

UNDERSTANDING YOUR ASSESSMENT 2008



To express your concerns effectively, you must understand the two parts of the property tax system:

TAXATION & VALUATION

This information has been designed for Iron County property owners to answer your most commonly asked questions about the property tax system.

- What the Assessor does / does not do
- Tax rates and how they concern you
- Determining Property Values
- What “Fair Market Value” means
- How your taxes are calculated
- Why your taxes increase
- What to do when you disagree with the Assessor’s valuation
- Dates to remember regarding your assessment and taxes

WHAT DOES THE ASSESSOR DO?

The Assessor is required by Utah Law to list and value all property subject to ad valorem taxation on an assessment roll each year. “Ad valorem” means that all property should be taxed “according to value”. In Utah, all property, except primary residential, is appraised and taxed at 100% of fair market value. The Iron County Assessor’s Office values approximately 43,000 parcels of property. The Utah State Tax Commission values all transportation, utilities and mining properties.

WHAT THE ASSESSOR DOES NOT DO?

The Assessor does not make the tax laws that affect property owners. The Constitution of the State of Utah, as adopted by the voters, provides the basic framework for taxation. Tax laws are made by the Utah Legislature. The Utah Tax Commission sets the rules and regulations for assessment.

Taxes are levied by taxing entities, such as the school board, cities, and counties. Tax dollars are collected by the Iron County Treasurer. The Assessor’s Office has nothing to do with the total amount of tax collected.

The Assessor’s primary responsibility is to determine the “fair market value” of your property so that you pay only your fair share of the tax. The amount of tax you pay is determined by a “tax rate” applied to your property’s taxable value. The tax rate is the basis for the budget needed or demanded by the voters to provide for services such as schools, roads, snow removal, law enforcement, libraries, health programs, TV relay stations, weed control, building inspection, and so on. Tax rates are simply those rates that will provide funds to pay for those services.

TAX RATES FOR 2008*

Parowan	.009465	Paragonah	.007303
Kanarraville	.009103	Enoch	.008264
Brian Head	.009270	Cedar City	.009224
County	.008406*	County W.C.D	.008910*

*2008 Proposed Tax Rates

HOW ARE VALUES DETERMINED?

To arrive at “fair market value” for your property, the Assessor must know what “willing sellers” and “willing buyers” are doing in the marketplace. He must also keep current with costs of construction in the area and be aware of any changes in zoning, financing, and economic conditions that may affect property values.

The Assessor uses the three nationally recognized appraisal approaches to value: cost, income, and market. Data obtained through these approaches is correlated into a final value by an appraiser in the Assessor’s Office.

“Fair market value” is defined by Utah Code as:

“...the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy nor sell with both having reasonable knowledge of the relevant facts...”

Finding the “fair market value” of property involves discovering the price most people would pay for it in its present condition. However, the Assessor has to find what this value is for every property in Iron County every year. The Assessor’s job does not stop there. He must immediately begin gathering sales and other data for future years as the market constantly changes.

HOW ARE TAXES CALCULATED?

Tax rates are based on bond issues and the budgets of the taxing entities. Tax monies collected are used to pay for those services previously listed and any others demanded by taxpayers. To calculate the taxes on your property, the taxable value must be multiplied by the appropriate tax rate. If, as an example, you have \$10,000 of taxable value and the tax rate is .012345 you would pay \$10,000 x .012345 or \$123.45. If your home is valued at \$100,000 and is eligible for a primary exemption, you would calculate your taxes as follows:

\$100,000	(Fair Market Value)
<u>55%</u>	(Primary Exemption=45%)
\$ 55,000	(Taxable Value)
<u>x.012345</u>	(Tax Rate)
\$ 678.98	(Total Taxes Due)

HOW DO TAXES INCREASE?

When the people vote additional taxes, such as result from bond issues, an individual's property tax bill will probably increase. Also, when market value increases, naturally, so does the appraised value. If you were to make improvements to your existing property – add a garage, an additional room, or a swimming pool – the “fair market value” of your property would increase. The Assessor has not created the value in any of these cases. Buyers and Sellers create value by their transactions in the market place. The Assessor has the legal and moral responsibility to study those transactions and appraise your property accordingly.

WHAT SHOULD YOU DO IF YOU DISAGREE WITH YOUR VALUATION?

As a taxpayer, you have a responsibility to furnish correct information on your property to the Assessor's Office. They rely upon you to provide accurate data and information. You are entitled to question values placed on your property. If your opinion of the value of your property differs from the Assessor's, by all means go to the office and discuss the matter. Be prepared to show evidence that the valuation is too high. The staff will be glad to answer your questions about the appraisal, explaining how it was done. If, after discussing the matter with the Assessor, a difference of opinion still exists, you may appeal your assessment to the Iron County Board of Appeals. If the Board, after hearing your petition, agrees with the Assessor, you may still appeal this decision to the Utah State Tax Commission. If the Commission agrees with the Board and the Assessor, you can then plead your case before the courts should you choose to do so.

2008 Dates To Remember

January 1

Property is assessed as to condition and ownership as of this date
May 22

Assessor's deadline for having all properties appraised and on
the Assessment Roll

July 22

Notices of Valuation and Taxes are sent to taxpayers by the Iron
County Auditor

August

Board of Equalization opens for appeals of value

September 15

The deadline for all appeals to Board of Equalization (appeals
must submitted to the Auditor by 5:00 P.M. this date)

November 1

Deadline for tax notices to be sent to the taxpayers by the Iron
County Treasurer

November 30

Property taxes are due and payable by this date and become
delinquent thereafter

Policy Statement

Good information is one fundamental of good government. This information has been compiled to give you, the taxpayer, an overview of the Assessor's Office, how our work affects you, and what some of your rights and responsibilities are. Please contact my office whenever you have questions or need further information about your property valuation, taxes, or the laws that govern them. Thank you for your continued support. We are here to serve you.

Dennis W. Ayers, Iron County Assessor