tactics, the legislature has created safeguards to protect Utah taxpayers. These include limiting their involvement in the assessment of centrally-assessed properties.

“The legislature is committed to protecting all Utah taxpayers from unnecessary and unfair tax schemes that the counties are proposing. All taxpayers should have the confidence to know they are being assessed at the fair market value and not a penny more. If that is in question, then the legislature will make sure additional processes are in place to ensure Utahns are paying the proper amount on their property taxes.

“Maybe it's OK to itch a little from taxes but the proposals coming from the counties would be enough to drive businesses out of Utah.”

*Rep. Dan McCay is a member of Utah's House of Representatives representing Bluffdale, Herriman and Riverton. Sen. Curt Bramble is a member Utah's Senate representing Provo and Orem.*



Sen. Curt Bramble    Rep. Dan McCay

## \$578 of Average Utahn's Income Goes to City Government

Each year, as city Truth in Taxation hearings occur during the summer. Your Taxpayers Association wants you to be armed with data you need to show government officials just how much of your money they are spending.

Using data collected from the State Auditor, Census Bureau, and cities themselves, the Association creates

the Cost of City Government report, which shows the relationship between city government revenue and citizen income in Utah's 50 largest cities.

Here's a brief glance on just some of the information covered in the 2017 Cost of City Government report.

On average, Utah city governments take \$24.54, of each \$1,000 earned by residents, representing 2.45% of

taxpayer income. This figure is up slightly from the previous year. Utah cities also collect an average of \$578 in revenue from taxes and fees per city resident. This is an increase from 2016 of \$14.

Turning to more specific results, South Salt Lake has the highest cost of government, collecting \$60.09 of each \$1,000 earned in the city, up nearly a \$1.50 from last year (or 6.0%). Rounding out the worst 5 are: Salt Lake City (\$45.47), American Fork (\$42.87), Ogden (\$36.55), and West Valley City (\$36.31).

The report also documents the amount each city collects in taxes and fees. Salt Lake City, which collects an astounding \$264 million, is triple the next highest city, West Valley (\$88 million) in terms of government revenue. St. George (3<sup>rd</sup> highest in revenue), while being the 8th highest city in terms of population, collects \$67,012,389 in taxes and fees annually. To put this in perspective, St. George collects \$814 annually from each citizen in its city, ranking it 8th highest in the state by this measure.

Salt Lake City collects the highest amount of revenue per capita at \$1,362, followed by South Salt Lake (\$1,056.34), and American Fork (\$936.43). Of Utah’s 50 largest cities, Riverton ranks fiftieth in revenue collections from taxes and fees per person at \$278.18. Keep in mind, Riverton does not levy a property tax on its citizens, which keeps the ranking very low.

This data provides a snapshot of how much of each thousand dollars earned by a citizen is consumed by the city government in Utah. Because government is not a private business, citizens are compelled to pay, and the cost of government may not be reflective of the

true value of the services provided. Public services provided by Salt Lake City, for example, may not be offered in other cities across the state. Some cities manage trash collection via a city owned and operated trash collection system, while other cities contract with private providers to handle this service. Privatizing city services can usually save taxpayers money and lead to higher quality service.

In the case of many services, the city government shouldn’t be involved at all. For example, if there is a true market demand for a recreational gym, a private company will enter the market and the consumers can pay for their use of the facility without requiring the use of public funds.

You can view the entire report to see how your city compares by [clicking here](#).

City Government Revenue from Taxes and Fees per \$1,000 of Citizen Income	
<b>Best 5</b>	
Riverton	\$9.79
Cottonwood Heights	\$11.87
Holladay	\$12.29
Taylorsville	\$13.10
Bountiful	\$13.78
<b>Worst 5</b>	
South Salt Lake City	\$60.09
Salt Lake City	\$45.47
American Fork	\$42.87
Ogden	\$36.55
West Valley	\$36.31

A list of the best and worst Utah cities in terms of revenue collected per \$1,000 of income from the Association’s 2017 Cost of City Government report

## Sen. Orrin Hatch Should Support Trump Tax Cuts

In 1986, Utah had a front row seat to the tax reform package known as the Reagan Revolution via Sen. Orrin Hatch. The boost that resulted from that reform powered the U.S. economy for the next twenty years. Another such wave is long overdue, and Utah has another chance to lead, with the help of its delegation. Senator Hatch is the lone member of today’s Utah delegation who was there, who witnessed the process and the result, and so he must now lead as only he can.

Some members of Congress have expressed concern about cutting the corporate income tax rate as aggressively as President Trump would like. The global average for this tax is 22.5%, and some in

Congress have argued that it might be a stretch to lower corporate rates below 25%.

The U.S. has among the highest corporate rates in the industrialized world. According to a 2016 Tax Foundation world survey, “the United States has the third highest general top marginal corporate income tax rate in the world, at nearly 40%. Due to the recent reduction in Chad’s corporate tax rate, the U.S. rate is exceeded only by the United Arab Emirates and Puerto Rico.”

Some seem to believe that those facts are unrelated to the health of our economy. Lower tax rates, properly applied, will increase productivity and profits, which will in turn generate greater revenues.

This is a principle your Taxpayers Association has long stood for, believing in broadening the base and lowering the rates.

This change needs to take place because a corporation cannot pay income taxes any more than it can go to lunch with its friends. The people who work for the corporation can go to lunch with friends; people who invest in its stock and buy its products can go to lunch with friends. But a corporation can't, because it can't eat lunch and it doesn't have friends. It's a corporation!

And, just as a corporation can't go to lunch, it can't pay taxes. The people who work there can pay taxes, as can shareholders and customers. A corporation is a legal entity. As we have stated many times, the only means for a corporation to "pay" taxes is to take money from people who work for it, invest in it, or buy its products, and then pass that money through to the government.

Since people are the ones actually paying all the taxes (not corporations), wouldn't it make sense to cut out the middleman? Cut corporate rates to zero, adjust personal rates and deductions accordingly, and watch the magic happen.

Reforming and reducing taxes will not result in less

revenue, it will result in more. The problem driving debt and deficit has never been on the revenue side, it has always been the spending.

Reforming the tax code for the first time in over a generation will unleash an economy ready to roar. We see hints of that in the stock market and employment numbers since the election, but it is nothing compared to what it could be. Simplified, lower rates, simple changes to expensing, and moving to a territorial tax system



U.S. Senator Orrin Hatch

(ending double taxation,

like our industrialized competitors) will result in a torrent of new capital coming home from overseas, plus renewed investment in our American economy yielding jobs, growth and prosperity.

We look to Senator Hatch and the rest of the Utah delegation to make long overdue comprehensive tax reform happen. We encourage their bold leadership on this critical issue.

### Association Accomplishments During July:

- ❖ Met with Granite School District to discuss a proposed bond
- ❖ Met with Morgan School District to discuss a proposed bond
- ❖ Published the *Cost of City Government* report
- ❖ Attended Our Schools Now public forums
- ❖ Attended legislative appropriations meetings

### In the News

- ❖ Our Schools Now
  - [Our Schools Now Holds Reception in Salt Lake, Orem](#): Salt Lake Tribune
  - [Our Schools Holds Additional Hearings to comply with State Law](#): Salt Lake Tribune
  - [Robert Gehrke: Improving the Our Schools Now Initiative](#): Salt Lake Tribune
  - [Our Schools Now Launches \\$700 Million Tax Initiative](#): Salt Lake Tribune
- ❖ Centrally-Assessed Taxes
  - [All Taxpayers Should be Treated Fairly](#): The County Seat
- ❖ Tax Increases, Etc
  - [Cities Pad User Fees Instead of Raising Taxes](#): Salt Lake Tribune
  - [64 Entities Seeking Tax Increases This Year](#): Salt Lake Tribune
  - [Some Cities Try to Hide Tax Increases](#): Standard-Examiner