

Representative Raymond W. Short proposes to substitute the following bill:

PROPERTY TAX CERTIFIED TAX RATE

ADJUSTMENTS - UNIFORM FEES

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Raymond W. Short

AN ACT RELATING TO THE PROPERTY TAX ACT; REQUIRING THE STATE TAX COMMISSION TO ADJUST A TAXING ENTITY'S CERTIFIED TAX RATE AND CERTIFIED REVENUE LEVY UNDER CERTAIN CIRCUMSTANCES; REPEALING OBSOLETE LANGUAGE; MAKING TECHNICAL CHANGES; AND PROVIDING FOR RETROSPECTIVE OPERATION.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

59-2-924, as last amended by Chapter 353, Laws of Utah 1999

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-924** is amended to read:

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

(1) (a) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

(i) a statement containing the aggregate valuation of all taxable property in each taxing entity; and

(ii) a statement containing the taxable value of any additional personal property estimated by the county assessor to be subject to taxation in the current year.

(b) The county auditor shall, on or before June 8, transmit to the governing body of each

26 taxing entity:

27 (i) the statements described in Subsections (1)(a)(i) and (ii);

28 (ii) an estimate of the revenue from personal property;

29 (iii) the certified tax rate; and

30 (iv) all forms necessary to submit a tax levy request.

31 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad valorem
32 property tax revenues for a taxing entity as were collected by that taxing entity for the prior year.

33 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not include:

34 (A) collections from redemptions;

35 (B) interest; and

36 (C) penalties.

37 (iii) Except as provided in Subsection (2)(a)(iv), the certified tax rate shall be calculated
38 by dividing the ad valorem property tax revenues collected for the prior year by the taxing entity
39 by the taxable value established in accordance with Section 59-2-913.

40 (iv) The certified tax rates for the taxing entities described in this Subsection (2)(a)(iv)
41 shall be calculated as follows:

42 (A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified tax
43 rate is zero;

44 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

45 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
46 services under Sections 17-34-1 and 17-36-9; and

47 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
48 purposes and such other levies imposed solely for the municipal-type services identified in Section
49 17-34-2 and Subsection 17-36-3(22);

50 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy
51 imposed by that section, except that the certified tax rates for the following levies shall be
52 calculated in accordance with Section 59-2-913 and this section:

53 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
54 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

55 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
56 orders under Section 59-2-906.3.

57 (v) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall be
58 established at that rate which is sufficient to generate only the revenue required to satisfy the
59 known, unpaid judgments. The ad valorem property tax revenue generated by the judgment levy
60 shall not be considered in establishing the taxing entity's aggregate certified tax rate.

61 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use the
62 taxable value of property on the assessment roll.

63 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the assessment
64 roll does not include new growth as defined in Subsection (2)(b)(iii).

65 (iii) "New growth" means:

66 (A) the difference between the increase in taxable value of the taxing entity from the
67 previous calendar year to the current year; minus

68 (B) the amount of increase to locally assessed real property taxable values resulting from
69 factoring, reappraisal, or any other adjustments.

70 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform
71 fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of
72 any county imposing a sales and use tax under Title 59, Chapter 12, Part 11, County Option Sales
73 and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

74 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under Title 59,
75 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

76 (A) decreased on a one-time basis by the amount of the estimated sales tax revenue to be
77 distributed to the county under Subsection 59-12-1102(3); and

78 (B) increased by the amount necessary to offset the county's reduction in revenue from
79 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a
80 result of the decrease in the certified tax rate under Subsection (2)(d)(i)(A).

81 (ii) The commission shall determine estimates of sales tax distributions for purposes of
82 Subsection (2)(d)(i).

83 [~~e) For the calendar year beginning on January 1, 1998, and ending December 31, 1998,~~
84 ~~a taxing entity's certified tax rate shall be increased by the amount necessary to offset the decrease~~
85 ~~in revenues from uniform fees on tangible personal property under Section 59-2-405 as a result of~~
86 ~~the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by the~~
87 ~~Legislature during the 1997 Annual General Session.]~~

88 [(f)] (e) Beginning January 1, 1998, if a municipality has imposed an additional resort
89 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
90 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated
91 revenue from the additional resort communities sales tax imposed under Section 59-12-402.

92 [(g)] (f) For the calendar year beginning on January 1, 1999, and ending on December 31,
93 1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the
94 adjustment in revenues from uniform fees on tangible personal property under Section 59-2-405.1
95 as a result of the adjustment in uniform fees on tangible personal property under Section
96 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

97 (g) For purposes of Subsections (2)(h) through (j):

98 (i) "1998 actual collections" means the amount of revenues a taxing entity actually
99 collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

100 (A) motor vehicles required to be registered with the state that weigh 12,000 pounds or
101 less; and

102 (B) state-assessed commercial vehicles required to be registered with the state that weigh
103 12,000 pounds or less.

104 (ii) "1999 actual collections" means the amount of revenues a taxing entity actually
105 collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

106 (h) For the calendar year beginning on January 1, 2000, the commission shall make the
107 following adjustments:

108 (i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for the
109 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
110 than the sum of:

111 (A) the taxing entity's 1999 actual collections; and

112 (B) any adjustments the commission made under Subsection (2)(f);

113 (ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for the
114 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
115 than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual collections were
116 less than the sum of:

117 (A) the taxing entity's 1999 actual collections; and

118 (B) any adjustments the commission made under Subsection (2)(f); and

119 (iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for
120 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were less
121 than the taxing entity's 1999 actual collections.

122 (i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing entity's
123 certified tax rate under this section and a taxing entity's certified revenue levy under Section
124 59-2-906.1 by the amount necessary to offset the difference between:

125 (A) the taxing entity's 1998 actual collections; and

126 (B) the sum of:

127 (I) the taxing entity's 1999 actual collections; and

128 (II) any adjustments the commission made under Subsection (2)(f).

129 (ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing entity's
130 certified tax rate under this section and a taxing entity's certified revenue levy under Section
131 59-2-906.1 by the amount necessary to offset the difference between:

132 (A) the sum of:

133 (I) the taxing entity's 1999 actual collections; and

134 (II) any adjustments the commission made under Subsection (2)(f); and

135 (B) the taxing entity's 1998 actual collections.

136 (iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing entity's
137 certified tax rate under this section and a taxing entity's certified revenue levy under Section
138 59-2-906.1 by the amount of any adjustments the commission made under Subsection (2)(f).

139 (j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for
140 purposes of Subsections (2)(f) through (i), the commission may make rules establishing the method
141 for determining a taxing entity's 1998 actual collections and 1999 actual collections.

142 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

143 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
144 auditor of:

145 (i) its intent to exceed the certified tax rate; and

146 (ii) the amount by which it proposes to exceed the certified tax rate.

147 (c) The county auditor shall notify all property owners of any intent to exceed the certified
148 tax rate in accordance with Subsection 59-2-919(2).

149 (4) (a) The taxable value for the base year under Subsection 17A-2-1247(2)(a) or

150 17A-2-1202(2), as the case may be, shall be reduced for any year to the extent necessary to provide
151 a redevelopment agency established under Title 17A, Chapter 2, Part 12, Utah Neighborhood
152 Development Act, with approximately the same amount of money the agency would have received
153 without a reduction in the county's certified tax rate if:

154 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
155 (2)(d)(i);

156 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
157 previous year; and

158 (iii) the decrease results in a reduction of the amount to be paid to the agency under
159 Section 17A-2-1247 or 17A-2-1247.5.

160 (b) The taxable value of the base year under Subsection 17A-2-1247(2)(a) or
161 17A-2-1202(2), as the case may be, shall be increased in any year to the extent necessary to
162 provide a redevelopment agency with approximately the same amount of money as the agency
163 would have received without an increase in the certified tax rate that year if:

164 (i) in that year the taxable value for the base year under Subsection 17A-2-1247(2) or
165 17A-2-1202(2) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or
166 (2)(d)(i); and

167 (ii) The certified tax rate of a city, school district, or special district increases independent
168 of the adjustment to the taxable value of the base year.

169 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i),
170 the amount of money allocated and, when collected, paid each year to a redevelopment agency
171 established under Title 17A, Chapter 2, Part 12, Utah Neighborhood Development Act, for the
172 payment of bonds or other contract indebtedness, but not for administrative costs, may not be less
173 than that amount would have been without a decrease in the certified tax rate under Subsection
174 (2)(c) or (2)(d)(i).

175 [~~(5) (a) Except as provided in Subsections (5)(d) through (f), for the calendar year~~
176 ~~beginning on January 1, 1998, and ending December 31, 1998, to impose a tax rate that exceeds~~
177 ~~the certified tax rate established in Subsection (2), a taxing entity shall obtain approval for the tax~~
178 ~~increase by a majority vote of the:]~~

179 [(i) governing body; and]

180 [(ii) people as provided in Subsection (5)(b).]

181 ~~[(b) To obtain voter approval for a tax increase under Subsection (5)(a), a taxing entity~~
182 ~~shall:]~~

183 ~~[(i) hold an election on the fourth Tuesday in June; and]~~

184 ~~[(ii) conduct the election according to the procedures and requirements of Title 20A,~~
185 ~~Election Code, governing local elections.]~~

186 ~~[(c) A tax rate imposed by a taxing entity under this Subsection (5) may not exceed the~~
187 ~~maximum levy permitted by law under Section 59-2-908.]~~

188 ~~[(d) Notwithstanding Subsection (5)(a), a school district is not required to obtain voter~~
189 ~~approval under this Subsection (5) to impose a tax rate that exceeds the certified tax rate:]~~

190 ~~[(i) under Section 53A-17a-135, if the Legislature increases the minimum basic tax rate~~
191 ~~under Section 53A-17a-135;]~~

192 ~~[(ii) under Section 53A-21-103;]~~

193 ~~[(iii) under Section 53A-16-111;]~~

194 ~~[(iv) if, on or after January 1, 1997, but on or before December 31, 1997, the school~~
195 ~~district obtained voter approval to impose the tax rate; or]~~

196 ~~[(v) if, on or after January 1, 1998, the school district obtains voter approval to impose the~~
197 ~~tax rate under a statutory provision, other than the provisions of this section, requiring voter~~
198 ~~approval to impose the tax rate.]~~

199 ~~[(e) Notwithstanding Subsection (5)(a), a municipality is not required to obtain voter~~
200 ~~approval under this Subsection (5) to impose a tax rate that exceeds the certified tax rate if:]~~

201 ~~[(i) the municipality meets the requirements of Sections 59-2-918 and 59-2-919; and]~~

202 ~~[(ii) in adopting the resolution required under Section 59-2-919, the municipal legislative~~
203 ~~body obtains approval to impose the tax rate by two-thirds of all members of the municipal~~
204 ~~legislative body.]~~

205 ~~[(f) Notwithstanding Subsection (5)(a), a county or municipality is not required to obtain~~
206 ~~voter approval under this Subsection (5) to impose a tax rate under Section 17A-2-1322 that~~
207 ~~exceeds the certified tax rate calculated for a special service district established under Title 17A,~~
208 ~~Chapter 2, Part 13, Utah Special Service District Act, if the county or municipality obtained voter~~
209 ~~approval to impose a tax on property within the special service district:]~~

210 ~~[(i) under Section 17A-2-1322; and]~~

211 ~~[(ii) on or after June 1, 1996.]~~

212 Section 2. **Retrospective operation.**

213 This act has retrospective operation to January 1, 2000.