

Superseded 5/13/2014

59-2-924 Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget.

- (1) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:
 - (a) a statement containing the aggregate valuation of all taxable real property assessed by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and
 - (b) a statement containing the taxable value of all personal property assessed by a county assessor in accordance with Part 3, County Assessment, from the prior year end values.
- (2) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:
 - (a) the statements described in Subsections (1)(a) and (b);
 - (b) an estimate of the revenue from personal property;
 - (c) the certified tax rate; and
 - (d) all forms necessary to submit a tax levy request.
- (3)
 - (a) The "certified tax rate" means a tax rate that will provide the same ad valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior year.
 - (b) For purposes of this Subsection (3):
 - (i) "Ad valorem property tax revenues" do not include:
 - (A) interest;
 - (B) penalties; and
 - (C) revenue received by a taxing entity from personal property that is:
 - (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (II) semiconductor manufacturing equipment.
 - (ii) "Aggregate taxable value of all property taxed" means:
 - (A) the aggregate taxable value of all real property assessed by a county assessor in accordance with Part 3, County Assessment, for the current year;
 - (B) the aggregate taxable year end value of all personal property assessed by a county assessor in accordance with Part 3, County Assessment, for the prior year; and
 - (C) the aggregate taxable value of all real and personal property assessed by the commission in accordance with Part 2, Assessment of Property, for the current year.
 - (c)
 - (i) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the taxing entity by the amount calculated under Subsection (3)(c)(ii).
 - (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall calculate an amount as follows:
 - (A) calculate for the taxing entity the difference between:
 - (I) the aggregate taxable value of all property taxed; and
 - (II) any redevelopment adjustments for the current calendar year;
 - (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;
 - (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the product of:

- (I) the amount calculated under Subsection (3)(c)(ii)(B); and
- (II) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and
- (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C) any new growth as defined in this section:
 - (I) within the taxing entity; and
 - (II) for the following calendar year:
 - (Aa) for new growth from real property assessed by a county assessor in accordance with Part 3, County Assessment and all property assessed by the commission in accordance with Section 59-2-201, the current calendar year; and
 - (Bb) for new growth from personal property assessed by a county assessor in accordance with Part 3, County Assessment, the prior calendar year.
- (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all property taxed:
 - (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in Subsection (3)(b)(ii);
 - (B) does not include the total taxable value of personal property contained on the tax rolls of the taxing entity that is:
 - (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (II) semiconductor manufacturing equipment; and
 - (C) for personal property assessed by a county assessor in accordance with Part 3, County Assessment, the taxable value of personal property is the year end value of the personal property contained on the prior year's tax rolls of the entity.
- (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after January 1, 2007, the value of taxable property does not include the value of personal property that is:
 - (A) within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (B) semiconductor manufacturing equipment.
- (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after January 1, 2007, the percentage of property taxes collected does not include property taxes collected from personal property that is:
 - (A) within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (B) semiconductor manufacturing equipment.
- (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after January 1, 2009, the value of taxable property does not include the value of personal property that is within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment.
- (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may prescribe rules for calculating redevelopment adjustments for a calendar year.
- (viii)
 - (A) Except as provided in Subsections (3)(c)(ix) and (x), for purposes of Subsection (3)(c)(i), a taxing entity's ad valorem property tax revenues budgeted for the prior year shall be decreased by an amount of revenue equal to the five-year average of the most recent prior five years of redemptions adjusted by the five-year average redemption calculated for the prior year as reported on the county treasurer's final annual settlement required under Subsection 59-2-1365(2).

- (B) A decrease under Subsection (3)(c)(viii)(A) does not apply to the multicounty assessing and collecting levy authorized in Subsection 59-2-1602(2)(a), the certified revenue levy, or the minimum basic tax rate established in Section 53A-17a-135.
- (ix) As used in Subsection (3)(c)(x):
 - (A) "One-fourth of qualifying redemptions excess amount" means a qualifying redemptions excess amount divided by four.
 - (B) "Qualifying redemptions" means that, for a calendar year, a taxing entity's total amount of redemptions is greater than three times the five-year average of the most recent prior five years of redemptions calculated for the prior year under Subsection (3)(c)(viii)(A).
 - (C) "Qualifying redemptions base amount" means an amount equal to three times the five-year average of the most recent prior five years of redemptions for a taxing entity, as reported on the county treasurer's final annual settlement required under Subsection 59-2-1365(2).
 - (D) "Qualifying redemptions excess amount" means the amount by which a taxing entity's qualifying redemptions for a calendar year exceed the qualifying redemptions base amount for that calendar year.
- (x)
 - (A) If, for a calendar year, a taxing entity has qualifying redemptions, the redemption amount for purposes of calculating the five-year redemption average required by Subsection (3)(c)(viii)(A) is as provided in Subsections (3)(c)(x)(B) and (C).
 - (B) For the initial calendar year a taxing entity has qualifying redemptions, the taxing entity's redemption amount for that calendar year is the qualifying redemptions base amount.
 - (C) For each of the four calendar years after the calendar year described in Subsection (3)(c)(x)(B), one-fourth of the qualifying redemptions excess amount shall be added to the redemption amount.
- (d)
 - (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules determining the calculation of ad valorem property tax revenues budgeted by a taxing entity.
 - (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax revenues are calculated for purposes of Section 59-2-913.
- (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall be calculated as follows:
 - (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax rate is zero;
 - (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:
 - (A) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and
 - (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(22); and
 - (iii) for debt service voted on by the public, the certified tax rate shall be the actual levy imposed by that section, except that the certified tax rates for the following levies shall be calculated in accordance with Section 59-2-913 and this section:
 - (A) school levies provided for under Sections 53A-16-113, 53A-17a-133, and 53A-17a-164; and

(B) levies to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1604.

(f)

(i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be established at that rate which is sufficient to generate only the revenue required to satisfy one or more eligible judgments, as defined in Section 59-2-102.

(ii) The ad valorem property tax revenue generated by the judgment levy shall not be considered in establishing the taxing entity's aggregate certified tax rate.

(g) The ad valorem property tax revenue generated by the capital local levy described in Section 53A-16-113 within a taxing entity in a county of the first class:

(i) may not be considered in establishing the school district's aggregate certified tax rate; and

(ii) shall be included by the commission in establishing a certified tax rate for that capital outlay levy determined in accordance with the calculation described in Subsection 59-2-913(3).

(4)

(a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

(ii) the taxable value of real and personal property assessed by the commission; and

(iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.

(b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the assessment roll does not include new growth as defined in Subsection (4)(c).

(c) "New growth" means:

(i) the difference between the increase in taxable value of the following property of the taxing entity from the previous calendar year to the current year:

(A) real property assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) property assessed by the commission under Section 59-2-201; plus

(ii) the difference between the increase in taxable year end value of personal property of the taxing entity from the year prior to the previous calendar year to the previous calendar year; minus

(iii) the amount of an increase in taxable value described in Subsection (4)(e).

(d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the taxing entity does not include the taxable value of personal property that is:

(i) contained on the tax rolls of the taxing entity if that property is assessed by a county assessor in accordance with Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

(e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

(i) the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, or any other adjustments; or

(ii) the amount of an increase in the taxable value of property assessed by the commission under Section 59-2-201 resulting from a change in the method of apportioning the taxable value prescribed by:

(A) the Legislature;

(B) a court;

(C) the commission in an administrative rule; or

(D) the commission in an administrative order.

- (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal property on the prior year's assessment roll does not include:
 - (i) new growth as defined in Subsection (4)(c); or
 - (ii) the total taxable year end value of personal property contained on the prior year's tax rolls of the taxing entity that is:
 - (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (B) semiconductor manufacturing equipment.
- (5)
 - (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.
 - (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county auditor of:
 - (i) its intent to exceed the certified tax rate; and
 - (ii) the amount by which it proposes to exceed the certified tax rate.
 - (c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.