

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

2005 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley G. Last

Senate Sponsor: John W. Hickman

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ 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 valuation adjustment for property damaged by a natural disaster, if the damage causes a decrease in taxable value of at least 30%;

- ▶ 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 valuation adjustment provided in this bill.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-311, as last amended by Chapters 75 and 86, Laws of Utah 2000

ENACTS:

59-2-1004.5, Utah Code Annotated 1953

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

Section 1. Section **59-2-311** is amended to read:

59-2-311. Completion and delivery of assessment book -- Signed statement required -- Contents of signed statement -- Adjustment of assessment in assessment book.

(1) Prior to May 22 each year, the assessor shall complete and deliver the assessment book to the county auditor.

(2) The assessor shall subscribe and sign a statement in the assessment book substantially as follows:

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

(3) Before completing and delivering the assessment book under Subsection (1), the assessor shall adjust the assessment of property in the assessment book to reflect an adjustment

in the taxable value of any property if the adjustment in taxable value is made:

- (a) by the county board of equalization under Section 59-2-1004.5; and
- (b) on or before May 15.

Section 2. Section **59-2-1004.5** is enacted to read:

59-2-1004.5. Valuation adjustment for decrease in taxable value caused by a natural disaster.

(1) For purposes of this section:

(a) "natural disaster" means:

(i) an explosion;

(ii) fire;

(iii) a flood;

(iv) a storm;

(v) a tornado;

(vi) winds;

(vii) an earthquake;

(viii) lightning;

(ix) any adverse weather event; or

(x) any event similar to an event described in this Subsection (1), as determined by the commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act; and

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

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

(3) Notwithstanding Subsection (2), an owner may not receive the valuation adjustment described in this section if the decrease in taxable value described in Subsection (2) is:

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

(b) less than 30% of the taxable value of the property described in Subsection (2) before the decrease in taxable value described in Subsection (2).

(4) (a) To receive the valuation adjustment described in Subsection (2), the owner of the property shall file an application for the valuation adjustment with the county board of equalization on or before the later of:

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

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

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

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

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

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

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

(A) was caused by natural disaster damage; and

(B) is at least 30% of the taxable value of the property described in this Subsection (4)(c)(i) before the decrease in taxable value described in this Subsection (4)(c)(i);

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

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

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

(e) The decision of the board of equalization shall be provided to the applicant, in

writing, within 30 days of the day on which the hearing described in Subsection (4)(b) is concluded.

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

Section 3. Retrospective operation.

This bill provides retrospective operation to January 1, 2005.