

Real Property Valuation

Standards of Practice

6

Utah State Tax Commission
Property Tax Division
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Table of Contents

Section VI.I	1
General Information	1
Purpose	1
Scope	1
Industry Authority	1
Constitutional and Legislative Authority	1
The Valuation Process	2
Definitions	3
Section VI.II	8
Standards of Practice	8
Standard 6.1 Regulatory Framework	8
6.1.0 May 22 Deadline	8
6.1.1 Mandatory Cyclical Appraisal	8
6.1.2 Five-Year Plan	8
6.1.3 USPAP Compliance	8
6.1.4 Assessment Level and Uniformity Standards	8
6.1.5 Automatic Review	9
Standard 6.2 Assessment Valuation	10
6.2.0 Scope of Assessment Valuation	10
6.2.1 Property Rights Appraised	10
6.2.2 Date of Appraisal	10
6.2.3 Purpose of Appraisal	10
6.2.4 Market vs. Taxable Value	10
Standard 6.3 Property Identification	11
6.3.0 Legal Descriptions	11
6.3.1 Plat Maps	11
6.3.2 Parcel Identification Numbers	11
6.3.3 Tax Area Code	11

6.3.4 Property Address	11
6.3.5 Names of Owners	11
6.3.6 Special Identification Considerations	12
Standard 6.4 Discovery of Real Property	12
6.4.0 Discovery of Real Property	12
6.4.1 Building Permits	13
6.4.2 Recorder Reporting & Parcel Segregation	13
6.4.3 Physical Inspections	13
6.4.4 Owner Statements	13
6.4.5 Information from the Appeal Process	13
6.4.6 Aerial Photographs	13
6.4.7 Escaped Property	14
6.4.8 Abandonment of Roads	14
Standard 6.5 Planning Appraisal Programs	14
6.5.0 Planning Appraisal Programs	14
6.5.1 Inventory of Properties	14
6.5.2 Inventory of Data Items to Be Collected	15
6.5.3 Special Data Collection Considerations	15
6.5.4 Allocation of Time and Resources	16
6.5.5 Appraiser Qualifications	17
6.5.6 Appraiser Training	17
6.5.7 Technical Assistance to Counties	18
6.5.8 Contracting Appraisal Services	18
6.5.9 Computer Systems	18
6.5.10 Appraisal Manual	19
6.5.11 Production Controls and Program Evaluation	19
Standard 6.6 Data Collection	19
6.6.0 Data Types	19
6.6.1 Data Collection Forms	19
6.6.2 National Data	20
6.6.3 Regional Data	20
6.6.4 Neighborhood Data	21
6.6.5 Maps	21
6.6.6 Property Specific Data	22
6.6.7 Comparative Data	24
6.6.8 Units of Comparison	24

6.6.9 Cost Data	25
6.6.10 Sales Data	25
6.6.11 Integrity of Sales Data	26
6.6.12 Income and Expense Data	26
Standard 6.7 Data Analysis	27
6.7.0 Data Analysis Objective	27
6.7.1 Defining Neighborhoods	27
6.7.2 Comparative Data Analysis	27
6.7.3 Cost Verification and Modifiers	28
6.7.4 Sales Verification and Adjustment	28
6.7.5 Income and Expense Verification	29
Standard 6.8 Valuation Guidelines	29
6.8.0 Counties to Develop Guidelines	29
6.8.1 Land Valuation Guideline	29
6.8.2 Residential Valuation Guideline	30
6.8.3 Commercial Valuation Guideline	31
Standard 6.9 Three Approaches to Value	31
6.9.0 Single Value Estimate	31
6.9.1 Land Value	31
6.9.2 Construction Work in Progress	32
6.9.3 Cost Approach	32
6.9.4 Comparable Sales Approach	32
6.9.5 Income Approach	33
Standard 6.10 Final Value	33
6.10.0 Fair Market Value	33
6.10.1 Sales Ratio Studies	33
6.10.2 Responsibility for Appraisal	34
Standard 6.11 Listing Properties	34
6.11.0 Data in Common	34
6.11.1 Assessment Roll	34
6.11.2 Appraisal Record	35
Standard 6.12 Record Keeping	35
6.12.0 Record Keeping	35
6.12.1 Documentation	35

6.12.2 Confidential Records	35
Appendix 6A	36
Diagram of the Valuation Process	36
Appendix 6B	37
Overview of the Valuation Process	37
Appendix 6C	39
Tax Area Description	39
Appendix 6D	41
Property Use Classifications Example	41
Appendix 6E	44
Income and Expense Questionnaire Samples	44
Appendix 6F	45
Cost Manual Verification/Local Cost-New Modifier Development	45
Appendix 6G	46
Residential Construction Work in Progress	46
Appendix 6H	49
Assessment Level and Uniformity Analysis	49
Appendix 6I	51
Automatic Review Flowchart	51

Section VI.I

General Information

Purpose

Conformity to standard practices and procedures ensures uniform and equal taxation. County offices should use these standards as a guide to achieve equity and uniformity in the administration of real property assessment.

NOTE: Forms associated with these standards can be found at the following location:
<http://propertytax.utah.gov/forms>.

Scope

The intent of these standards is to emphasize particular aspects of valuation that pertain to real property assessment in Utah. Detailed instruction in appraisal theory and practice is provided through appropriate registration and certification course work.

Much of the language in these standards is common to other assessment publications as well as other disciplines; however, its use here is restricted to the definitions provided in the “General Information Section”. This section provides an extensive list of standard definitions used by the State Tax Commission and by local assessment personnel in real property valuation and assessment administration.

Additional appendices are compiled at the end of these standards to provide further insight on particular topics.

Industry Authority

As well as explicit statute in “Constitutional and Legislative Authority” below, appraisers are bound by law to professional and ethical standards published by industry bodies.

The Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation are recognized in Utah law and internationally as the generally accepted standards of professional appraisal practice. (§ 61-2g-403)

International Association of Assessing Officers (IAAO) standards are considered when determining appropriate assessment levels and value deviations. They also contain accepted valuation methodologies that should be followed by appraisers.

All assessors and their staff should continue to familiarize themselves with these resources, as they are updated regularly. (§ 59-2-704.5 and R884-24P-70)

Constitutional and Legislative Authority

“All tangible property in the state, not exempt under the laws of the United States, or under this Constitution, shall be taxed at a uniform and equal rate in proportion to its value, to be ascertained as provided by law.” [Constitution of Utah, Art. XIII, § 2(1)]

The majority of the authority and direction for real property valuation is contained in Title 59, Chapter 2, Part 3 of the Utah Code. Additional governing Code sections include:

§ 17-17-2 – Requires county assessors to be licensed appraisers.

§ 17-21-22 – Requires county recorders to annually review ownership plats and descriptions, and notify the county assessor of changes.

§ 59-1-404 – Governs the disclosure of commercial information of property taxpayers.

§ 59-2-102 – Defines property tax terms.

§ 59-2-103 – Allows a 45% exemption for primary residential property.

§ 59-2-213 – Directs the State Tax Commission to provide an assessment roll to each county. This is done electronically via Gentax.

§§ 59-2-701 and 59-2-702 – Directs the State Tax Commission to conduct an appraisal license education program.

§ 59-2-703 – Allows counties to contract with the State Tax Commission for the provision of appraisal services. Allows counties and the State Tax Commission to contract with private firms or individuals for appraisal services.

§ 61-2g-102 – Defines terms related to appraisal practices and qualifications.

§ 72-5-105 – Upon abandonment highways, streets, or roads shall be split between adjoining property owners

§§ 76-8-406 and 76-8-407– Makes obstruction of tax collection and failure to fully and truthfully report taxable property upon demand a class B misdemeanor.

R884-24P-19 – Lists the courses conducted by the State Tax Commission required for basic designation as an appraiser. Lists criteria to acquire and maintain different types of appraisal designations.

R884-24P-20 – Provides criteria for assessing construction works in progress (CWIPs).

R884-24P-27 – Establishes rules to conduct the sales ratio study.

R884-24P-37 – Requires the county assessor to record the value of land and improvements separately.

R884-24P-52 – Establishes criteria for determining a primary residence.

The Valuation Process

The textbook approach to the valuation process consists of six basic phases. They are diagramed in [Appendix 6A](#). A detailed, textbook-style outline of the process is also presented for reference in [Appendix 6B](#).

For purposes of assessment and taxation, the six phases of the valuation process are:

- Identify/discover property;
- Plan the appraisal program;
- Collect the data;
- Analyze the data;
- Reconcile the three approaches to value; and
- List the final values.

Definitions

Ad Valorem Tax: The tax levied on real property in proportion to its value.

Analysis Assignment: “An analysis, opinion, or conclusion prepared by a real estate appraiser that relates to the nature, quality, or utility of identified real estate or . . . real property.” (Section 61-2g-102).

Appraisal: “The act or process of estimating value; an estimate of value”. (Section 61-2g-102). See also *Valuation Appraisal*.

Appraisal Report: “Any communication, written or oral, of an appraisal.” It includes the testimony of an appraiser. (Section 61-2g-102 and IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 144)

Arm’s Length Sale: “A sale between two unrelated parties, both seeking to maximize their positions from the transaction.” [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 11]

Assemblage: The act of acquiring and combining two or more adjacent parcels into common ownership. The potential results of assemblage include increased utility and increased overall value. [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 11] See also *Plottage*.

Associated Parcels: Parcels with a common characteristic affecting value as in adjacent parcels with a common owner, a single building on several parcels, or a common area associated with separate condominium units.

Bracketing Technique: A valuation technique used where sales of properties closely comparable to the subject are unavailable, but sales of superior and inferior properties are available. Superior and inferior properties create the upper and lower limit for valuing the property. The subject’s position or value relative to the upper and lower limit is then estimated. [The Appraisal Institute, *Dictionary of Real Estate Appraisal 6th ed.* (2013) pg. 25]

Certified Appraisal Report: “A written or oral appraisal report that is certified as such by a state-certified general appraiser or a state-certified residential appraiser.” (§ 61-2g-102)

Coefficient of Dispersion (COD): “The average deviation of a group of assessment ratios taken around the median and expressed as a percentage...” (R884-24P-27). This allows the State Tax Commission to ensure real property assessments are within an acceptable range of market value (uniformity and equity in appraisals) via the annual Sales Ratio Study. (§ 59-2-704). If the sample is not parametric this measure is used to determine uniformity.

Coefficient of Variation (COV): “The standard deviation expressed as a percentage of the mean” (R884-24P-27) This allows the State Tax Commission to ensure real property assessments are within an acceptable range of market value (uniformity and equity in appraisals) via the annual Sales Ratio Study. (§ 59-2-704). If the sample is parametric this measure is used to determine uniformity. See also *Coefficient of Dispersion* and *Parametric*.

Consulting: The act or process of providing information, analysis of real estate data, and recommendations or conclusions on diversified problems in real estate, other than an estimate of value. A real estate valuation service that does not fall within the definition of *Appraisal* [§ 61-2g-102 and IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 37]

Consultation Service: See *Consulting*.

Divided Interest: A physical division in ownership of property. For example, different owners of surface rights and mineral rights of a property.

Division of Real Estate: The division within the State Department of Commerce authorized to regulate real property appraisers in the State of Utah.

Elements of Comparison: The six components of a sales transaction for which adjustments are made in the sales comparison approach to value. They are property rights sold, financing, terms of sale, date of sale (market conditions), location of sold property, and physical characteristics of sold property.

Escalation (Clause): Future projected rent/lease increases written into a rent/lease contract. [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 61]

Escaped Property: Any personal or real property, including improvements that are not assessed correctly, or at all. Specifically, property omitted from the tax rolls, or assigned to the wrong parcel or taxpayer. This is either due to an error by the assessing authority, or a failure of the taxpayer to correctly report their property. (§ 59-2-102)

Excess Land: With regard to an improved site, this is the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, excess land is the land not needed to accommodate the site's primary highest and best use. Such land may have its own highest and best use or may allow for future expansion of the existing or anticipated improvement. See also *Surplus Land*.

Factor Order: An order issued by the State Tax Commission for a county to adjust its assessment roll by a specific factor if that county's assessment/sales ratio is outside the legal level of assessment. (R884-24P-27). This is determined annually with the sales ratio study.

Fair Market Value: "The amount 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 facts." (§ 59-2-102)

Farmland Assessment Act (FAA): The assessment of qualifying land is based on agricultural productivity rather than upon fair market value. (§§ 59-2-501 through 59-2-517)

Fee Simple Interest: The greatest possible degree of ownership, free and clear of all encumbrances, including easements, rights of way, liens etc. "Subject only to governmental powers such as eminent domain." [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 67]

Greenbelt: Land valued under the provisions of the FAA.

Housing Start: The number of new houses beginning construction during a given period.

Improvements: Includes "all buildings, structures, fixtures, fences, and improvements erected upon or affixed to the land, whether the title has been acquired to the land or not." (§ 59-2-102)

Land: Land is generally considered the surface of the earth and everything under, on or attached to it, including water, minerals, buildings, but legally may be restricted to the solid surface on the earth, as distinguished from water. [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 58]

Leased Fee Estate: An ownership interest held by a lessor with the rights of use and occupancy conveyed by lease to another. [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 90]

Legal Level of Assessment: For the purposes of the Sales Ratio Study, the legal level of assessment is within 5% of fair market value for county wide residential property and 10% for all other classes of property in a first through fourth class county. For fifth and six class counties it is 10% for all classes of property. (R884-24P-27). If the results of the Sales Ratio Study

determine that appraised values in a county are less than 95% or greater than 105% (or 90% and 10% depending on property and county class) of fair market values, a corrective action order may be issued.

Lien Date: January 1, the date on which claim to an interest in real property is attached by the appropriate taxing entity to secure payment of property taxes for that year. All real and personal property is appraised according to its value as of that date. (§ 59-2-103)

Local Cost-New Modifier: The factor developed by a county assessor to adjust cost-new figures in a national cost manual to local market conditions.

Median Property Value Change: The midpoint of the property value changes for all real property that is of the same class of real property as the review property and located within the same county and within the same market area as the review property. (§ 59-2-303.2). See also *Property Value Change* and *Review Property*.

Neighborhood: “The environment of a subject property that has a direct and immediate effect on value.” [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 109]. See also *Submarket Area*.

Parametric: For the purposes of the Sales Ratio Study, whether the sample property values cluster around the mean, e.g. a bell curve. If they do, the mean is used to test the level of assessment and the COV are used to determine uniformity in appraisal during the annual Sales Ratio Study. If not (i.e. there is a wide dispersion of values), the median and the COD are used. See also *Coefficient of Dispersion* and *Coefficient of Variation*.

Parcel: “A contiguous area of land described in a single description or as one of a number of lots on a plat; separately owned, either publicly or privately; and capable of being separately conveyed.” [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 118]

Plottage: Those factors of size, shape, and location with reference to other plots that add or detract from the value of a plot for a given purpose. [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 37]. See also *Assemblage*.

Primary Residential: One’s home. For the purpose of the primary residential exemption, at least 183 days continuous occupation must be established. [§§ 59-2-103, 59-2-103.5 and R884-24P-52.]

Prime Rate: The rate banks will lend to a preferred loan customer. Usually 3% above the Federal Funds Rate Target set by the Federal Reserve.

Privilege Tax: A tax imposed on the possession or beneficial use of any real or personal property which for any reason is exempt from taxation, if that property is used in connection with a business conducted for profit. (§ 59-4-101)

Property Value Change: The percentage change in the fair market value of real property between January 1 of the previous year and January 1 of the current year. (§ 59-2-303.2). See also *Median Property Value Change*.

Real Estate: “An identified parcel or tract of land including improvements if any.” (§ 61-2g-102)

Real Property: “The interests, benefits, and rights inherent in the ownership of land plus anything permanently attached to the land or legally defined as immovable; the bundle of rights with which ownership of real estate is endowed.” [§ 59-2-102, § 61-2g-102 and IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 129]

Regression Analysis: A statistical technique used to determine an unknown value from known value(s). For example, determining value of a home from lot size and/or number of rooms. [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 107]

Regression Models: Statistical models created for valuing property using regression analysis. See also *Regression Analysis*.

Relative Value Type: The sub classification of a property within its particular highest and best use based upon physical characteristics affecting its value e.g. street access or buildable topography. Designation as “primary” indicates the highest value for a given use and neighborhood, “secondary” indicates a lesser value within the same use and neighborhood, and “residual” indicates minimum value.

Review Assignment: “An analysis, opinion, or conclusion prepared by a real estate appraiser that forms an opinion as to the adequacy and appropriateness of a valuation appraisal or an analysis assignment.” (§ 61-2g-102). See also *Review*.

Review: Critically studying a report prepared by another appraiser. [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 147]

Review Property: A property subject to automatic review. (§ 59-2-303.2)

Sales Chasing: “...the practice of using the sale of a property to trigger a reappraisal of that property at or near selling price.” [IAAO, *Standard on Ratio Studies* (2013), p. 43]

Secondary Residential: The assessment classification of residential property not qualifying for the residential exemption. See also *Primary Residential*.

Segregation: The division of a parcel of land and the accompanying change of property boundaries as recorded by the county recorder.

Situs: The tax area where a parcel of real property is located. (§ 59-2-104)

Submarket Area: An area which boundaries encompass properties similar in physical, governmental, economic, and social characteristics. See also *Neighborhood*.

Submarket Factor: The factor developed by a county assessor to adjust replacement-cost-new-less-depreciation (RCNLD) figures to actual local market conditions.

Surplus Land: Land that does not serve or support the existing improvement, but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use.

Tax Area: “A unique geographic area created by the overlap of one or more taxing entities.” (§ 59-2-102)

Taxable Value: Fair market value minus any exemptions, such as the primary residential exemption.

Taxing Entity: A taxing district, any county, city, town, school district, or any other political subdivision of the State with the authority to levy property taxes. (§ 59-2-102)

Threshold Increase: An increase in a review property's assessed value for the current taxable year compared to the final assessed value of the review property for the previous taxable year that is the median property value change plus 15% and at least \$10,000. (§ 59-2-303.2). See also *Median Property Value Change* and *Review Property*.

Undivided Interest: “An interest in a property that is not distinct from the interest or interests of one or more other persons as to the time during which the interest is possessory or as to the

portion of the property to which the interest attaches, for example, the interest of a joint tenant or a tenant in common.” [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 176]

Unit of Comparison: “A property as a whole or some smaller measure of the size of the property used in the sales comparison approach to estimate a price per unit.” [IAAO, *Glossary for Property Appraisal and Assessment* (2013), p. 177]. Improvements are measured in square feet, linear feet, cubic feet, units, etc. Land is measured in front feet, square feet, acres, sections, lots, units buildable, etc.

Valuation Appraisal: “an unbiased analysis, opinion, or conclusion that estimates the value of an identified parcel of real estate or real property at a particular point in time.” (§ 61-2g-102). See also *Appraisal*.

Section VI.II

Standards of Practice

Standard 6.1 Regulatory Framework

6.1.0 May 22 Deadline

All valuations must be completed prior to May 22 of the current tax year. (§ 59-2-303)

6.1.1 Mandatory Cyclical Appraisal

Every year the assessor must value each parcel of real property in the county, excluding those assessed by the State Tax Commission. This shall be accomplished by:

- Annually updating values based on current market data and;
- Physically inspecting each property at least once every five years. (§§ 59-2-301 and 59-2-303.1)

6.1.2 Five-Year Plan

The assessor must outline the scope and timing of the physical inspection of real property parcels. The plan shall ensure that all parcels are visited within the five year requirement. The plan shall be a simple, written document kept current in the assessor's office and available for public inspection. (§ 59-2-303.1)

6.1.3 USPAP Compliance

All valuations must comply with the most recent edition of the [USPAP](#) published by the [Appraisal Foundation](#).

USPAP outlines ethical and competency obligations that must be followed by all appraisers. Utah, along with all other jurisdictions in the United States require USPAP compliance to maintain certification.

Ethical obligations include:

- Appraisers must not engage in illegal conduct;
- Appraisers must be impartial;
- Appraisers must not mislead; and
- Appraisers must not accept assignments with conditional predetermined outcomes.

Competency obligations include:

- The knowledge and ability to carry out an assignment according to laws and regulations;
- Disclose any lack of knowledge or ability and strive to correct this; and
- Notify client(s) of any new developments during an assignment that lay outside the appraiser's knowledge or ability. [Hondros Learning, *Basic Appraisal Principled 2nd ed.* (2011), pg. 2-11]

6.1.4 Assessment Level and Uniformity Standards

Annual valuations must comply with the standards for assessment level and uniformity of performance. As of 2019, for a county of the first, second, third or fourth class, county wide

residential property must fall within 5% of the fair market value median established by [the annual sales ratio study](#); it must be within 10% for all other classes of property.

For a county of the fifth or six class, this measure is 10% for all classes of property, including countywide residential.

6.1.5 Automatic Review

If a property:

- Was not subject to a detailed review in the current taxable year; or
- The property did NOT have any Qualified Changes, which include :
 - Increase of the property was due solely to a zoning change
 - Increase of the property was due solely to a legal description change
 - If the market value of a physical improvement was the sole reason for the market increase and equaled or exceeded 10% of fair market value or \$20,000
- Then, it shall be subject to automatic review if the assessed value for the current taxable year equals or exceeds the threshold increase (see definitions).

Before completing the assessment book and delivering it to the county auditor, the county assessor will review the assessment of these review properties to ensure it reflects the fair market value. If it does not, the assessor shall adjust the assessment of the property to reflect fair market value. (§ 59-2-303.2)

Example

Assume a real property satisfies the above criteria and has a final assessed value of \$100,000. In the current year, the assessor determines a fair market value of \$126,000.

The median property value change for this class of property in its market area is 10%.

To meet the threshold increase to trigger an automatic review, this property must exceed the median property value change plus 15%, and at least \$10,000.

$$\$126,000 - \$100,000 = \$26,000$$

$$\$26,000 / \$100,000 = 0.26$$

The assessment for the current year is a 26% increase over the final assessed value.

This exceeds 25%, which for this property is the median property value change (10%) plus 15%.

The value change is \$26,000, which exceeds \$10,000.

Therefore this property would be subject to automatic review.

Guideline

To be considered for an automatic review, a property must not have been subject to a detailed review in the current year OR have any qualified changes. THEN, it must equal or exceed the threshold increase.

These criteria should form the basis for flags in CAMA systems to notify the county assessor of which properties may qualify for an automatic review. It is possible that only a small number of properties will meet these criteria.

The automatic review does not obligate the assessor to change the assessed value, but further ensure it meets fair market value and assessments are equitable across the county.

Please see [Appendix 6I](#) for a flowchart detailing when a property is subject to an automatic review.

Standard 6.2 Assessment Valuation

6.2.0 Scope of Assessment Valuation

Although the scope of valuation for assessment differs from that of private or fee appraisal, the following items must be defined for any appraisal project:

- The property rights to be appraised;
- The effective date of the appraisal (lien date);
- The purpose of the appraisal; and
- The definition of value sought (market vs. taxable).

For assessment purposes, however, these definitions are unique as discussed below.

6.2.1 Property Rights Appraised

For *ad valorem* tax purposes, properties are appraised as if all ownership rights and interests are attached, i.e., fee simple interest.

However, certain exceptions to this rule exist. Examples include:

- Divided interests;
- Undivided interests;
- Air rights; and
- Mining claims.

Divided and undivided interests are not appraised as such for assessment purposes; rather, the entire bundle of rights of a property is appraised, then the overall value is divided among the several owners in a prorated fashion for assessment. [Standard 6.3.7, "Special Identification Considerations"](#) addresses divided interests and undivided Interests.

6.2.2 Date of Appraisal

All real property is assessed according to its value on January 1 of the tax year. (§ 59-2-103)

6.2.3 Purpose of Appraisal

The purpose of assessment valuations is to estimate the fair market value of real property as the basis for property taxation. (§ 59-2-103)

6.2.4 Market vs. Taxable Value

Although the county assessor is bound to arrive at fair market value, the taxable value may differ based on the type or ownership of property.

The primary residential exemption reduces the taxable value of a property by 45%. (§ 59-2-103). Government property is entirely exempt based on ownership. Charitable, religious and educational properties are also exempt, but only if exclusive use can be established. (§ 59-2-1101). See also the [Exemptions Standards of Practice](#).

If the property qualifies for FAA, the value in agricultural use (greenbelt value) is the taxable value. See also the [Farmland Assessment Standards of Practice](#).

Both the market value and taxable value must appear on the valuations notice and tax notice. (§§ 59-2-919.1 and 59-2-1317).

Tracking both market and taxable value is necessary in the eventuality that rollback taxes need to be assessed or proportional payments must be made if an exempt property is sold to a non-eligible party (§§ 59-2-506 and 59-2-1101).

Standard 6.3 Property Identification

6.3.0 Legal Descriptions

Legal descriptions are a required part of the permanent appraisal record. By January 15 of each year, the recorder must provide the assessor with updated legal descriptions of all real property. (§ 17-21-22)

6.3.1 Plat Maps

Plat maps should be used to correctly identify parcels and to help determine location, size, shape, and geographic relationships that affect property value. Recorders must also transmit copies of ownership plats to the assessor each year by January 15. (§ 17-21-22). For additional information see the [Mapping and Parcel Identification Standards of Practice](#).

6.3.2 Parcel Identification Numbers

Maps are linked to legal descriptions by property identification numbers. Each property should have its own unique parcel identifier; it is required for the permanent appraisal record. (R884-24P-37) Assignment of property identification numbers should be in compliance with the *Mapping and Parcel Identification Standards of Practice*.

6.3.3 Tax Area Code

The tax area code indicates the tax area in which a property is located. A tax area is a unique geographic area created by the overlap of a group of taxing entities. Refer to the “Tax Area Description” diagram in [Appendix 6C](#). Since each taxing entity levies a separate tax rate, the tax area code determines the unique combination of tax rates to be levied against a property.

6.3.4 Property Address

When available, the property address should be included in appraisal records. This is necessary to establish situs, maintain accurate cyclical appraisals, and ensure valuation and tax notices are delivered to the property owner by the auditor and treasurer offices. Errors in the name or address of the owner do not render the assessment invalid. (§ 59-2-303)

6.3.5 Names of Owners

Assessors must “identify for each parcel the name of the person to whom it is assessed.” (§ 59-2-312) Property is assessed to the recorded owner as of the lien date unless a change of ownership is recorded by the county recorder more than 14 days before tax notices are sent. If such a change does occur, the new owner may be assessed. (§ 59-2-303)

County recorders are responsible to furnish the assessor with change of ownership information at least annually by August 15. (§ 17-21-22) The owner’s name and address if available should be part of the permanent appraisal record. (R884-24P-37). Property may be assessed to agents, trustees, bailees, executors, or administrators where legally designated. The designation must be added to the name. In the case of a bankruptcy, the property is assessed to the court clerk or receiver. (§ 59-2-308)

6.3.6 Special Identification Considerations

The following items represent special problems in the identification of real property:

Multiple Taxing Entities: If a property straddles the border of two or more tax entities within a county, each portion must be identified separately even though the property is valued as a whole. Separate identification is necessary since each entity has its own tax rate and is authorized to collect taxes only on the portion that is within its boundaries. The system of identification should be designed to accommodate this.

Divided Interest: When land and improvements have separate owners, they must be identified and assessed separately.

Undivided Interest: An undivided interest in a property consists of ownership of only a percentage of the property, yet without a physical division of that property. For example, if two brothers inherit a single house they will likely inherit a percent ownership of the entire house. The identification system should clearly indicate partial ownership in order to limit possible confusion.

Guideline

Improvements built across parcels (e.g. a large home or multi-family property) can present a challenge when recording the land and improvements in CAMA systems. The improvements could be assigned to one parcel, or improvements could assigned proportionally across parcels. In the event of seizure and sale or foreclosure, it must be clearly established which parcels are assigned which improvements.

Common area parcels on a Plat: A parcel designated as common area on a plat may not be separately owned or conveyed independent of the other parcels created by the plat. For purposes of assessment, the ownership interest is to be divided equally among all parcels created by the plat, unless a different division of interest is indicated on the plat or an accompanying document.

The ownership interest is considered to be included in the description of each instrument describing a parcel on the plat by its identifying plat number, even if the common area interest is not explicitly stated in the instrument. (§ 10-9-806.5)

Guideline

Other special considerations to be identified include air rights, mining claims, and privilege tax properties. Assessors and recorders should develop the identification system so as to clearly distinguish such variations. The [Exemptions Standards of Practice](#) has further information on administration of privilege tax.

Standard 6.4 Discovery of Real Property

6.4.0 Discovery of Real Property

Assessors must assess all property located within their county. (§ 59-2-301). New taxable property is continually being created through parcel segregation or combination, new construction, remodeling, and expansion. Discovery of taxable property is therefore a continuing task.

For purposes of discovering real property, the assessor is empowered to access various sources, including recordation reports, building permits, physical inspections, owner statements, information supplied during the appeals process, and aerial photography/pictometry

comparisons. Assessors should have an ongoing program of discovery, utilizing several of these sources. (§ 63G-2-206)

6.4.1 Building Permits

Discovery of new construction is easiest with the aid of building permits. Through the Government Records and Management (GRAMA) Act, the assessor is empowered to access this information, and a formalized agreement should be made with city and county building inspectors wherein the assessor is informed of all new construction and building alteration permits issued. Such an agreement should be written and provide for timely reporting of all changes. (§ 63G-2-206)

6.4.2 Recorder Reporting & Parcel Segregation

The recorder is required by to provide the assessor with information regarding any legal description and property boundary changes that are recorded. (§ 17-21-22). This information is often referred to as a “segregation list.” Property boundary changes signal a change in value due to a change in the size or configuration of the land. They are also often accompanied by new construction. For these reasons, all such properties must be physically inspected during the current tax year.

6.4.3 Physical Inspections

Remodeling, expansion, and renovation projects are often completed without building permits. Various other changes can also occur to land and improvements which may not be detected without an actual on-site inspection of the property. Therefore, state law requires that all property be physically inspected at least once every five years. (§ 59-2-303.1). See also [Standard 6.1.0 “Mandatory Cyclical Appraisal”](#) and [Standard 6.1.2 “Five-Year Plan”](#).

6.4.4 Owner Statements

Statement forms sent out as questionnaires represent another possible method of discovering new property. Assessors are empowered to request a signed statement from any person listing all assessable real property that the taxpayer owns or manages. (§ 59-2-306). Refusal to file a signed statement subjects the taxpayer to penalties fees and estimates. (§ 59-2-307). Refusal or failure to truthfully complete a signed statement may result in a class B misdemeanor. (§ 76-8-407).

Often these can be sent with other information-gathering forms such as real property transfer surveys. See [Form TC-221 “Real Property Transfer Survey”](#) as an example. Also, when a property is physically inspected but complete access is not attained, a mailer may be left at the property. See [Form PT-60 “Residential Property Valuation Questionnaire”](#) and [accompanying letter](#).

6.4.5 Information from the Appeal Process

Assessors should carefully review the information supplied by appellants during the appeal process. When information presented on the subject as well as the comparable properties is compared to the property records, changes to the property records may be in order. Significant differences should be verified through a physical inspection. See the [Board of Equalization Standards of Practice](#) for more information on appeals.

6.4.6 Aerial Photographs

Where feasible, regular updates of aerial photographs provide an excellent means of discovery of new structures and developments can be readily detected when the new photographs are

compared to the old. In addition, aerial photographs may make it possible to inspect areas of the county that are otherwise inaccessible.

6.4.7 Escaped Property

The discovery process may reveal properties that have escaped assessment. Property qualifying as escaped property, may be assessed for the years it escaped assessment, as far back as five years. (§ 59-2-309)

6.4.8 Abandonment of Roads

When a highway, street or road is abandoned, the county recorder's office, upon an order executed by the proper authority, is to vest title to the vacated or abandoned highway, street or road to the adjoining record owners; on half of the width of the highway, street or road is to be assigned to each of the adjoining owners. (§ 72-5-105)

- If a property description of an owner of record extends into the vacated or abandoned road, that portion is to be vested to the record owner as well as the additional property up to ½ of the width of the road.
- If a property description of an owner of record extends beyond ½ of the width of the road, that portion is to be vested to the recorded owner, with the remainder of the road vested to the other adjoining owner.

This information is to be provided by the county recorder to the county assessor monthly for property assessment purposes, and may assist in property discovery. (Section 17-21-22)

Standard 6.5 Planning Appraisal Programs

6.5.0 Planning Appraisal Programs

Assessors must plan for two types of appraisal programs: annual update and reappraisal. Within each program are several projects.

Annual update involves physical inspections of boundary changes (segregation list), new construction (building permits), a portion of the appealed properties (those with discrepancies in the evidence presented) and revisits of prior year physical inspections with incomplete status (such as construction-in-progress). It also involves in-office updates of non-inspected properties.

Reappraisal involves physical inspection of at least one fifth of the county's property inventory each year. See also [Standard 6.1.0 "Mandatory Cyclical Appraisal"](#) and [Standard 6.1.2 "Five-Year Plan"](#).

6.5.1 Inventory of Properties

Assessors must maintain an inventory of all real property in the county. (§ 59-2-303.1 and R884-24P-70). Most counties have a complete countywide property inventory in file drawers or in computer databases.

Each property must be classified by its use. The actual system of classification may vary by county. A simple use classification code in the appraisal record constitutes a preliminary estimation of a property's highest and best use. A sample use classification system is presented in [Appendix 6D](#).

From the master property inventory, assessors must be able to easily access and compile smaller inventory lists specific to each appraisal project. They must be able to easily assemble parcel counts by project in order to plan the allocation of time and resources.

6.5.2 Inventory of Data Items to Be Collected

After compiling an inventory of properties by use, the types of data pertinent to each property classification should be outlined. Some of the data may already be on record and therefore need only be verified, then transferred to current forms and databases. Additional data items will need to be physically collected. At a minimum, the database should include:

- Class;
- Property type;
- Location;
- Age;
- Other appraisals (including fee appraisals where appropriate, consult [Standard 6.12.2 “Confidential Records”](#));
- Property characteristics and features;
- Property surveys;
- Sales data (where appropriate, consult [Standard 6.12.2 “Confidential Records”](#)); and
- Information on property transfers or new improvements.

These criteria and more are used in Computer Assisted Mass Appraisal (CAMA) systems. [Standard 6.6.1 “General Data”](#) contains information that may apply to a property at broader geographic level (e.g. regional, neighborhood). [Standard 6.6.2 “Specific Data”](#) contains information specific to individual properties and classes of property.

6.5.3 Special Data Collection Considerations

Some types of property require special consideration at this point in the planning process. A few examples are properties with exempt status, greenbelt properties, and properties under construction as of the lien date.

Exempt Property

The identifying information found in [Standard 6.3 Identification of Properties](#), is required for all exempt properties. However, since these properties are not taxable, resources should not be expended on detailed appraisal information. A simple statement as to property use is sufficient. If, at a later date, the property becomes taxable or subject to the privilege tax, additional appraisal information can be collected.

Greenbelt Property

Greenbelt properties are those assessed under the FAA. Two values are estimated for greenbelt properties: market value and FAA value. The assessor estimates market value and taxable value, based on classifications adopted in administrative rule. (R884-24P-53)

To do so, specialized data items must be collected for those properties:

- Soil type;
- Topography;
- Elevation;
- Tillability;
- Availability of irrigation water;

- Annual precipitation;
- Frost-free period (growing season);
- Vegetative condition (range sites);

The FAA land classifications are:

- Irrigated I Tillable Cropland
- Irrigated II Tillable Cropland
- Irrigated III Tillable Cropland
- Irrigated IV Tillable Cropland
- Irrigated Orchard
- Meadow IV Irrigated
- Dryland III Tillable Cropland
- Dryland IV Tillable Cropland
- Grazing Land I
- Grazing Land II
- Grazing Land III
- Grazing Land IV
- Non-productive

FAA land classification guidelines are found in the Farmland Assessment Act Standards of Practice. Administration of the FAA is addressed in the [Farmland Assessment Act Standards of Practice](#). They are also presented in State Tax Commission-sponsored FAA valuation seminars.

Construction Work in Progress

Since all real property is assessed according to its value as of the lien date, assessors must have methods to accurately determine the state of completion of improvements as of January 1. Properties known to be under construction should be physically inspected as close to January 1 as possible. Properties under construction and discovered at another time of year may require reinspection close to the next lien date. These considerations must be included in the preliminary planning. Further discussion of construction work in progress is found in [Standard 6.9.2, "Construction Work in Progress."](#)

6.5.4 Allocation of Time and Resources

The inventory of properties by use classification and the inventory of data items to be collected determine the time and resource needs for the appraisal program. Among those needs are:

- Batching parcel records;
- Discovering new property;
- Collecting, storing, and analyzing data;
- Applying the three approaches to value;
- Reviewing values;
- Accommodating taxpayer inquiries; and

- Providing representation at board of equalization hearings.

Assessors should carefully allocate available time and resources to the needs of the program. In doing so, several factors to consider are calendar and time frame, annual operating budget, available staff, level of staff training, available computer systems, and availability of other equipment and materials.

Calendar

The program must be based on statutory dates (See the annual [“Property Tax Calendar”](#)). The most crucial dates in the assessment of real property are January 1, the date of appraisal, and May 22, the date the county assessor must complete the assessment book and deliver it to the county auditor. (Section 59-2-311)

Personnel

Assessment of real property must “be performed in a professional manner by competent personnel, meeting specified professional qualifications.” (Section 59-2-702) For selection of appraisal and office support personnel, the following factors should be considered:

- The feasibility of contracting versus hiring;
- The amount of training to be provided versus the expertise a candidate for employment should bring to the job; and
- The need for computer literacy or expertise.

The number of full-time appraisers needed for a program varies by county, depending on the number, types, and accessibility of parcels. The IAAO, the State Tax Commission, and the Utah Multicounty Appraisal Trust recommend that more than five thousand parcels per appraiser be viewed as excessive. [IAAO *Assessment Practices Self Evaluation Guide*, 4th ed. (2013), pg. 6]

6.5.5 Appraiser Qualifications

County and state appraisers are required to be licensed or certified through the Division of Real Estate and hold an ad valorem appraiser designation from the State Tax Commission. Appraiser trainees who do not hold a designation may appraise under the direction of a licensed or certified State Tax Commission designated appraiser after hire or appointment as an appraiser trainee. (§ 59-2-701 and R884-24P-19).

Assessors are required to be licensed or certified within 36 months of taking office or the office is automatically vacant. If vacant, the county governing body must fill the vacancy with the chief deputy, or if one does not exist, the most senior manager, or an employee previously designated by the former assessor to fill the interim vacancy. (§§ 17-53-104 and 20A-1-508). If an eligible appraiser cannot be found, the county may contract with a state licensed or certified appraiser to fill the remainder of the term. (§ 17-17-2)

The requirements for licensed and certified status are summarized in [Appendix 6G](#). The *ad valorem* appraisal designation program is outlined [here](#).

6.5.6 Appraiser Training

The State Tax Commission provides the training required for trainees, licensing, certification, and *ad valorem* designation, including course work to satisfy the continuing education requirements. (§ 59-2-702)

Course offerings and schedules are published in State Tax Commission’s [Appraiser & Auditor Training Course Catalogue](#). The State Tax Commission also sponsors various other workshops

and seminars designed to promote professional competence in assessment administration and valuation.

The current license categories, including required experience time and sample appraisal hours is listed on [The Division of Real Estate Licensing Program](#).

[The Appraiser Designation Checklist](#) lists required courses for designation with the State Tax Commission. (R884-24P-19)

6.5.7 Technical Assistance to Counties

Upon request, the State Tax Commission shall provide technical assistance to county assessors. The majority of the assistance, provided at no charge, will be indirect consulting services, such as:

- Identifying problems and solutions;
- Planning assessment/appraisal procedures and techniques;
- On-the-job training of assessors and staff;
- Quality control and review; and
- Development of appraisal tools and information

The State Tax Commission will primarily be limited to consulting and planning rather than the actual performance of appraisal work. The State Tax Commission will not be directly involved in appraisal or reappraisal work except under certain rare situations, such as:

- Review appraisal work if no qualified appraiser is available in the county; and
- Unique, one-of-a-kind, or difficult individual appraisal projects.

These direct appraisal activities will be billed to the counties on a daily basis, who must pay 50% of the costs determined by the state Tax Commission. (§ 59-2-703). Other appraisal and reappraisal activities should be referred to the Utah Multicounty Appraisal Trust.

6.5.8 Contracting Appraisal Services

During initial planning, particularly for reappraisal projects, it may become apparent that contracting services is more cost effective than hiring and training additional staff. All appraisers, contract or not, must be licensed or certified with the Division of Real Estate.

Also, all appraisal work by registered appraisers or unclassified individuals must be reviewed by a certified appraiser who holds the appropriate State Tax Commission appraisal designation. Employees hired strictly for data collection do not need to be state licensed or certified appraisers.

6.5.9 Computer Systems

The potential advantages of computers in mass appraisal include the capacity to handle large quantities of information, easy update of data records and property valuations, reduction of paper and hard-copy files, speed in the application of mass appraisal techniques, and reduction in the number of personnel required to perform appraisals. CAMA systems have been employed in assessment programs throughout the nation for many years. The systems on the market are continually becoming more efficient and capable.

However, purchasing such systems can be very costly, and in some cases, the costs could exceed the benefit. Also, since computer technology changes rapidly, care must be taken to provide for updating the system to keep it compatible with future technology as well as future

assessment needs. For these reasons, great care should be used when considering the appropriateness of a computer application in the valuation process.

Whether to use computer systems in real property valuation, and which systems to use, are decisions that can only be determined at the local level. The most basic computer needs may be met for a few thousand dollars, while more complex applications can cost much more.

CAMA systems must record and access each property record separately, and an entire class of property must be stored and manipulated at one time. Where feasible, the additional capability of performing functions of the three approaches to value should be considered. Specific direction for the selection and use of computer-assisted mass appraisal systems is found in the IAAO publication, [Standard on Automated Valuation Models \(AVMs\)](#).

6.5.10 Appraisal Manual

The county assessor should prepare an appraisal manual specific to the county. The manual is a tool for use by all appraisal personnel and should include the valuation guidelines addressed in [Standard 6.8 "Valuation Guidelines."](#)

6.5.11 Production Controls and Program Evaluation

Each appraisal project should have production controls to ensure that goals are met according to plan. Some examples of production controls are quotas for staff members, daily production level monitoring, regular reviews of project progress, computer edits to flag outliers, and unscheduled time in the plan to allow for unforeseen difficulties.

Some examples of program evaluation are random appraisal reviews and in-house assessment/sales ratio studies. Assessors should develop written guidelines for controlling the quantity and quality of the appraisal program. The IAAO *Assessment Practices Self Evaluation Guide*, 4th ed. (2013) may provide the basis for county specific evaluations of appraisal programs.

Standard 6.6 Data Collection

6.6.0 Data Types

To meet the requirements of annual valuation updates and reappraisal at least once every five years, county assessors are required to become fully acquainted with all property in their counties. (§ 59-2-303). To fulfill these requirements, general data, comparative data, and specific data must be collected. Every reasonable and cost-effective effort must be made to obtain reliable, up-to-date data.

Each assessment jurisdiction should assemble files of data indicating national, regional, and neighborhood trends. Of particular interest are trends in the economy, industry, finance, banking, construction, or other pertinent trends identified by local assessing officers.

6.6.1 Data Collection Forms

Standardized forms should be developed to assist in the collection of appropriate data items. They should be designed for efficient use and complement any computer assistance that may be available.

For counties implementing new CAMA systems, forms should not be developed until after such a system has been selected. The type of system dictates the format and the amount of data that can be collected and stored.

The forms must provide for the collecting of all items listed in [Standard 6.6.6, "Property Specific Data"](#). For residential properties, the [Uniform Residential Appraisal Report](#) provides a standardized form that may be adapted to a specific assessment application.

Tablets, laptops and other mobile devices should use programs that allow the information listed in [Standard 6.6.6, "Property Specific Data"](#) to be reported.

6.6.2 National Data

Not all of the data elements presented here are essential to every county; an assessor's judgment must be used. National data files might include the following:

- Gross national product;
- Trade deficit;
- Stock market indicators (e.g., Dow Jones);
- Prime rate;
- Consumer price index;
- Price levels;
- Housing starts;
- Employment rates;
- Population shifts;
- Real estate sales statistics; and
- Construction costs.

6.6.3 Regional Data

Regional data generally consists of information reflecting countywide or even statewide trends. Regional data files should include as many of the following items as are available and applicable:

- Geological and environmental factors;
- Social stratification;
- Population shifts;
- Expected growth rates;
- Employment rates;
- Price levels;
- New construction levels;
- Construction costs;
- Land development costs;
- Real estate sales statistics;
- Typical capitalization rates;
- Typical occupancy rates;

- Typical expense ratios; and
- Tax levels

6.6.4 Neighborhood Data

Neighborhood data files are the basis for defining submarket areas or neighborhoods within a county. Since location is a key element of comparison in the valuation of properties, defining neighborhoods is a crucial step. Natural, man-made, and political boundaries should be identified initially using various types of maps.

Neighborhoods must be physically inspected in order to identify as many of the following data items as are apparent and applicable:

- State of development;
- Predominant property uses;
- Parcel sizes;
- Conformity of improvements;
- Appearance and appeal;
- Street patterns;
- Proximity to support facilities;
- Available utilities;
- Business climate;
- Crime;
- Population shifts;
- Standard of living;
- Ownership/tenancy ratio;
- Schools;
- Topography;
- Drainage and soil;
- Irrigation;
- Geological hazards;
- Environmental hazards; and
- View.

As neighborhood data is gathered, it should be marked on copies of plats and maps. Through this process, initial neighborhood patterns will become apparent. The actual definition of the neighborhood boundaries is discussed in [Standard 6.7.1, "Defining Neighborhoods."](#)

6.6.5 Maps

Maps are the key to much of the neighborhood data that can be found. Some of the maps assessors should have on hand or stored digitally are:

- Ownership plats;

- Zoning maps;
- Taxing entity boundary maps; and
- Geology and flood plain maps.

6.6.6 Property Specific Data

Specific data must be collected on each property in a county. This should be accomplished initially through on-site physical inspections, which are generally coordinated through the program of discovery discussed in [Standard 6.4.0, "Discovery of Real Property."](#) Physical re-inspections of each parcel would ideally be performed each year, but because that is rarely possible, a periodic reinspection cycle must be tailored to the specific needs and abilities of the particular county.

The county assessor will annually update property values based on a systematic review of current market data. In addition, the county assessor shall complete a detailed review of characteristics for each property at least once in every five years. (Section 59-2-303.1)

Before any inspection is performed, the appraisal record should already contain some of the data addressed in [Standard 6.3, "Property Identification"](#) which includes legal description, property identification number, name of owner(s), and address. These should be verified during a physical inspection of the property.

Collection of the following data is required:

For all property

- Legal description;
- Property identification number;
- Name of owner(s);
- Address;
- Taxable status (exempt or non-exempt);
- Assessment classification (primary residential, secondary, etc.);
- Date of inspection;
- Whether complete inspection or partial;
- Source of information; and
- Appraiser identification.

For the site

- Neighborhood designation;
- Zoning;
- Associated parcels;
- Actual use classification ([Appendix 6D](#));
- Highest and best use classification ([Appendix 6D](#));
- Relative value type (prime, secondary, excess land, residual, etc.);
- Size (frontage, depth, square feet, acres, number of lots or units);

- Available utilities (electricity, gas, water, sewer);
- Site improvements such as utility stub-ins, curb, gutter, parking, driveway, etc.;
- Street access and road characteristics;
- Shape;
- Topography;
- Drainage and soil;
- Geological hazards;
- Environmental hazards;
- Traffic, view, or other locational or economic influence;
- Easements or restrictions; and
- View.

For improvements

- Actual building use classification;
- Highest and best use of improvements (actual contribution or detriment to the site) construction type;
- Style/architecture/appeal;
- Construction quality;
- Foundation;
- Exterior wall cover;
- Roofing;
- Number of stories;
- Story height;
- Perimeter sketch and measurements;
- Floor area;
- Year built;
- Effective age;
- Condition rating;
- Heating/cooling, insulation;
- Wiring and plumbing;
- Elevator;
- Fire sprinklers;
- Miscellaneous features and components;
- Percent complete (see [Standard 6.9.2, "Construction Work in Progress"](#))
- Physical deterioration/depreciation;

- Functional obsolescence;
- Economic obsolescence; and
- Detached structures.

Exclusive for residential

- Room finish and detail;
- Bathroom details;
- Kitchen details;
- Basement details;
- Fireplaces;
- Garage/carport; and
- Decks, porches, patios.

Exclusive for commercial

- Net rentable floor area.

The data collection forms discussed in [Standard 6.6.1, "Data Collection Forms"](#) should accommodate the above items.

6.6.7 Comparative Data

Essential to an accurate valuation program are sales, cost, and income data. Every reasonable, cost effective effort should be made to obtain such data from each neighborhood of a jurisdiction. The ongoing effort should include interviews and questionnaires, review of data submitted during the appeals process, and subscription to appropriate publications. Data from each of these sources must be carefully verified to ensure the information gathered represents true market transactions and local conditions.

Comparative data should be current. Counties with ample data should consider transactions that occurred within one year of the lien date. For counties with less data available, the use of older data may be necessary.

Cost schedules, sales files, and rent/lease files must be updated at least annually. In some instances current data simply will not be available, as is often the case with special use properties and with properties in rural counties. After every effort has been made to collect and use all available current data, appraisers should then turn to the use of older data.

6.6.8 Units of Comparison

All comparative data should be collected and presented in a form that is consistent with the local market. The most common units by which properties sell or lease are as follows:

- Prime commercial frontage = front foot;
- Other prime commercial land = square foot;
- Other commercial land = acre;
- Prime industrial land = square foot;
- Industrial parks = lot;
- Other industrial land = acre;

- Developed residential land = lot;
- Undeveloped residential land = acre;
- Agricultural land = acre;
- Commercial/industrial improvements = square foot;
- Multiple residential improvements = room, unit; and
- Other residential improvements = square foot

Variations to these examples may be found in local markets. The units of comparison used to value property should be the same as those used to sell or lease similar property on the local market.

6.6.9 Cost Data

Construction cost information is required for all appraisal programs. Such information can be obtained from commercially-produced construction cost manuals such as those published by Marshall and Swift. However, rates and factors presented in nationally or regionally published manuals must be locally verified, perhaps even adjusted to local markets as discussed in [Standard 6.7.2, "Comparative Data Analysis"](#).

6.6.10 Sales Data

Vacant land sales and improved property sales are the meat of an appraisal program. Assessors should exhaust all possible sources of sales information including the following: interviews with buyers and sellers;

- Questionnaires sent to buyers and sellers of newly recorded deeds (for example, see [TC-221 Real Property Transfer Survey](#));
- Data supplied by appellants in county board of equalization hearings;
- Multiple listing service sold books; and
- Newspaper reports.

Sales data obtained from assessment/sales ratio studies may be used as part of a systematic reappraisal program whereby all similar properties are given equitable and uniform treatment.

Listings

Listings of properties for sale may be useful in establishing the upper limit of a value range and should be included as a separate part of the sales file, particularly in counties with few sales transactions.

Sales Data Items

The specific sales data elements to be collected are:

- Price paid (or asking price);
- Date of sale/contract date;
- Date of listing;
- Day's on market;
- Seller;
- Buyer;

- Terms of sale and seller concessions;
- Type of financing;
- Reasons for buying/selling;
- Property identification (address where available) and parcel number; and
- Property characteristics (See [Standard 6.6.8, “Property Specific Data”](#))

Similar data should be collected for listings.

Sales File

Sales should be assembled into an easily accessible sales file, according to neighborhood, use classification, etc. Listings should be similarly filed, though separate from the sales.

6.6.11 Integrity of Sales Data

Sales data should not be used for an isolated reappraisal of a sold property, a practice commonly known as sales chasing. By intentionally appraising a property as a result of a sale at or near the sale price, the sales ratio study may not accurately measure the legal level of assessment.

The study seeks to compare assessed values with fair market values of arm’s length sales. See [Standard 6.1.4 “Assessment Level and Uniformity Standards”](#) for further information on the sales ratio study. [The IAAO Standard on Ratio Studies](#) contains information on the problems associated with sales chasing, and methods to detect the practice.

Similar problems can unintentionally arise if a property’s own sales data is used as a comparable for itself in comparable sales algorithms. This risk can be ameliorated by using holdout sales (sales made at a later date) [IAAO, [Standard on Mass Appraisal](#) (2017), p. 8]

If the State Tax Commission determines sales data is insufficient in a county to conduct the sales ratio study, it may conduct its own appraisals of property within that county (§ 59-2-704)

6.6.12 Income and Expense Data

Income and expense data are required for all appraisal programs. Assessors should exhaust all possible sources of income and expense information including:

- As applicable, interviews with the:
 - Owner;
 - Tenant;
 - Bankers;
 - Brokers; and
 - Attorneys;
- Questionnaires sent to owners and tenants (see [Appendix 6E](#) for examples);
- Data supplied by appellants in county BOE hearings; and
- Newspaper reports.

Income and Expense Data Items

The specific income and expense data elements to be collected are:

- Rent amount (or asking rent);

- Date of lease (or date of asking);
- Term (length) of lease;
- Rent concessions;
- Escalations;
- Options;
- Miscellaneous income;
- Actual vacancy;
- Owner;
- Tenant;
- Expenses paid by owner;
- Expenses paid by tenant;
- Location; and
- Property characteristics (See [Standard 6.6.6, "Property Specific Data"](#)).

Income and Expense File

Income and expense data should be assembled into an easily accessible file, according to neighborhood, use classification, etc.

Standard 6.7 Data Analysis

6.7.0 Data Analysis Objective

Area and comparative data are analyzed to produce valuation guidelines. Each county should have its own set of guidelines for the valuation of land, residential improvements, and commercial improvements. Since the guidelines are based around submarket areas called neighborhoods, the neighborhoods must be defined prior to the development of any guidelines.

6.7.1 Defining Neighborhoods

The key word in defining a given neighborhood is "homogeneous." Boundaries should be drawn to encompass properties similar in physical, governmental, economic, and social characteristics. These are visually apparent in the patterns of use and development in an area.

As an assessor gathers and marks neighborhood data on physical or digital copies of plats and maps (as outlined in [Standard 6.6.4, "Neighborhood Data"](#)), initial neighborhood patterns will become apparent. Boundaries should only be sketched-in at this point. Comparative data must be analyzed and plotted on the neighborhood maps before neighborhood boundaries can be finalized.

6.7.2 Comparative Data Analysis

Cost data, sales data, and income/expense data must be verified. Adjustments may also be warranted. Valid comparative data should be plotted on preliminary neighborhood maps, then the neighborhood boundaries may be finalized.

6.7.3 Cost Verification and Modifiers

Rates and factors presented in nationally or regionally published cost estimation manuals should be locally verified. Where appropriate they should also be modified to reflect local building costs. Procedures for local verification and for development of a “local cost-new modifier” are presented in [Appendix 6F](#).

6.7.4 Sales Verification and Adjustment

Each element of a sales transaction must be verified. This should be done through interviews with the seller, buyer, listing agent, broker, banker, or attorney. Additional methods of verification include questionnaires and title searches. Verification of sales data should also include a physical inspection.

Perhaps the most crucial step in the verification process is to determine the state of the property at the time of the sale. Any improvements, modifications, maintenance, damage, or obsolescence occurring after the date of sale must not be included in the sold property description.

Next, a determination must be made as to whether or not the sale is valid as defined by “market value” in [Standard 6.2.4, “Market vs. Taxable Value”](#), and whether or not any adjustments are warranted. Only valid sales—those sales that meet the criteria set forth in the definition of “market value”—may be used in the property valuation process.

Sales are generally invalid if they are not “arm’s length.” Examples of sales that are not at arm’s length include:

- Sales between relatives, affiliated companies, or their officers
- Sales involving church, fraternal, educational, or governmental organizations
- Sales are generally invalid if they are of a compulsory nature:
 - Foreclosure sales;
 - Divorce sales;
 - Court-ordered sales;
 - Condemnation sales; and
 - Probate sales.
- Sales prices may require adjustment for:
 - Partial interest sold;
 - Personal property included in the sale; and
 - Property traded or exchanged in the transaction.
- Sales prices generally require adjustment for seller concessions, such as:
 - Seller-paid points; and
 - Seller-paid closing costs (if other than traditional or customary).
- Sales prices generally require adjustment for unusual financing, such as:
 - Seller financing (contracts);
 - Assumption of an existing mortgage; and

- Other financing with non-market rates.

It is important that assessors annually compile a listing of sold property information for use in appraisals, sales/assessment ratio studies and, where appropriate, boards of equalization. Sources for sales information include appeal documentation, multiple listing services and sales/assessment ratio questionnaires. Please see the [IAAO Standard on Verification and Adjustment of Sales](#).

6.7.5 Income and Expense Verification

Each income and expense data element must be verified through interviews with the owner, tenant, broker, banker, or attorney. Questionnaires are often used to collect information. See [Standard 6.6.8 “Income and Expense Data”](#) for further information on collection methods.

Appraisers should consider whether or not the monthly rental figure requires adjustment due to atypical lease contract terms. This adjustment should be made according to generally accepted professional appraisal practices. [IAAO, *Property Appraisal and Assessment Administration* (1990), pp. 259-261]

Standard 6.8 Valuation Guidelines

6.8.0 Counties to Develop Guidelines

Valuation guidelines are the products of data collection and analysis. They are the basis for applying the three approaches to value. They consist of rates and adjustment factors arranged according to neighborhood, property use classification, and other variables.

Each county should develop three major guidelines: a land valuation guideline, a residential valuation guideline, and a commercial valuation guideline. The data and methods used to develop each guideline should either be included as part of the guideline or maintained in a readily accessible file.

The IAAO *Assessment Practices Self-Evaluation Guideline 4th ed.* (2013) can assist in the development, testing, and update of these guidelines.

6.8.1 Land Valuation Guideline

Every appraisal program must have a written local land valuation guideline. This is a set of land valuation rates for each individual neighborhood, based on use classification, relative value type, size, frontage, or any other appropriate characteristic. It should also include adjustment factors for physical characteristics such as depth, shape, drainage and soil, street access, traffic, utilities, topography, or any other characteristics for which an adjustment factor can be reasonably supported by available market data.

CAMA software documentation should be included in the guideline.

The essential steps in developing a land valuation guideline are:

- Assemble maps (see [Standard 6.6.5, “Maps”](#));
- Collect all pertinent neighborhood data and mark maps (see [Standard 6.6.4, “Neighborhood Data”](#));
- Collect, verify, and analyze land sales (see [Standards 6.6.10, “Sales Data”](#) and [6.7.2, “Comparative Data Analysis”](#));
- Locate and mark all valid land sales on the maps using the appropriate units of comparison as discussed in [Standard 6.6.8, “Units of Comparison”](#);

- Finalize neighborhood boundaries based on the marked sales;
- Designate a rate for each highest and best use classification and relative value type within each neighborhood in terms of dollars per the appropriate unit(s) of comparison (acre, square foot, front foot, lot, or unit buildable); and
- Include a schedule of adjustment factors for physical characteristics based on paired-sales analysis, if possible, or based on the “bracketing technique” (See [Standard 6.6.6 “Property Specific Data”](#) for site characteristics)

Development of a land valuation guideline is taught in the State Tax Commission’s [Property Tax Course 502](#).

6.8.2 Residential Valuation Guideline

A residential valuation guideline should be developed in three sections: cost, sales comparison, and income. The purpose of the guideline is to direct the application of the three approaches to valuation within a county.

Many Utah counties lack sufficient sales and income data to apply all three approaches to value. In such cases the focus of the residential guideline should be on the cost approach. As sales and income data do become available, the sales comparison and income sections of the guideline should be developed. Though probably the least used, the income approach uses rents and sale prices to arrive at gross rent multipliers.

CAMA software documentation should be included in the guideline.

The basic components of each section are as follows:

Cost:

- A local cost-new modifier should be developed where applicable to reflect local building costs (See [Standard 6.7.2 “Comparative Data Analysis”](#)); and
- A submarket factor should be developed for each neighborhood. A submarket factor calibrates the cost manual’s replacement-cost-new-less-depreciation (RCNLD) value to actual local market value. It accounts for neighborhood-wide or countywide economic obsolescence.

Sales Comparison:

- Benchmarks or sale models should be developed for each neighborhood along with procedures for application, if such a program is used by a county;
- Multiple regression analysis models should be documented for each neighborhood along with procedures for application, if such a program is used by a county; and
- Market adjustments should be developed for elements of comparison based on paired-sales analysis, including property rights appraised, financing, conditions of sale, market conditions (time), location, and physical characteristics. These adjustments are used in the appraisal of individual properties.

Income:

- Gross rent multipliers should be developed for single family residences based on neighborhood and improvement characteristics; and
- Gross rent multipliers should be developed for duplexes and small apartment complexes, such as four-plexes, based on neighborhood and improvement characteristics.

6.8.3 Commercial Valuation Guideline

The commercial valuation guideline should include cost, sales comparison, and income approach sections similar to those in the residential valuation guideline. In addition, the income section should include a set of typical market income and expense schedules based on factors including:

- Neighborhood;
- Building use classification;
- Construction type and quality;
- Tenant appeal.
- Lease rates;
- Stabilized vacancy rates;
- Typical collection allowances;
- Typical operating expense ratios;
- Gross rent multipliers;
- Overall capitalization rates; and
- Various other adjustment factors, tables, and ratios as needed (story height, floor number, etc.).

Standard 6.9 Three Approaches to Value

6.9.0 Single Value Estimate

Ideally, each improved property should be valued using all three approaches to value based on guidelines suggested in [Standard 6.8 “Valuation Guidelines”](#). Then, after all three approaches have been applied and the three resulting values have been examined, they are correlated to arrive at a single value estimate. Emphasis on one of the three resulting values is based on the inherent strengths and weaknesses of each approach to value, the relevance of each to the subject property, and the amount and reliability of data available for each approach.

In counties where comparative data is limited, all three approaches may not be possible. Also, in mass appraisal it is common to pre-select one approach to value as most appropriate for an entire class of property, sometimes even prior to any data collection [See Standard 4.7 in the [IAAO Standard on Mass Appraisal](#) (2017)]. This is permissible as long as all three approaches are considered.

When any of the usual approaches to value are excluded from an appraisal, the appraiser must “explain and support” the exclusion. [The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (2019), p. 22]. All methods used must represent currently accepted practices of the appraisal profession.

6.9.1 Land Value

“Real property appraisal records . . . show separately the value of the land and the value of any improvements.” (R884-24P-37)

Land is valued directly from a land valuation guideline (See [Standard 6.8.1 “Land Valuation Guideline”](#)).

- First, the appropriate rate is located in the guideline based on the property's neighborhood designation, highest and best use classification (residential, commercial, etc.), and relative value type (prime, secondary, excess, residual, etc.);
- Second, the initial value is calculated; then
- Finally, the initial value is adjusted for any special characteristics using the adjustment tables in the land valuation guideline.

6.9.2 Construction Work in Progress

The procedures for determining the fair market value of improvements under construction as of the lien date are outlined in R884-24P-20. In effect, the rule states that projects under construction are assessed based on their percent complete as of January 1. For residential projects, the rule includes a table by which the percent complete is determined. The residential percent complete table is reprinted in [Appendix 6G](#).

Percent complete of commercial properties under construction is determined by the appraiser. It is generally based on the costs that have been expended on a project as of the lien date. The administrative rule cited above requires that those costs be discounted from the future date of completion in order to reflect a value for the project as of the lien date, where applicable.

In addition, the rule allows a taxpayer to request an adjustment for preconstruction costs on commercial projects. "Preconstruction costs . . . may be allocated to the value of the project in relation to the relative amount of total expenditures made on the project by the lien date." (R884-24P-20). Such requests are uncommon.

6.9.3 Cost Approach

In the cost approach, improvements are most effectively valued using a commercially published cost estimation manual such as [Marshall and Swift](#).

- First, the cost manual rates and factors are applied to the subject property, including depreciation;
- Second, any functional and economic obsolescence unique to a particular property is applied;
- Third, for residential properties, the submarket factor is applied from the residential guideline (see [Standard 6.8.2 "Residential Valuation Guideline"](#)); then
- Finally, the adjusted RCNLD value is added to the land value.

6.9.4 Comparable Sales Approach

In the comparative sales approach, properties are valued using the residential or commercial valuation guideline described in [Standard 6.8 "Valuation Guidelines"](#). Assessors determine when benchmark sale models, multiple regression analysis models, or sales comparison adjustment grids are appropriate. Any benchmark and regression models are applied directly from the residential or commercial guideline.

For sales comparison adjustment grids, sold properties are first selected from the sold catalogue (see [Standard 6.7.2 "Comparative Data Analysis"](#)), based on comparability to the subject. Then, adjustments are applied from the guideline. For residential properties, the [Uniform Residential Appraisal Report](#) provides a standardized sales comparison adjustment grid which may be used "as is" or adapted to specific assessment application. Finally, the indicated values are correlated, and the final value is selected.

After a total value is derived through the sales comparison approach, the land value is subtracted from the total value to arrive at an improvement value.

“Comparability is a measure of similarity between a sale and a subject. Sale and subject should be similar with respect to date of sale (relative to the lien date), economic conditions, physical attributes, and competitiveness in the same market. Of these, the most important is competitiveness. If the comparable and subject do not compete in the same market, they do not face the same supply and demand forces, so value inferences from comparable to subject may be misleading.” [IAAO, *Property Appraisal and Assessment Administration* (1990), p.154]

6.9.5 Income Approach

The income approach is performed using the residential or commercial valuation guideline described in [Standard 6.8 “Valuation Guidelines”](#). After a total value is derived through the income approach, the land value is subtracted from the total value to arrive at an improvement value.

Standard 6.10 Final Value

6.10.0 Fair Market Value

The final value represents an estimate of fair market value as described in [Standard 6.2.4 “Market vs Taxable Value”](#). It should be reviewed for accuracy.

Fair market value is the total of land and improvements. Although land and improvements are recorded separately in CAMA systems, the total of both is listed on the valuation notice. Some counties may code different improvements separately on the valuation notice (e.g. residential building and agricultural building).

This is usually true of taxable value as well, unless the taxpayer’s primary residence sits on more than one acre of land or they also own FAA land on the same parcel. (§ 59-2-919.1 and R884-24P-37)

6.10.1 Sales Ratio Studies

Final value review should comply with the [IAAO Standard on Ratio Studies](#). The review process should include assessment/sales ratio studies for individual classes of property as well as for the entire county. Sales ratio studies assist in attaining an equitable and accurate appraisal program. The State Tax Commission is required to conduct a statewide sales ratio study annually. This consists of:

- The April Study;
- The Final Study;
- The Selective Appraisal Audit; and
- The Detailed Review Area Audit.

The State Tax Commission and the county assessor jointly conduct a preliminary sales ratio study (the April Study) prior to the closing of the tax roll. This enables the assessor to recognize areas or classes of property that require adjustment through factoring or remodeling to achieve the state’s level of assessment and uniformity standards.

After the assessment rolls close on May 22, the State Tax Commission conducts [the Final Study](#) to ensure values remain within the legal level of assessment and uniformity standards. This may result in corrective action orders if a county fails to meet the legal level of assessment

or uniformity standards in the COD/COV. Please see [Standard 6.1.4 “Assessment Level and Uniformity Standards”](#) and [Standard 6.6.11 “Integrity of Sales Data”](#) for further information.

Once the Final Study is complete, a county representative from the State Tax Commission will conduct a Selective Appraisal Audit by comparing the assessment of sold properties to the assessment of non-sold properties. This audit seeks to ensure there is equity in appraisal of properties, and if there is evidence of selective appraisals (see [Standards 6.6.10 “Sales Data”](#) and [6.6.11 “Integrity of Sales Data”](#)).

Simultaneous to the Selective Appraisal Audit, is the Detailed Review Area Audit. This will use data from the Final Study and Selective Appraisal Audit to ensure accuracy and equitability in areas selected for detailed review as part a county’s five year plan to fulfill the mandatory cyclical appraisal (see [Standard 6.1.1 “Mandatory Cyclical Appraisal”](#) and [Standard 6.1.2 “Five Year Plan”](#))

Studies conducted by counties, including the April Study, and the application of appropriate remodels and factors as necessary enable the assessor to avoid possible corrective action orders from the State Tax Commission. (R884-24P-27)

[Please see Appendix 6H – Assessment Level and Uniformity Analysis](#) for a visual guide to the legal level of assessment and uniformity standards.

6.10.2 Responsibility for Appraisal

Assessors and appraisers must accept full responsibility for the contents of their appraisals. USPAP Rule 2-3 requires appraisers to certify that the information in an appraisal report is true, correct, and unbiased. Additionally, any appraiser signing an appraisal report prepared by another, even in a review capacity, assumes the same responsibility. [The Appraisal Foundation, *Uniform Standards of Professional Practice* (2019), pp. 24]

Standard 6.11 Listing Properties

6.11.0 Data in Common

“The county assessor shall list all property in each taxing entity in the county by identifier and fair market value. The Commission may prescribe procedures and formats, after consultation with affected state agencies and county assessors, which will provide reasonable uniformity and reduced costs in listing property.” (§ 59-2-305)

In listing properties, the assessor is required to create and maintain two separate, permanent records: the assessment roll, and the appraisal record. (§ 59-2-213 and R884-24P-37). They have the following elements in common:

- Property identification number;
- Name and address of owner;
- Address or location of property;
- Land value; and
- Improvement value.

6.11.1 Assessment Roll

The assessment roll also contains an apportionment of values into categories such as residential or commercial, primary or secondary, FAA or non-FAA. For more information. Please refer to the [Assessment Roll Standards of Practice](#).

6.11.2 Appraisal Record

The appraisal record also contains detailed property descriptions used in the actual valuation process. (§ 59-2-303 and R884-24P-70). They include the data items listed in [Standard 6.6.6 “Property Specific Data”](#)

Standard 6.12 Record Keeping

6.12.0 Record Keeping

The system used for data storage should be designed for easy access of individual property records as well as entire classifications of property. Some of these considerations are discussed in [Standard 6.5.9 “Computer Systems”](#).

6.12.1 Documentation

The USPAP “5 and 2” rule applies to document retention.

Data used in valuing property should be stored and maintained in accordance with the “Ethics Provision” in USPAP. The provision states that an appraiser or assessor must prepare written records of appraisal, analysis, and review assignments, including oral testimony and reports, and retain such records for a period of at least five years after preparation.

The period to keep records may be longer if testimony in a hearing is involved. In that case records must also be kept for two years after the final disposition of judicial proceeding. [The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (2019), p. 10]

6.12.2 Confidential Records

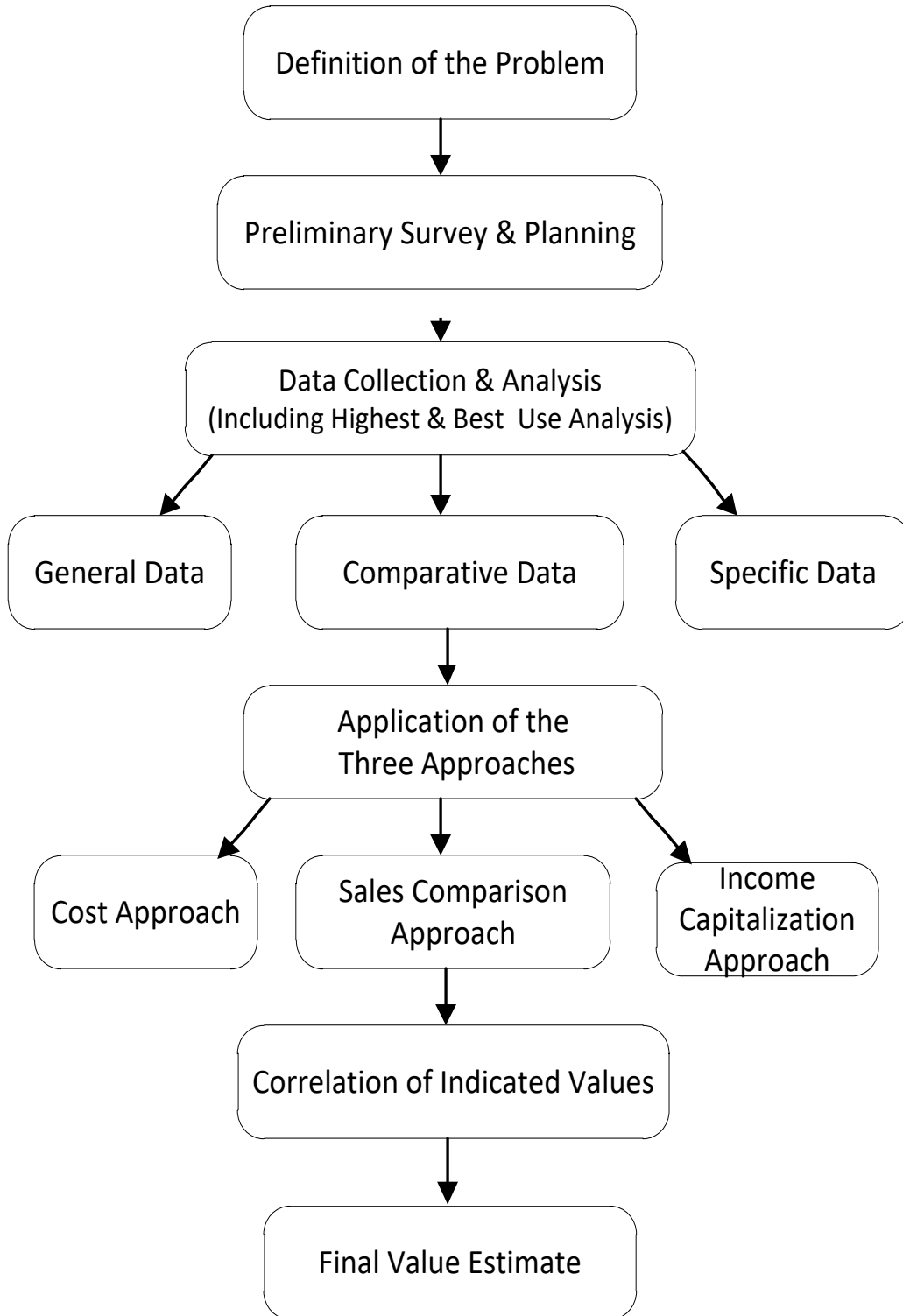
Officers and employees of the Commission and counties are forbidden from releasing any commercial information obtained during assessment or appeal. Violation constitutes a Class A misdemeanor. Anyone who violates this requirement shall be dismissed from county or Commission office or employment and disqualified from holding county or Commission office or employment for a period of five years. (Section 59-1-404). Information allowed to be released is:

- The assessed value;
- The tax rate;
- The legal description;
- The physical description;
- Square footage of land and improvements;
- The mailing address of the owner;
- The amount of tax and other charges owed or abated/deferred;
- Property classification;
- Exempt status;
- Bankruptcy filings; and
- Whether there is any action or proceeding (e.g. appeals, tax sale, etc.).

Please consult the [Confidentiality Decision Chart](#) and your county disclosure officer and/or attorney before releasing potentially confidential/commercial information.

Appendix 6A

Diagram of the Valuation Process



Appendix 6B

Overview of the Valuation Process

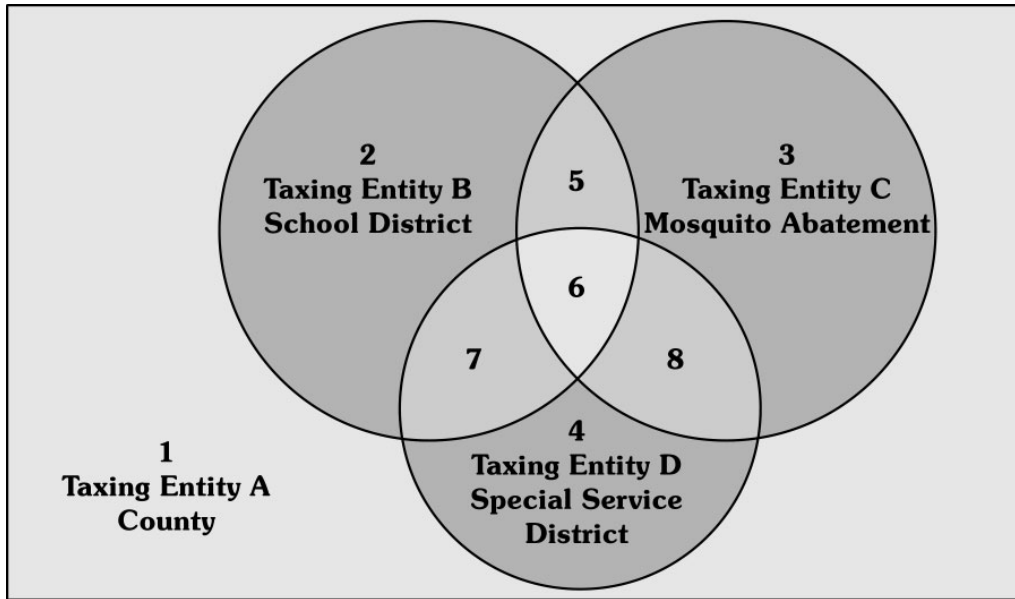
Based on: IAAO, *Property Appraisal and Assessment Administration*, (1990); and IAAO, *Property Assessment Valuation* (2010)

1. Definition of the problem
 - a. Identification of property(ies) being appraised
 - b. Property rights being appraised
 - c. Effective date of appraisal
 - d. Purpose and function of appraisal
 - e. Definition of value being sought
2. Preliminary planning and survey
 - a. Preliminary estimation of highest and best use
 - b. Inventory of data items to be collected
 - c. Allocation of time and resources
3. Data collection
 - a. General data
 - i. National and regional
 - ii. Neighborhood
 - b. Comparative data cost
 - i. Sales
 - ii. Income and expense
 - c. Specific data site
 - i. Improvement
 - (1) Residential
 - (2) Commercial and industrial
4. Application of data
 - a. Cost approach
 - i. Land by sales comparison
 - ii. Reproduction/replacement-cost-new (RCN)
 - iii. Depreciation
 - (1) Physical deterioration
 - (2) Functional obsolescence
 - (3) Economic obsolescence
 - iv. Replacement-cost-new-less-depreciation (RCNLD)
 - b. Comparative sales approach
 - i. Methods
 - (1) Direct sales comparison
 - (2) Gross rent multiplier
 - (3) Multiple regression analysis
 - (4) Sales ratio trending
 - ii. Units of comparison
 - iii. Market adjustments (or regression modeling)
 - c. Income approach
 - i. Potential gross income
 - ii. Vacancy and collection loss
 - iii. Effective gross income
 - iv. Operating expense analysis
 - v. Net operating income

- vi. Capitalization
 - (1) Direct capitalization
 - (a) Overall capitalization rate
 - (b) Income multipliers
 - (2) Yield capitalization
 - (a) Rate development
 - (i) Discount rate development
 - 1) Build-up method
 - 2) Band of investment method
 - 3) Market comparison method
 - (ii) Recapture rate development
 - 1) Straight-line method
 - 2) Annuity method
 - (iii) Effective tax rate
 - (b) Discounted cash flow analysis
 - (i) Annuity capitalization
 - (ii) Split rates
 - (c) Net present value (NPV)
 - (d) Internal rate of return (IRR)
 - (i) Modified internal rate (MIR)
 - (ii) Financial management rate of return (FMRR)
 - (e) Mortgage-equity capitalization techniques
 - (i) Conventional
 - (ii) Ellwood
 - (3) Residual capitalization techniques
 - (a) Building residual
 - (b) Land residual
 - (c) Property residual
5. Reconciliation of indicated values
 - a. Amount and reliability of data from each approach to value
 - b. Inherent strengths and weaknesses of each approach
 - c. Relevance of each approach to the subject property
6. Final value estimate

Appendix 6C

Tax Area Description



The tax area numbers below refer to the numbers in the above illustration.

Tax Area 1

Taxing Entity A: County

Tax Area 2

Taxing Entity A: County

+ Taxing Entity B: School District

Tax Area 3

Taxing Entity A: County

+ Taxing Entity C: Mosquito Abatement

Tax Area 4

Taxing Entity A: County

+ Taxing Entity D: Special Services District

Tax Area 5

Taxing Entity A: County

+ Taxing Entity B: School District

+ Taxing Entity C: Mosquito Abatement

Tax Area 6

Taxing Entity A: County

+ Taxing Entity B: School District

+ Taxing Entity C: Mosquito Abatement

+ Taxing Entity D: Special Services District

Tax Area 7

Taxing Entity A: County

+ Taxing Entity B: School District

+ Taxing Entity D: Special Service District

Tax Area 8

Taxing Entity A: County

+ Taxing Entity C: Mosquito Abatement

+ Taxing Entity D: Special Services District

Appendix 6D

Property Use Classifications Example

Sample Property Classification System				
General Use	Code	Specific Use	Class	
Residential Improv.	111	Single Family	1	
	112	Duplex	1	
	116	Condominium	1	
	117	Cabin	4	
	118	Mobile Home	1	
Multi-tenant Improv.	113	Triplex	2	
	114	Multi 4-9 units	2	
	115	Multi 10 + units	2	
	120	Student housing 1-3 units	2	
	121	Student housing 4-9 units	2	
	122	Student housing 10-+ units	2	
	123	Dormitory	2	
	124	Retirement/Nursing homes	2	
	140	Mobile home park	2	
	Mixed Use Res.	119	Single or multi-residential w/ mixed use	6
129		Student housing w/ mixed use	6	
Commercial Improv.	150	Motel/lodging	2	
	200	Manufacturing	2	
	460	Parking lot	3	
	500	Retail	2	
	553	Gasoline service/convenience store	2	
	580	Restaurant/lounge/fast food	2	
	600	Office	2	
	611	Bank	2	
	637	Warehouse	2	
	640	Repair service garage	2	
	651	Medical office/clinic	2	
	720	Assembly hall/auditorium/theater	2	
	Mixed Use comm..	799	Commercial w/mixed use	6
	Agricultural Improv.	810	Agricultural operation (improved)	2
	Vacant	816	Farmland	3
901		Residential Acres	3	
902		Commercial acres	3	

	910	Backage/remote acres	3
	911	Residential buildable lot	3
	917	Recreational buildable lot	3
Exempt	450	Road	0
	788	Exempt building	0
	930	Water	0
	988	Exempt land	0

Sample Property Classification System Used by older CAMA systems	
Code	Property Classification
111	Single-family Residence
112	Duplex
113	Triplex and Fourplex
114	Multi-unit Residential
117	Secondary Recreational Residential
118	Real Property Mobile Home
119	Residential Lot
500	Commercial Trade
501	Banks/Office Building
502	Convenience Markets
503	Fast Food Restaurants
504	Industrial/Warehouse/Equipment Shed
505	Motel/hotel/Restaurant
506	Service Garage/Auto Showroom
507	Trailer Courts
508	Retail Store/Service-oriented Business
810	Agriculture
900	Undeveloped Land
905	Vacant Commercial Lot
911	Vacant Recreational Lot
950	Under Construction
960	Building on Property; Value in Land

Appendix 6E

Income and Expense Questionnaire Samples

Commercial Property Owner or Lessor

The following letter and questionnaire can be used to assist in the valuation of commercial property.

Current Date

Dear Commercial Property Owner or Lessor:

Present economic conditions in _____ County have necessitated an update and equalization of values for commercial properties in the _____ City area. The _____ County Assessor's Office is updating commercial property records to provide a more accurate and realistic value relating to the local economic conditions. To accomplish this, we are soliciting your help and cooperation in providing the requested information on the enclosed forms.

Sales and rental information will greatly enhance our ability to analyze and interpret the local commercial real estate market. Your cooperation is greatly appreciated. It is vital that we all participate in making government less costly and property taxation fair and equitable. Your response to the questionnaire will achieve these goals.

Please fill out the form and return it to the _____ County Assessor's Office in the return envelope provided, by _____. If there are any further questions or information needed please contact the Assessor's Office at _____. We thank you and appreciate your cooperation.

Sincerely,

Name of Assessor

_____ County Assessor

Appendix 6F

Cost Manual Verification/Local Cost-New Modifier Development

1. Randomly select some sample categories and sample items from the published cost manual.
2. Conduct a survey of local rates for each of the items in step 1. Determine whether the cost manual includes indirect cost of its rates; if so, include them in the survey. For indirect cost, including architecture, engineering, permits, title, legal work, taxes, appropriate local professionals, contractors, and developers. For direct costs, including labor and materials, contact local contractors and material suppliers.
3. If the local rates surveyed are in line with the samples chosen from the published cost manual, assume that the balance of the manual is valid for the local market. If not, adjustment factors can be derived as follows:

$\frac{\text{average local rate surveyed}}{\text{cost manual rate}} = \text{local cost-new modifier}$

Either create one overall adjustment factor for use with all cost manual rates, or create a separate factor for each category.

4. Apply the factors as follows:

$\text{cost manual rate} \times \text{local cost-new modifier} = \text{actual cost-new rate}$

Example

Category description: Average quality residence, one story, 1,200 sq. ft., wood frame, masonry veneer

Marshall and Swift Manual: \$44.82 sq. ft.

Derive adjustment factor:

$\frac{\$40.00 \text{ (rate surveyed)}}{\$44.82 \text{ (manual rate)}} = .89 \text{ (local cost-new modifier)}$

Apply adjustment factors:

$\begin{array}{rcccl} \$44.82 & \times & .89 & = & \$33.89 \text{ (rounded to } \$40.00) \\ \text{(manual rate)} & & \text{(local cost-new modifier)} & & \text{(actual cost-new modifier)} \end{array}$
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Appendix 6G

Residential Construction Work in Progress

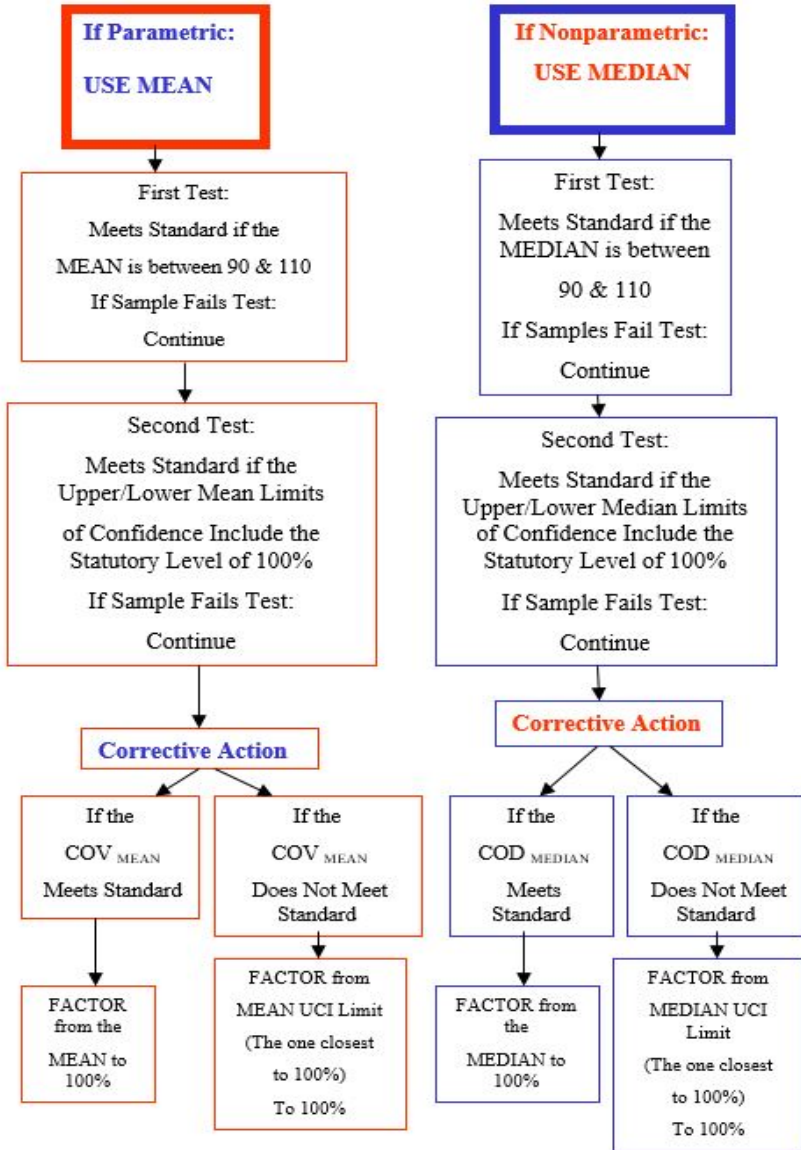
Use the following as guidelines for percentage of completion. (R884-24P-20). This table includes cumulative percentages for each subcategory of completed work.

Completed Work	Percentage Guideline
Excavation (5%) Foundation (5%)	10%
Rough lumber (10%) Rough labor (10%)	30%
Roofing (5%) Rough Plumbing (5%) Rough electrical (5%) Heating (5%)	50%
Insulation (5%) Drywall (5%) Exterior (5%)	65%
Finish lumber (3.33%) Finish labor (3.33%) Painting (3.33%)	75%
Cabinets (3%) Cabinet tops (3%) Tile (3%) Finish plumbing (3%) Finish electrical (3%)	90%
Floor covering (2.5%) Appliances (2.5%) Exterior concrete (2.5%) Miscellaneous (2.5%)	100%

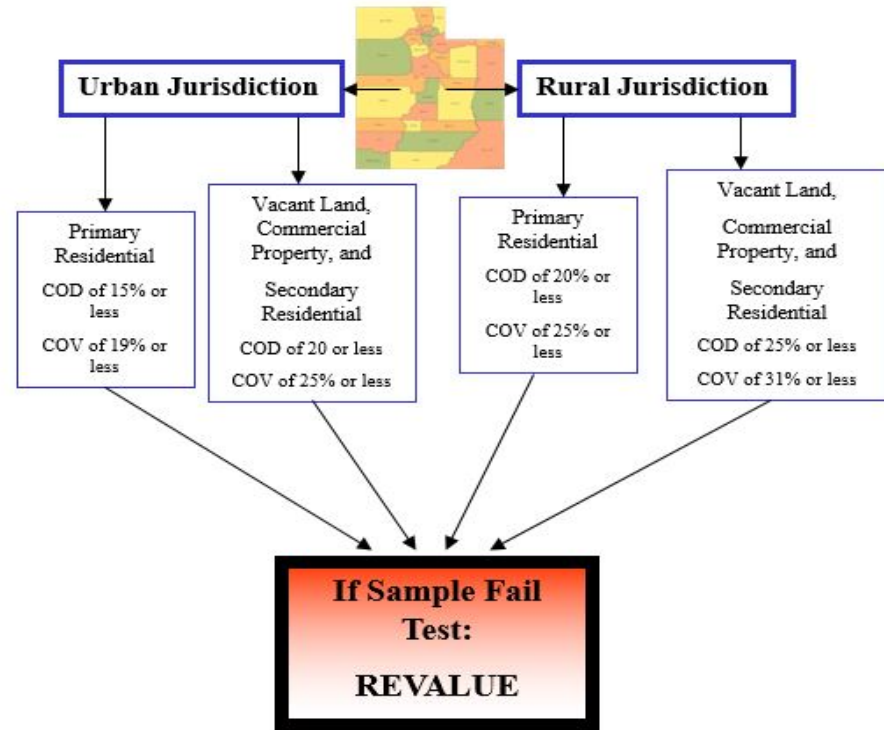
Appendix 6H

Assessment Level and Uniformity Analysis

Assessment Level Analysis



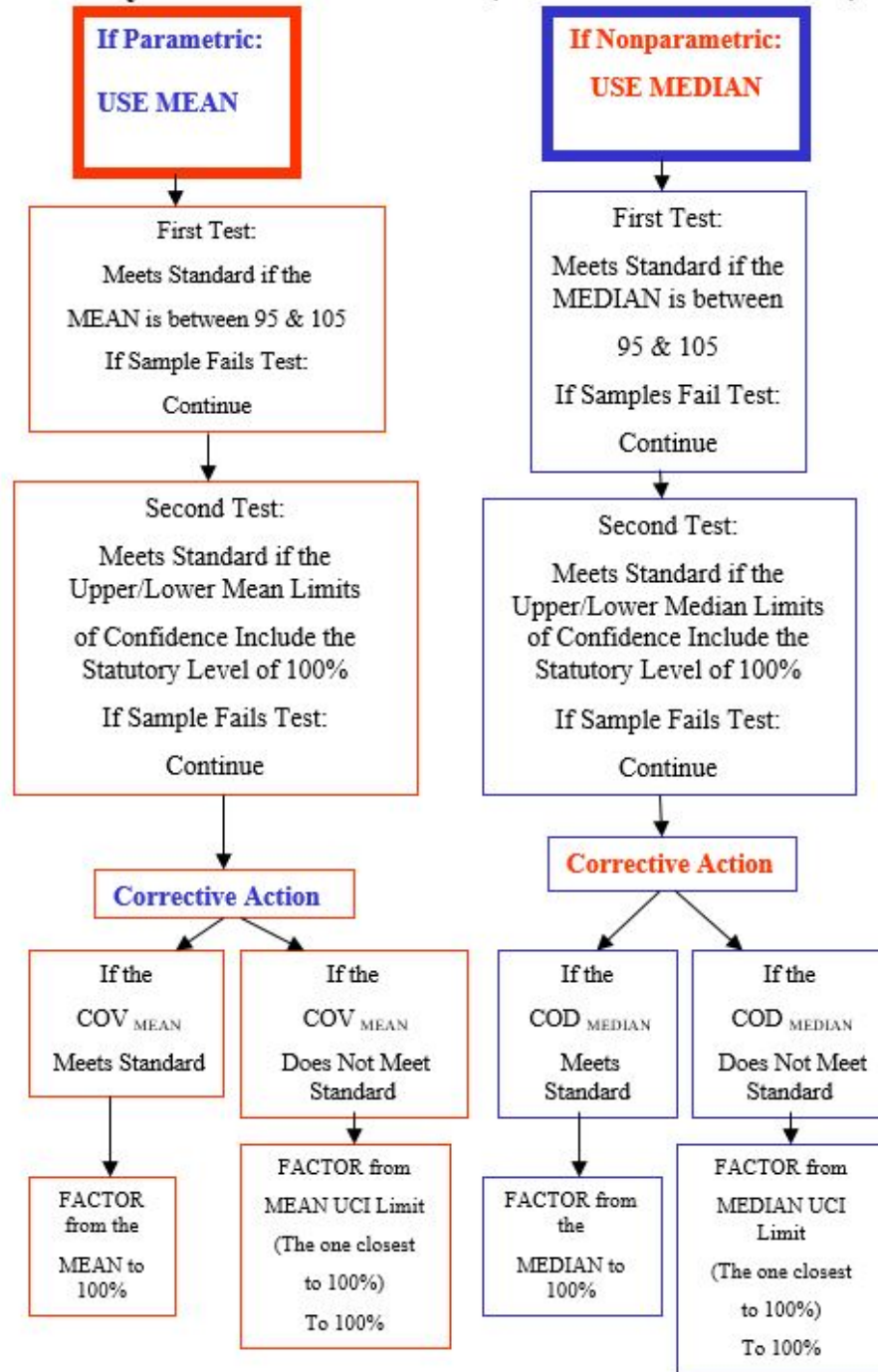
Assessment Uniformity Analysis (For Detailed Review Area Only)



List of Urban Jurisdiction (all other counties not listed are Rural)

- Salt Lake County
- Utah County
- Davis County
- Weber County
- Washington

County Wide Residential (Class 1- 4 Counties)



Assessment Level Analysis for County Wide Residential (Class 1- 4 Counties)

	July 2016	§17-50-501	
COUNTY	POPULATION	CLASS	CRITERIA
Salt Lake	1,121,354	1	700,000
Utah	592,299	2	
Davis	342,281	2	
Weber	247,560	2	
Washington	160,245	2	125,000
Cache	122,753	3	
Tooele	64,833	3	
Box Elder	53,139	3	
Iron	49,937	3	
Summit	40,307	3	
Uintah	36,373	3	31,000
Wasatch	30,528	4	
Sanpete	29,409	4	
Sevier	21,267	4	
Carbon	20,399	4	
Duchesne	20,337	4	
San Juan	16,895	4	
Millard	12,694	4	
Morgan	11,437	4	
Juab	11,010	4	11,000
Emery	10,216	5	
Grand	9,579	5	
Kane	7,334	5	
Beaver	6,463	5	
Garfield	4,986	5	4,000
Wayne	2,702	6	
Rich	2,319	6	
Piute	1,466	6	
Daggett	1,095	6	

List of Urban Jurisdiction (all other counties not listed are Rural)

Salt Lake County
 Utah County
 Davis County
 Weber County
 Washington

Appendix 6I

Automatic Review Flowchart

