

PLEASE NOTE:

THIS DOCUMENT INCLUDES BOTH THE BILL AND ALSO A TRANSMITTAL LETTER THAT CONTAINS PASSED AMENDMENTS BUT NOT INCORPORATED INTO THE BILL.

March 2, 2005

Mr. Speaker:

The Senate passed, upon reconsideration, as amended, **H.B. 324**, TAXABLE VALUE ADJUSTMENT FOR PROPERTY DAMAGED BY A NATURAL DISASTER, by Representative B. Last, and it is transmitted for further consideration and with the following amendments:

1. Page 1, Line 17 Delete "40%" and reinstate "30%"
2. Page 2a, Line 58 Delete "40%" and reinstate "30%"
 Lilac House Floor
 Amendments 2-22-2005
3. Page 3, Line 74 Delete "40%" and reinstate "30%"
 Lilac House Floor
 Amendments 2-22-2005

Respectfully,

Annette B. Moore
Secretary of the Senate

**TAXABLE VALUE ADJUSTMENT FOR
PROPERTY DAMAGED BY A NATURAL
DISASTER**

2005 GENERAL SESSION
STATE OF UTAH

Sponsor: Bradley G. Last

LONG TITLE

General Description:

This bill amends the Property Tax Act to provide a ~~tax~~ valuation adjustment for property damaged by a natural disaster.

Highlighted Provisions:

This bill:

~~tax~~ provides that, before completing and delivering the assessment book to the county auditor, the assessor shall adjust the assessment of property in the assessment book to reflect an adjustment in the taxable value of any property damaged by natural disaster if the adjustment is made by the county board of equalization on or before May 15;

- defines terms;
- grants rulemaking authority to the State Tax Commission;
- provides a property ~~tax~~ valuation adjustment for property damaged

by a natural disaster, if the damage causes a decrease in taxable value of at least ~~30%~~ 40% ;

▸ establishes application and hearing procedures for a county board of equalization to determine whether the owner of property is entitled to the tax adjustment provided in this bill; and

▸ provides for an appeal of a decision rendered by a county board of equalization regarding the ~~tax~~ valuation adjustment provided in this bill.

Monies Appropriated in this Bill:

None



25 **Other Special Clauses:**

26 **Ĥ→ [None] This bill provides retrospective operation. ←Ĥ**

27 **Utah Code Sections Affected:**

27a **Ĥ→ AMENDED:**

27b **59-2-311, as last amended by Chapters 75 and 86, Laws of Utah 2000 ←Ĥ**

28 ENACTS:

29 **59-2-1004.5**, Utah Code Annotated 1953



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

31a **H→ Section 1. Section 59-2-311 is amended to read:**

31b **59-2-311. Completion and delivery of assessment book -- Signed statement required --**

31c **Contents of signed statement H→ -- Adjustment of assessment in assessment book ←H .**

31d **H→ (1) ←H** Prior to May 22 each year, the assessor shall complete and deliver the
31e assessment book to the county auditor.

31f **H→ (2) ←H** The assessor shall subscribe and sign a statement in the assessment book
31g substantially as follows:

31h I, _____, the assessor of _____ County, do swear that before May 22, _____(year), I made
31i diligent inquiry and examination, and either personally or by deputy, established the value of
31j all of the property within the county subject to assessment by me; that the property has been
31k assessed on the assessment book equally and uniformly according to the best of my
31l judgment, information, and belief at its fair market value; that I have faithfully complied with
31m all the duties imposed on the assessor under the revenue laws including the requirements of
31n Section 59-2-303.1; and that I have not imposed any unjust or double assessments through
31o malice or ill will or otherwise, or allowed anyone to escape a just and equal assessment
31p through favor or reward, or otherwise.

31q **(3) Before completing and delivering the assessment book under Subsection (1),**
31r **the assessor shall adjust the assessment of property in the assessment book to**
31s **reflect an adjustment in the taxable value of any property if the adjustment in**
31t **taxable value is made:**

31u **(a) by the county board of equalization under Section 59-2-1004.5; and**

31v **(b) on or before May 15. ←H**

32 Section **H→ [±] 2 ←H** . Section **59-2-1004.5** is enacted to read:

33 **59-2-1004.5. Tax adjustment for decrease in taxable value caused by a natural**
34 **disaster.**

35 **(1) For purposes of this section:**

36 **(a) "natural disaster" means:**

37 **(i) an explosion;**

38 **(ii) fire;**

39 **(iii) a flood;**



40 (iv) a storm;
 41 (v) a tornado;
 42 (vi) winds;
 43 (vii) an earthquake;
 44 (viii) lightning;
 45 (ix) any adverse weather event; or
 46 (x) any event similar to an event described in this Subsection (1), as determined by the
 47 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative
 48 Rulemaking Act; and

49 (b) "natural disaster damage" means any physical harm to property caused by a natural
 50 disaster.

51 (2) Except as provided in Subsection (3), if, during a calendar year, property sustains a
 52 decrease in taxable value that is caused by natural disaster damage, the owner of the property
 53 may apply to the county board of equalization for an adjustment in the taxable value of the
 54 owner's property as provided in Subsection (4).

55 (3) Notwithstanding Subsection (2), an owner may not receive the ~~Ĥ~~→ [tax] valuation ←~~Ĥ~~
 55a adjustment
 56 described in this section if the decrease in taxable value described in Subsection (2) is:

57 (a) due to the intentional action or inaction of the owner; or

58 (b) less than ~~Ĥ~~→ [30%] 40% ←~~Ĥ~~ of the taxable value of the property described in
 58a Subsection (2)

59 before the decrease in taxable value described in Subsection (2).

60 (4) (a) To receive the ~~H~~→ [tax] valuation ←~~H~~ adjustment described in Subsection (2),
60a the owner of the

61 property shall file an application for the ~~H~~→ [tax] valuation ←~~H~~ adjustment with the county
61a board of equalization

62 on or before the later of:

63 (i) the deadline described in Subsection 59-2-1004(2); or

64 (ii) 45 days after the day on which the natural disaster damage described in Subsection
65 (2) occurs.

66 (b) The county board of equalization shall hold a hearing:

67 (i) within 30 days of the day on which the application described in Subsection (4)(a) is
68 received by the board of equalization; and

69 (ii) following the procedures and requirements of Section 59-2-1001.

70 (c) At the hearing described in Subsection (4)(b), the applicant shall have the burden of
71 proving, by a preponderance of the evidence:

72 (i) that the property sustained a decrease in taxable value, that:

73 (A) was caused by natural disaster damage; and

74 (B) is at least ~~H~~→ [30%] 40% ←~~H~~ of the taxable value of the property described in this
74a Subsection

75 (4)(c)(i) before the decrease in taxable value described in this Subsection (4)(c)(i);

76 (ii) the amount of the decrease in taxable value described in Subsection (4)(c)(i); and

77 (iii) that the decrease in taxable value described in Subsection (4)(c)(i) is not due to the
78 action or inaction of the applicant.

79 (d) If the county board of equalization determines that the applicant has met the burden
80 of proof described in Subsection (4)(c), the county board of equalization shall reduce the
81 valuation of the property described in Subsection (4)(c)(i) by an amount equal to the decrease
82 in taxable value of the property multiplied by the percentage of the calendar year remaining
83 after the natural disaster damage occurred.

84 (e) The decision of the board of equalization shall be provided to the applicant, in
85 writing, within 30 days of the day on which the hearing described in Subsection (4)(b) is
86 concluded.

87 (5) An applicant that is dissatisfied with a decision of the board of equalization under
88 this section may appeal that decision under Section 59-2-1006.

88a **~~H~~→ Section 3. Retrospection operation.**

88b

This bill provides retrospective operation to January 1, 2005. ←H

Legislative Review Note

as of 2-8-05 1:52 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0324

Taxable Value Adjustment for Property Damaged by a Natural Disaster

16-Feb-05

8:34 AM

AMENDED NOTE

State Impact

Passage of this bill could result in significant losses in local revenues including the local contribution to the minimum school program. The exact level of the loss is indeterminate at this time.

Individual and Business Impact

Individuals with property affected by natural disaster would experience tax reductions.

Office of the Legislative Fiscal Analyst