

CALCULATION OF PROPERTY TAX LEVIES

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Merlynn T. Newbold

LONG TITLE

General Description:

This bill amends the Property Tax Act.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ modifies the calculations required to establish property tax levies for a taxing entity;
- ▶ grants rulemaking authority to the State Tax Commission; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

59-2-913, as last amended by Chapter 2, Laws of Utah 1997, Second Special Session

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

Section 1. Section **59-2-913** is amended to read:

59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of statement -- Filing with county auditor -- Transmittal to commission -- Calculations for establishing tax levies -- Rulemaking authority -- Format of statement.

(1) As used in this section:

(a) "percentage net change in the value of taxable property for the equalization period"

means the percentage net change between the taxable value of taxable property:

(i) (A) on June 8; and

(B) listed on the assessment roll as reported by the:

(I) county assessor; and

(II) county auditor; and

(ii) (A) on December 31; and

(B) as reported by the county auditor as a year-end taxable value; and

(b) "taxable property" means property:

(i) described in Section 59-2-201 that is assessed by the commission; and

(ii) described in Section 59-2-301 that is assessed by a county assessor.

~~[(H)]~~ (2) (a) The [governing] legislative body of each taxing entity shall file a statement as provided in this section with the county auditor of the county in which the taxing entity is located.

(b) The auditor shall annually transmit the statement to the commission:

(i) before June 22; or

(ii) with the approval of the commission, on a subsequent date prior to the date established under Section 59-2-1317 for mailing tax notices.

(c) The statement shall contain the amount and purpose of each levy fixed by the [governing] legislative body of the taxing entity.

~~[(2)]~~ (3) (a) For purposes of establishing the levy set for each of a taxing entity's applicable funds, the [taxing entity's governing body or board] legislative body of the taxing entity shall [:(i) divide] calculate an amount determined by dividing the budgeted property tax revenues, specified in a budget which has been adopted and approved prior to setting the levy, by [an] the amount [equal to: (A)] calculated under Subsection (3)(b).

(b) For purposes of Subsection (3)(a), the legislative body of a taxing entity shall calculate an amount as follows:

(i) calculate for the taxing entity the difference between:

(A) the aggregate taxable value of all property taxed; [minus] and

[(B) the taxing entity's estimated equalization adjustments in the current year; and]

(B) any redevelopment adjustments for the current calendar year;

(ii) after making the calculation required by Subsection (3)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (3)(b)(i) 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;

~~[(ii) multiply]~~ (iii) after making the calculation required by Subsection (3)(b)(ii), calculate the product of:

(A) the amount calculated under Subsection ~~[(2)(a)(i)] (3)(b)(ii) [by]; and~~

(B) the percentage of property taxes collected for the ~~[previous]~~ five ~~[fiscal]~~ calendar years~~[-]~~ immediately preceding the current calendar year; and

(iv) after making the calculation required by Subsection (3)(b)(iii), calculate an amount determined by subtracting from the amount calculated under Subsection (3)(b)(iii) any new growth as defined in Section 59-2-924:

(A) within the taxing entity; and

(B) for the current calendar year.

~~[(b)]~~ (c) For purposes of Subsection ~~[(2)(a)] (3)(b)(i)(A)~~, the aggregate taxable value of all property taxed includes:

(i) the total taxable value of the real and personal property contained on the tax rolls; and

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

(d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may prescribe rules for calculating redevelopment adjustments for a calendar year.

~~[(3)]~~ (4) The format of the statement under this section shall:

(a) be determined by the commission; and

(b) cite any applicable statutory provisions that:

(i) require a specific levy; or

(ii) limit the property tax levy for any taxing entity.

~~[(4)]~~ (5) The commission may require certification that the information submitted on a

statement under this section is true and correct.

Section 2. **Effective date.**

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.