

**Senator Wayne L. Niederhauser** proposes the following substitute bill:

**PERSONAL PROPERTY TAX AMENDMENTS**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John Dougall**

Senate Sponsor: Wayne L. Niederhauser

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**LONG TITLE**

**General Description:**

This bill amends the Property Tax Act and the chapter relating to the collection of certain personal property taxes and the calculation of the certified tax rate.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ amends the time period within which a county assessor or treasurer is required to deposit its collections of personal property tax revenue with the state treasurer or a qualified depository for the credit of the state;
- ▶ creates a depreciation schedule for certain classes of taxable tangible personal property;
- ▶ allows a person to elect to designate certain taxable tangible personal property as "expensed personal property" for valuation and taxing purposes;
- ▶ starting January 1, 2010, requires the Tax Commission to develop a depreciation schedule for short life expensed personal property;
- ▶ prohibits a county from requiring a person to itemize the person's expensed personal property;
- ▶ amends the date within which a person is required to file a statement with the



- 26 county assessor's office listing the person's real and personal property;
- 27       ▶ eliminates the certified mailing requirement for a county assessor when the county
- 28 assessor notifies a personal property taxpayer that the personal property taxpayer's
- 29 signed statement is past due;
- 30       ▶ amends the formula for the calculation of the certified tax rate;
- 31       ▶ requires the portions of the certified tax rate calculation that relate to personal
- 32 property values to be based on the prior year's personal property values;
- 33       ▶ amends the exemption amount for certain personal property;
- 34       ▶ exempts certain personal property with a residual value of 15% or less from
- 35 taxation;
- 36       ▶ amends the time period within which a personal property tax or uniform fee is due;
- 37 and
- 38       ▶ makes technical changes.

39 **Monies Appropriated in this Bill:**

40       None

41 **Other Special Clauses:**

42       This bill takes effect on January 1, 2009.

43 **Utah Code Sections Affected:**

44 AMENDS:

- 45       **17-34-3**, as last amended by Laws of Utah 2005, First Special Session, Chapter 9
- 46       **17C-1-408**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 47       **53A-16-106**, as last amended by Laws of Utah 1994, Chapter 12
- 48       **53A-17a-103**, as last amended by Laws of Utah 2007, Chapters 107 and 372
- 49       **53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26
- 50       **53A-19-102**, as last amended by Laws of Utah 2007, Chapter 92
- 51       **53A-19-105**, as last amended by Laws of Utah 2003, Chapter 122
- 52       **59-2-102**, as last amended by Laws of Utah 2007, Chapters 107, 234, and 329
- 53       **59-2-306**, as last amended by Laws of Utah 2000, Chapter 86
- 54       **59-2-307**, as last amended by Laws of Utah 2006, Chapter 39
- 55       **59-2-908**, as last amended by Laws of Utah 1995, Chapter 278
- 56       **59-2-913**, as last amended by Laws of Utah 2007, Chapter 107

- 57           **59-2-914**, as last amended by Laws of Utah 1995, Chapter 278
- 58           **59-2-918**, as last amended by Laws of Utah 2006, Chapters 26 and 104
- 59           **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107, and 329
- 60           **59-2-1115**, as last amended by Laws of Utah 2007, Chapter 8
- 61           **59-2-1302**, as last amended by Laws of Utah 2007, Chapter 306
- 62           **59-2-1330**, as last amended by Laws of Utah 2002, Chapters 196 and 240

63 ENACTS:

- 64           **59-2-108**, Utah Code Annotated 1953
- 65           **59-2-924.2**, Utah Code Annotated 1953

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

68           Section 1. Section **17-34-3** is amended to read:

69           **17-34-3. Taxes or service charges.**

70           (1) (a) If a county furnishes the municipal-type services and functions described in  
71 Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the  
72 entire cost of the services or functions so furnished shall be defrayed from funds that the county  
73 has derived from:

74           (i) taxes that the county may lawfully levy or impose outside the limits of incorporated  
75 towns or cities;

76           (ii) service charges or fees the county may impose upon the persons benefited in any  
77 way by the services or functions; or

78           (iii) a combination of these sources.

79           (b) As the taxes or service charges or fees are levied and collected, they shall be placed  
80 in a special revenue fund of the county and shall be disbursed only for the rendering of the  
81 services or functions established in Section 17-34-1 within the unincorporated areas of the  
82 county or as provided in Subsection 10-2-121(2).

83           (2) For the purpose of levying taxes, service charges, or fees provided in this section,  
84 the county legislative body may establish a district or districts in the unincorporated areas of  
85 the county.

86           (3) Nothing contained in this chapter may be construed to authorize counties to impose  
87 or levy taxes not otherwise allowed by law.

88 ~~[(4) (a) A county required under Subsection 17-34-1(4) to provide advanced life~~  
89 ~~support and paramedic services to the unincorporated area of the county and that previously~~  
90 ~~paid for those services through a countywide levy may increase its levy under Subsection~~  
91 ~~(1)(a)(i) to generate in the unincorporated area of the county the same amount of revenue as the~~  
92 ~~county loses from that area due to the required decrease in the countywide certified tax rate~~  
93 ~~under Subsection 59-2-924(2)(k)(i).]~~

94 ~~[(b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and~~  
95 ~~hearing requirements of Sections 59-2-918 and 59-2-919.]~~

96 [(5)] (4) Notwithstanding any other provision of this chapter, a county providing fire,  
97 paramedic, and police protection services in a designated recreational area, as provided in  
98 Subsection 17-34-1(5), may fund those services from the county general fund with revenues  
99 derived from both inside and outside the limits of cities and towns, and the funding of those  
100 services is not limited to unincorporated area revenues.

101 Section 2. Section **17C-1-408** is amended to read:

102 **17C-1-408. Base taxable value to be adjusted to reflect other changes.**

103 (1) (a) (i) As used in this Subsection (1), "qualifying decrease" means:

104 (A) a decrease of more than 20% from the previous tax year's levy; or

105 (B) a cumulative decrease over a consecutive five-year period of more than 100% from  
106 the levy in effect at the beginning of the five-year period.

107 (ii) The year in which a qualifying decrease under Subsection (1)(a)(i)(B) occurs is the  
108 fifth year of the five-year period.

109 (b) If there is a qualifying decrease in the minimum basic school levy under Section  
110 59-2-902 that would result in a reduction of the amount of tax increment to be paid to an  
111 agency:

112 (i) the base taxable value of taxable property within the project area shall be reduced in  
113 the year of the qualifying decrease to the extent necessary, even if below zero, to provide the  
114 agency with approximately the same amount of tax increment that would have been paid to the  
115 agency each year had the qualifying decrease not occurred; and

116 (ii) the amount of tax increment paid to the agency each year for the payment of bonds  
117 and indebtedness may not be less than what would have been paid to the agency if there had  
118 been no qualifying decrease.

119 (2) (a) The amount of the base taxable value to be used in determining tax increment  
120 shall be:

121 (i) increased or decreased by the amount of an increase or decrease that results from:

122 (A) a statute enacted by the Legislature or by the people through an initiative;

123 (B) a judicial decision;

124 (C) an order from the State Tax Commission to a county to adjust or factor its  
125 assessment rate under Subsection 59-2-704(2);

126 (D) a change in exemption provided in Utah Constitution Article XIII, Section 2, or  
127 Section 59-2-103; or

128 (E) an increase or decrease in the percentage of fair market value, as defined under  
129 Section 59-2-102; and

130 (ii) reduced for any year to the extent necessary, even if below zero, to provide an  
131 agency with approximately the same amount of money the agency would have received without  
132 a reduction in the county's certified tax rate if:

133 (A) in that year there is a decrease in the county's certified tax rate under Subsection  
134 [~~59-2-924(2)(c) or (d)(i)~~] 59-2-924.2(2) or (3)(a);

135 (B) the amount of the decrease is more than 20% of the county's certified tax rate of the  
136 previous year; and

137 (C) the decrease would result in a reduction of the amount of tax increment to be paid  
138 to the agency.

139 (b) Notwithstanding an increase or decrease under Subsection (2)(a), the amount of tax  
140 increment paid to an agency each year for payment of bonds or other indebtedness may not be  
141 less than would have been paid to the agency each year if there had been no increase or  
142 decrease under Subsection (2)(a).

143 Section 3. Section **53A-16-106** is amended to read:

144 **53A-16-106. Annual certification of tax rate proposed by local school board --**

145 **Inclusion of school district budget -- Modified filing date.**

146 (1) Prior to June 22 of each year, each local school board shall certify to the county  
147 legislative body in which the district is located, on forms prescribed by the State Tax  
148 Commission, the proposed tax rate approved by the local school board.

149 (2) A copy of the district's budget, including items under Section 53A-19-101, and a

150 certified copy of the local school board's resolution which approved the budget and set the tax  
151 rate for the subsequent school year beginning July 1 shall accompany the tax rate.

152 (3) If the tax rate approved by the board is in excess of the "certified tax rate" as  
153 defined under Subsection 59-2-924~~(2)~~(3)(a), the date for filing the tax rate and budget  
154 adopted by the board shall be that established under Section 59-2-919.

155 Section 4. Section **53A-17a-103** is amended to read:

156 **53A-17a-103. Definitions.**

157 As used in this chapter:

158 (1) "Basic state-supported school program" or "basic program" means public education  
159 programs for kindergarten, elementary, and secondary school students that are operated and  
160 maintained for the amount derived by multiplying the number of weighted pupil units for each  
161 district by \$2,514, except as otherwise provided in this chapter.

162 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
163 ad valorem property tax revenue equal to the sum of:

164 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
165 previous year from imposing a minimum basic tax rate, as specified in Subsection  
166 53A-17a-135(1)(a); and

167 (ii) the product of:

168 (A) new growth, as defined in:

169 (I) Section 59-2-924; and

170 (II) rules of the State Tax Commission; and

171 (B) the minimum basic tax rate certified by the State Tax Commission for the previous  
172 year.

173 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not  
174 include property tax revenue received statewide from personal property that is:

175 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County  
176 Assessment; and

177 (ii) semiconductor manufacturing equipment.

178 (c) For purposes of calculating the certified revenue levy described in this Subsection  
179 (2), the tax commission shall use:

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

181 assessment roll;

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

183 (iii) the taxable year end value of personal property assessed by a county assessor

184 contained on the prior year's assessment roll.

185 (3) "Leeway program" or "leeway" means a state-supported voted leeway program or  
186 board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.

187 (4) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

188 (5) (a) "State-supported minimum school program" or "minimum school program"

189 means public school programs for kindergarten, elementary, and secondary schools as  
190 described in this Subsection (5).

191 (b) The minimum school program established in the districts shall include the  
192 equivalent of a school term of nine months as determined by the State Board of Education.

193 (c) (i) The board shall establish the number of days or equivalent instructional hours  
194 that school is held for an academic school year.

195 (ii) Education, enhanced by utilization of technologically enriched delivery systems,  
196 when approved by local school boards, shall receive full support by the State Board of  
197 Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing  
198 commercial advertising.

199 (d) The program includes the total of the following annual costs:

200 (i) the cost of a basic state-supported school program; and

201 (ii) other amounts appropriated in this chapter in addition to the basic program.

202 (6) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of  
203 factors that is computed in accordance with this chapter for the purpose of determining the  
204 costs of a program on a uniform basis for each district.

205 Section 5. Section **53A-17a-133** is amended to read:

206 **53A-17a-133. State-supported voted leeway program authorized -- Election**  
207 **requirements -- State guarantee -- Reconsideration of the program.**

208 (1) An election to consider adoption or modification of a voted leeway program is  
209 required if initiative petitions signed by 10% of the number of electors who voted at the last  
210 preceding general election are presented to the local school board or by action of the board.

211 (2) (a) (i) To establish a voted leeway program, a majority of the electors of a district

212 voting at an election in the manner set forth in Section 53A-16-110 must vote in favor of a  
213 special tax.

214 (ii) The tax rate may not exceed .002 per dollar of taxable value.

215 (b) The district may maintain a school program which exceeds the cost of the program  
216 referred to in Section 53A-17a-145 with this voted leeway.

217 (c) In order to receive state support the first year, a district must receive voter approval  
218 no later than December 1 of the year prior to implementation.

219 (3) (a) Under the voted leeway program, the state shall contribute an amount sufficient  
220 to guarantee \$17.54 per weighted pupil unit for each .0001 of the first .0016 per dollar of  
221 taxable value.

222 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar  
223 of taxable value under Subsection (3)(a) shall apply to the board-approved leeway authorized  
224 in Section 53A-17a-134, so that the guarantee shall apply up to a total of .002 per dollar of  
225 taxable value if a school district levies a tax rate under both programs.

226 (c) (i) Beginning July 1, 2005, the \$17.54 guarantee under Subsections (3)(a) and (b)  
227 shall be indexed each year to the value of the weighted pupil unit by making the value of the  
228 guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

229 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted  
230 pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of  
231 the prior year's weighted pupil unit.

232 (d) (i) The amount of state guarantee money to which a school district would otherwise  
233 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's  
234 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
235 pursuant to changes in property valuation.

236 (ii) Subsection (3)(d)(i) applies for a period of two years following any such change in  
237 the certified tax rate.

238 (4) (a) An election to modify an existing voted leeway program is not a reconsideration  
239 of the existing program unless the proposition submitted to the electors expressly so states.

240 (b) A majority vote opposing a modification does not deprive the district of authority to  
241 continue an existing program.

242 (c) If adoption of a leeway program is contingent upon an offset reducing other local

243 school board levies, the board must allow the electors, in an election, to consider modifying or  
244 discontinuing the program prior to a subsequent increase in other levies that would increase the  
245 total local school board levy.

246 (d) Nothing contained in this section terminates, without an election, the authority of a  
247 school district to continue an existing voted leeway program previously authorized by the  
248 voters.

249 (5) Notwithstanding Section 59-2-918, a school district may budget an increased  
250 amount of ad valorem property tax revenue derived from a voted leeway imposed under this  
251 section in addition to revenue from new growth as defined in Subsection 59-2-924[(2)](4),  
252 without having to comply with the advertisement requirements of Section 59-2-918, if the  
253 voted leeway is approved:

254 (a) in accordance with Section 53A-16-110 on or after January 1, 2003; and

255 (b) within the four-year period immediately preceding the year in which the school  
256 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
257 the voted leeway.

258 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this  
259 section that exceeds the certified tax rate without having to comply with the advertisement  
260 requirements of Section 59-2-919 if:

261 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an  
262 increased amount of ad valorem property tax revenue derived from a voted leeway imposed  
263 under this section; and

264 (b) if the voted leeway was approved:

265 (i) in accordance with Section 53A-16-110 on or after January 1, 2003; and

266 (ii) within the four-year period immediately preceding the year in which the school  
267 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
268 the voted leeway.

269 Section 6. Section **53A-19-102** is amended to read:

270 **53A-19-102. Local school boards budget procedures.**

271 (1) Prior to June 22 of each year, each local school board shall adopt a budget and  
272 make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the  
273 certified tax rate defined in [Subsection] Section 59-2-924[(2)], the board shall comply with

274 Sections 59-2-918 and 59-2-919 in adopting the budget, except as provided by Section  
275 53A-17a-133.

276 (2) Prior to the adoption of a budget containing a tax rate which does not exceed the  
277 certified tax rate, the board shall hold a public hearing, as defined in Section 10-9a-103, on the  
278 proposed budget. In addition to complying with Title 52, Chapter 4, Open and Public Meetings  
279 Act, in regards to the hearing, the board shall do the following:

280 (a) publish the required newspaper notice at least ten days prior to the hearing; and

281 (b) file a copy of the proposed budget with the board's business administrator for public  
282 inspection at least ten days prior to the hearing.

283 (3) The board shall file a copy of the adopted budget with the state auditor and the  
284 State Board of Education.

285 Section 7. Section **53A-19-105** is amended to read:

286 **53A-19-105. School district interfund transfers.**

287 (1) A school district shall spend revenues only within the fund for which they were  
288 originally authorized, levied, collected, or appropriated.

289 (2) Except as otherwise provided in this section, school district interfund transfers of  
290 residual equity are prohibited.

291 (3) The State Board of Education may authorize school district interfund transfers of  
292 residual equity when a district states its intent to create a new fund or expand, contract, or  
293 liquidate an existing fund.

294 (4) The State Board of Education may also authorize school district interfund transfers  
295 of residual equity for a financially distressed district if the board determines the following:

296 (a) the district has a significant deficit in its maintenance and operations fund caused  
297 by circumstances not subject to the administrative decisions of the district;

298 (b) the deficit cannot be reasonably reduced under Section 53A-19-104; and

299 (c) without the transfer, the school district will not be capable of meeting statewide  
300 educational standards adopted by the State Board of Education.

301 (5) The board shall develop standards for defining and aiding financially distressed  
302 school districts under this section in accordance with Title 63, Chapter 46a, Utah  
303 Administrative Rulemaking Act.

304 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded

305 and reported in the debt service fund.

306 (b) Debt service levies under Subsection 59-2-924~~[(2)(a)(v)(C)](3)(e)(iii)~~ that are not  
307 subject to the certified tax rate hearing requirements of Sections 59-2-918 and 59-2-919 may  
308 not be used for any purpose other than retiring general obligation debt.

309 (c) Amounts from these levies remaining in the debt service fund at the end of a fiscal  
310 year shall be used in subsequent years for general obligation debt retirement.

311 (d) Any amounts left in the debt service fund after all general obligation debt has been  
312 retired may be transferred to the capital projects fund upon completion of the budgetary hearing  
313 process required under Section 53A-19-102.

314 Section 8. Section **59-2-102** is amended to read:

315 **59-2-102. Definitions.**

316 As used in this chapter and title:

317 (1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
318 engaging in dispensing activities directly affecting agriculture or horticulture with an  
319 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or  
320 rotorcraft's use for agricultural and pest control purposes.

321 (2) "Air charter service" means an air carrier operation which requires the customer to  
322 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled  
323 trip.

324 (3) "Air contract service" means an air carrier operation available only to customers  
325 who engage the services of the carrier through a contractual agreement and excess capacity on  
326 any trip and is not available to the public at large.

327 (4) "Aircraft" is as defined in Section 72-10-102.

328 (5) "Airline" means any air carrier operating interstate routes on a scheduled basis  
329 which offers to fly passengers or cargo on the basis of available capacity on regularly scheduled  
330 routes.

331 (6) "Assessment roll" means a permanent record of the assessment of property as  
332 assessed by the county assessor and the commission and may be maintained manually or as a  
333 computerized file as a consolidated record or as multiple records by type, classification, or  
334 categories.

335 (7) (a) "Certified revenue levy" means a property tax levy that provides [~~the same~~

336 amount of ad valorem property tax revenue as was collected for the prior year, plus new  
337 growth, but exclusive of revenue from collections from redemptions, interest, and penalties:] an  
338 amount of ad valorem property tax revenue equal to the sum of:

339 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
340 previous year from imposing a minimum basic tax rate, as specified in Subsection  
341 53A-17a-135(1)(a); and

342 (ii) the product of:

343 (A) new growth, as defined in:

344 (I) Section 59-2-924; and

345 (II) rules of the commission; and

346 (B) the minimum basic tax rate certified by the commission for the previous year.

347 (b) For purposes of this Subsection (7), "ad valorem property tax revenue" does not  
348 include property tax revenue received by a taxing entity from personal property that is:

349 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and

350 (ii) semiconductor manufacturing equipment.

351 (c) For purposes of calculating the certified revenue levy described in this Subsection  
352 (7), the commission shall use:

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

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

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

358 (8) "County-assessed commercial vehicle" means:

359 (a) any commercial vehicle, trailer, or semitrailer which is not apportioned under  
360 Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or  
361 property in furtherance of the owner's commercial enterprise;

362 (b) any passenger vehicle owned by a business and used by its employees for  
363 transportation as a company car or vanpool vehicle; and

364 (c) vehicles which are:

365 (i) especially constructed for towing or wrecking, and which are not otherwise used to  
366 transport goods, merchandise, or people for compensation;

- 367 (ii) used or licensed as taxicabs or limousines;
- 368 (iii) used as rental passenger cars, travel trailers, or motor homes;
- 369 (iv) used or licensed in this state for use as ambulances or hearses;
- 370 (v) especially designed and used for garbage and rubbish collection; or
- 371 (vi) used exclusively to transport students or their instructors to or from any private,
- 372 public, or religious school or school activities.

373 (9) (a) Except as provided in Subsection (9)(b), for purposes of Section 59-2-801,  
374 "designated tax area" means a tax area created by the overlapping boundaries of only the  
375 following taxing entities:

- 376 (i) a county; and
- 377 (ii) a school district.

378 (b) Notwithstanding Subsection (9)(a), "designated tax area" includes a tax area created  
379 by the overlapping boundaries of:

- 380 (i) the taxing entities described in Subsection (9)(a); and
- 381 (ii) (A) a city or town if the boundaries of the school district under Subsection (9)(a)  
382 and the boundaries of the city or town are identical; or
- 383 (B) a special service district if the boundaries of the school district under Subsection  
384 (9)(a) are located entirely within the special service district.

385 (10) "Eligible judgment" means a final and unappealable judgment or order under  
386 Section 59-2-1330:

387 (a) that became a final and unappealable judgment or order no more than 14 months  
388 prior to the day on which the notice required by Subsection 59-2-919(4) is required to be  
389 mailed; and

390 (b) for which a taxing entity's share of the final and unappealable judgment or order is  
391 greater than or equal to the lesser of:

- 392 (i) \$5,000; or
- 393 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
394 previous fiscal year.

395 (11) (a) "Escaped property" means any property, whether personal, land, or any  
396 improvements to the property, subject to taxation and is:

- 397 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed

398 to the wrong taxpayer by the assessing authority;

399 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to  
400 comply with the reporting requirements of this chapter; or

401 (iii) undervalued because of errors made by the assessing authority based upon  
402 incomplete or erroneous information furnished by the taxpayer.

403 (b) Property which is undervalued because of the use of a different valuation  
404 methodology or because of a different application of the same valuation methodology is not  
405 "escaped property."

406 (12) "Fair market value" means the amount at which property would change hands  
407 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell  
408 and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair  
409 market value" shall be determined using the current zoning laws applicable to the property in  
410 question, except in cases where there is a reasonable probability of a change in the zoning laws  
411 affecting that property in the tax year in question and the change would have an appreciable  
412 influence upon the value.

413 (13) "Farm machinery and equipment," for purposes of the exemption provided under  
414 Section 59-2-1101, means tractors, milking equipment and storage and cooling facilities, feed  
415 handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage  
416 tools, scales, combines, spreaders, sprayers, haying equipment, and any other machinery or  
417 equipment used primarily for agricultural purposes; but does not include vehicles required to be  
418 registered with the Motor Vehicle Division or vehicles or other equipment used for business  
419 purposes other than farming.

420 (14) "Geothermal fluid" means water in any form at temperatures greater than 120  
421 degrees centigrade naturally present in a geothermal system.

422 (15) "Geothermal resource" means:

423 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;  
424 and

425 (b) the energy, in whatever form, including pressure, present in, resulting from, created  
426 by, or which may be extracted from that natural heat, directly or through a material medium.

427 (16) (a) "Goodwill" means:

428 (i) acquired goodwill that is reported as goodwill on the books and records:

- 429 (A) of a taxpayer; and
- 430 (B) that are maintained for financial reporting purposes; or
- 431 (ii) the ability of a business to:
- 432 (A) generate income:
- 433 (I) that exceeds a normal rate of return on assets; and
- 434 (II) resulting from a factor described in Subsection (16)(b); or
- 435 (B) obtain an economic or competitive advantage resulting from a factor described in
- 436 Subsection (16)(b).
- 437 (b) The following factors apply to Subsection (16)(a)(ii):
- 438 (i) superior management skills;
- 439 (ii) reputation;
- 440 (iii) customer relationships;
- 441 (iv) patronage; or
- 442 (v) a factor similar to Subsections (16)(b)(i) through (iv).
- 443 (c) "Goodwill" does not include:
- 444 (i) the intangible property described in Subsection (20)(a) or (b);
- 445 (ii) locational attributes of real property, including:
- 446 (A) zoning;
- 447 (B) location;
- 448 (C) view;
- 449 (D) a geographic feature;
- 450 (E) an easement;
- 451 (F) a covenant;
- 452 (G) proximity to raw materials;
- 453 (H) the condition of surrounding property; or
- 454 (I) proximity to markets;
- 455 (iii) value attributable to the identification of an improvement to real property,
- 456 including:
- 457 (A) reputation of the designer, builder, or architect of the improvement;
- 458 (B) a name given to, or associated with, the improvement; or
- 459 (C) the historic significance of an improvement; or

460 (iv) the enhancement or assemblage value specifically attributable to the interrelation  
461 of the existing tangible property in place working together as a unit.

462 (17) "Governing body" means:

463 (a) for a county, city, or town, the legislative body of the county, city, or town;

464 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -  
465 Local Districts, the local district's board of trustees;

466 (c) for a school district, the local board of education; or

467 (d) for a special service district under Title 17A, Chapter 2, Part 13, Utah Special  
468 Service District Act:

469 (i) the legislative body of the county or municipality that created the special service  
470 district, to the extent that the county or municipal legislative body has not delegated authority  
471 to an administrative control board established under Section 17A-2-1326; or

472 (ii) the administrative control board, to the extent that the county or municipal  
473 legislative body has delegated authority to an administrative control board established under  
474 Section 17A-2-1326.

475 (18) (a) For purposes of Section 59-2-103:

476 (i) "household" means the association of persons who live in the same dwelling,  
477 sharing its furnishings, facilities, accommodations, and expenses; and

478 (ii) "household" includes married individuals, who are not legally separated, that have  
479 established domiciles at separate locations within the state.

480 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
481 commission may make rules defining the term "domicile."

482 (19) (a) Except as provided in Subsection (19)(c), "improvement" means a building,  
483 structure, fixture, fence, or other item that is permanently attached to land, regardless of  
484 whether the title has been acquired to the land, if:

485 (i) (A) attachment to land is essential to the operation or use of the item; and

486 (B) the manner of attachment to land suggests that the item will remain attached to the  
487 land in the same place over the useful life of the item; or

488 (ii) removal of the item would:

489 (A) cause substantial damage to the item; or

490 (B) require substantial alteration or repair of a structure to which the item is attached.

- 491 (b) "Improvement" includes:
- 492 (i) an accessory to an item described in Subsection (19)(a) if the accessory is:
- 493 (A) essential to the operation of the item described in Subsection (19)(a); and
- 494 (B) installed solely to serve the operation of the item described in Subsection (19)(a);
- 495 and
- 496 (ii) an item described in Subsection (19)(a) that:
- 497 (A) is temporarily detached from the land for repairs; and
- 498 (B) remains located on the land.
- 499 (c) Notwithstanding Subsections (19)(a) and (b), "improvement" does not include:
- 500 (i) an item considered to be personal property pursuant to rules made in accordance
- 501 with Section 59-2-107;
- 502 (ii) a moveable item that is attached to land:
- 503 (A) for stability only; or
- 504 (B) for an obvious temporary purpose;
- 505 (iii) (A) manufacturing equipment and machinery; or
- 506 (B) essential accessories to manufacturing equipment and machinery;
- 507 (iv) an item attached to the land in a manner that facilitates removal without substantial
- 508 damage to:
- 509 (A) the land; or
- 510 (B) the item; or
- 511 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that
- 512 transportable factory-built housing unit is considered to be personal property under Section
- 513 59-2-1503.
- 514 (20) "Intangible property" means:
- 515 (a) property that is capable of private ownership separate from tangible property,
- 516 including:
- 517 (i) moneys;
- 518 (ii) credits;
- 519 (iii) bonds;
- 520 (iv) stocks;
- 521 (v) representative property;

- 522 (vi) franchises;
- 523 (vii) licenses;
- 524 (viii) trade names;
- 525 (ix) copyrights; and
- 526 (x) patents;
- 527 (b) a low-income housing tax credit; or
- 528 (c) goodwill.
- 529 (21) "Low-income housing tax credit" means:
- 530 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
- 531 or
- 532 (b) a low-income housing tax credit under:
- 533 (i) Section 59-7-607; or
- 534 (ii) Section 59-10-1010.
- 535 (22) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 536 (23) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
- 537 valuable mineral.
- 538 (24) "Mining" means the process of producing, extracting, leaching, evaporating, or
- 539 otherwise removing a mineral from a mine.
- 540 (25) (a) "Mobile flight equipment" means tangible personal property that is:
- 541 (i) owned or operated by an:
- 542 (A) air charter service;
- 543 (B) air contract service; or
- 544 (C) airline; and
- 545 (ii) (A) capable of flight;
- 546 (B) attached to an aircraft that is capable of flight; or
- 547 (C) contained in an aircraft that is capable of flight if the tangible personal property is
- 548 intended to be used:
- 549 (I) during multiple flights;
- 550 (II) during a takeoff, flight, or landing; and
- 551 (III) as a service provided by an air charter service, air contract service, or airline.
- 552 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare

553 engine that is rotated:

554 (A) at regular intervals; and

555 (B) with an engine that is attached to the aircraft.

556 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,

557 the commission may make rules defining the term "regular intervals."

558 (26) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,

559 sand, rock, gravel, and all carboniferous materials.

560 (27) "Personal property" includes:

561 (a) every class of property as defined in Subsection (28) which is the subject of

562 ownership and not included within the meaning of the terms "real estate" and "improvements";

563 (b) gas and water mains and pipes laid in roads, streets, or alleys;

564 (c) bridges and ferries;

565 (d) livestock which, for the purposes of the exemption provided under Section

566 59-2-1112, means all domestic animals, honeybees, poultry, fur-bearing animals, and fish; and

567 (e) outdoor advertising structures as defined in Section 72-7-502.

568 (28) (a) "Property" means property that is subject to assessment and taxation according

569 to its value.

570 (b) "Property" does not include intangible property as defined in this section.

571 (29) "Public utility," for purposes of this chapter, means the operating property of a

572 railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline

573 company, electrical corporation, telephone corporation, sewerage corporation, or heat

574 corporation where the company performs the service for, or delivers the commodity to, the

575 public generally or companies serving the public generally, or in the case of a gas corporation

576 or an electrical corporation, where the gas or electricity is sold or furnished to any member or

577 consumers within the state for domestic, commercial, or industrial use. Public utility also

578 means the operating property of any entity or person defined under Section 54-2-1 except water

579 corporations.

580 (30) "Real estate" or "real property" includes:

581 (a) the possession of, claim to, ownership of, or right to the possession of land;

582 (b) all mines, minerals, and quarries in and under the land, all timber belonging to

583 individuals or corporations growing or being on the lands of this state or the United States, and

584 all rights and privileges appertaining to these; and

585 (c) improvements.

586 (31) "Residential property," for the purposes of the reductions and adjustments under  
587 this chapter, means any property used for residential purposes as a primary residence. It does  
588 not include property used for transient residential use or condominiums used in rental pools.

589 (32) For purposes of Subsection 59-2-801(1)(e), "route miles" means the number of  
590 miles calculated by the commission that is:

591 (a) measured in a straight line by the commission; and

592 (b) equal to the distance between a geographical location that begins or ends:

593 (i) at a boundary of the state; and

594 (ii) where an aircraft:

595 (A) takes off; or

596 (B) lands.

597 (33) (a) "State-assessed commercial vehicle" means:

598 (i) any commercial vehicle, trailer, or semitrailer which operates interstate or intrastate  
599 to transport passengers, freight, merchandise, or other property for hire; or

600 (ii) any commercial vehicle, trailer, or semitrailer which operates interstate and  
601 transports the vehicle owner's goods or property in furtherance of the owner's commercial  
602 enterprise.

603 (b) "State-assessed commercial vehicle" does not include vehicles used for hire which  
604 are specified in Subsection (8)(c) as county-assessed commercial vehicles.

605 (34) "Taxable value" means fair market value less any applicable reduction allowed for  
606 residential property under Section 59-2-103.

607 (35) "Tax area" means a geographic area created by the overlapping boundaries of one  
608 or more taxing entities.

609 (36) "Taxing entity" means any county, city, town, school district, special taxing  
610 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
611 Districts, or other political subdivision of the state with the authority to levy a tax on property.

612 (37) "Tax roll" means a permanent record of the taxes charged on property, as extended  
613 on the assessment roll and may be maintained on the same record or records as the assessment  
614 roll or may be maintained on a separate record properly indexed to the assessment roll. It

615 includes tax books, tax lists, and other similar materials.

616 Section 9. Section **59-2-108** is enacted to read:

617 **59-2-108. Depreciation schedule for certain taxable tangible personal property.**

618 (1) As used in this section:

619 (a) (i) "Acquisition cost" means all costs required to put an item of tangible personal  
620 property into service; and

621 (ii) includes:

622 (A) the purchase price for a new or used item;

623 (B) the cost of freight and shipping;

624 (C) the cost of installation, engineering, erection, or assembly; and

625 (D) sales and use taxes.

626 (b) "Expensed personal property" means an item of taxable tangible personal property  
627 that:

628 (i) has an acquisition cost of \$1,000 or less; and

629 (ii) a person elects to have assessed according to a schedule described in Subsection  
630 (4).

631 (c) (i) "Item of taxable tangible personal property" does not include an improvement to  
632 real property or a part that will become an improvement.

633 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
634 the commission may make rules defining the term "item of taxable tangible personal property."

635 (d) (i) "Short life expensed personal property" means expensed personal property that  
636 is the same type as the following personal property:

637 (A) short life property;

638 (B) short life trade fixtures; or

639 (C) computer hardware.

640 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
641 the commission may make rules defining the following terms:

642 (A) "short life property";

643 (B) "short life trade fixtures"; and

644 (C) "computer hardware."

645 (e) "Taxable tangible personal property" means tangible personal property that is

646 subject to taxation under this chapter.

647 (2) (a) A person may elect to designate taxable tangible personal property as expensed  
648 personal property.

649 (b) A county shall not require a person to:

650 (i) itemize expensed personal property on the signed statement described in Section  
651 59-2-306; and

652 (ii) track expensed personal property.

653 (c) If a taxpayer's expensed personal property is audited in accordance with Subsection  
654 59-2-306(3), a taxpayer shall provide proof of the acquisition cost of the expensed personal  
655 property.

656 (3) (a) An election to designate taxable tangible personal property as expensed personal  
657 property under this section may not be revoked.

658 (b) Except as provided in Subsection (3)(d), if an item of taxable tangible personal  
659 property is designated as expensed personal property, the person must pay taxes according to  
660 the taxable value determined by the schedule for a term designated by a schedule described in  
661 Subsection (4).

662 (c) If a person sells or otherwise disposes of an item of expensed personal property  
663 prior to the time period described in Subsection (3)(b) or (d), the person shall continue to pay  
664 taxes according to the schedule described in Subsection (4).

665 (d) If a person elects to designate an item of taxable tangible personal property  
666 acquired before December 31, 2008, as expensed personal property at a time after the first year  
667 after the item is acquired, the person must pay taxes according to the taxable value determined  
668 by the schedule for a time period that equals:

669 (i) the time period designated in Subsection (3)(b); less

670 (ii) the time period beginning when the person acquired the item of expensed personal  
671 property and ending when the person designated the item as short life expensed personal  
672 property.

673 (e) If a person elects to designate taxable tangible personal property as expensed  
674 personal property in accordance with Subsection (2)(a), the person may not appeal the values  
675 described in Subsection (4).

676 (4) (a) For the taxable year beginning on January 1, 2009 and ending on December 31,

677 2009, the taxable value of short life expensed personal property is calculated by applying the  
 678 percent good factor against the acquisition cost of the property as follows:

679 Short Life Expensed Personal Property Schedule

680	<u>Year of</u>	<u>Percent Good of</u>
681	<u>Acquisition</u>	<u>Acquisition Cost</u>
682	<u>2008</u>	<u>69%</u>
683	<u>2007</u>	<u>52%</u>
684	<u>2006</u>	<u>30%</u>
685	<u>2005</u>	<u>17%</u>
686	<u>2004</u>	<u>11%</u>

687 (b) For taxable years beginning on or after January 1, 2010, the taxable value of short  
 688 life expensed personal property shall be assessed according to a schedule developed by the  
 689 commission in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

690 Section 10. Section **59-2-306** is amended to read:

691 **59-2-306. Statements by taxpayers -- Power of assessors respecting statements.**

692 (1) The county assessor may request a signed statement from any person setting forth  
 693 all the real and personal property assessable by the assessor which is owned, possessed,  
 694 managed, or under the control of the person at 12 [~~o'clock~~] noon on January 1. [~~This~~  
 695 ~~statement~~]

696 (2) (a) Except as provided in Subsection (2)(b) or (c), a signed statement described in  
 697 Subsection (1) shall be filed on or before May 15 of the year the statement described in  
 698 Subsection (1) is requested by the county assessor.

699 (b) For a county of the first class, the signed statement described in Subsection (1) shall  
 700 be filed [~~within 30~~] on the later of:

701 (i) 60 days after requested by the assessor[-]; or

702 (ii) on or before May 15 of the year the statement described in Subsection (1) is  
 703 requested by the county assessor if, by resolution, the county legislative body of that county  
 704 adopts the deadline described in Subsection (2)(a).

705 (c) If a county assessor requests a signed statement described in Subsection (1) on or  
 706 after March 16, the person shall file the signed statement within 60 days after requested by the  
 707 assessor.

708           ~~[(2)]~~ (3) The signed statement shall include the following:

709           (a) all property belonging to, claimed by, or in the possession, control, or management  
710 of the person, any firm of which the person is a member, or any corporation of which the  
711 person is president, secretary, cashier, or managing agent;

712           (b) the county in which the property is located or in which it is taxable; and, if taxable  
713 in the county in which the signed statement was made, also the city, town, school district, road  
714 district, or other taxing district in which it is located or taxable; and

715           (c) all lands in parcels or subdivisions not exceeding 640 acres each, the sections and  
716 fractional sections of all tracts of land containing more than 640 acres which have been  
717 sectionized by the United States Government, and the improvements on those lands.

718           ~~[(3)]~~ (4) Every assessor may subpoena and examine any person in any county in  
719 relation to any signed statement but may not require that person to appear in any county other  
720 than the county in which the subpoena is served.

721           Section 11. Section **59-2-307** is amended to read:

722           **59-2-307. Refusal by taxpayer to file signed statement -- Penalty -- Assessor to**  
723 **estimate value -- Reporting information to other counties.**

724           (1) (a) Each person who fails to file the signed statement required by Section 59-2-306,  
725 fails to file the signed statement with respect to name and place of residence, or fails to appear  
726 and testify when requested by the assessor, shall pay a penalty equal to 10% of the estimated  
727 tax due, but not less than \$100 for each failure to file a signed and completed statement.

728           (b) Each penalty under Subsection (1)(a) shall be collected in the manner provided by  
729 Sections 59-2-1302 and 59-2-1303, except as otherwise provided for in this section, or by a  
730 judicial proceeding brought in the name of the assessor.

731           (c) All money recovered by any assessor under this section shall be paid into the county  
732 treasury.

733           (2) (a) The penalty imposed by Subsection (1)(a) may not be waived or reduced by the  
734 assessor, county, county Board of Equalization, or commission except pursuant to a procedure  
735 for the review and approval of reductions and waivers adopted by county ordinance, or by  
736 administrative rule adopted in accordance with Title 63, Chapter 46a, Utah Administrative  
737 Rulemaking Act.

738           (b) The penalty under Subsection (1)(a) for failure to appear and testify when requested

739 by the assessor may not be imposed until 30 days after the [certified] postmark date of mailing  
740 of a subsequent [certified] notice.

741 (3) (a) If [any] an owner neglects or refuses to file [the] a signed statement [~~within 30~~  
742 ~~days of the date the first county request was sent~~] requested by an assessor of a county of the  
743 first class as required under Section 59-2-306, the assessor [~~shall~~] of a county of the first class:

744 (i) shall make:

745 (A) a subsequent request by [certified] mail for the signed statement, informing the  
746 owner of the consequences of not filing a signed statement; and

747 (B) a record of the failure to file and an estimate of the value of the property of the  
748 owner based on known facts and circumstances; and

749 (ii) may impose a fee for the actual and necessary expenses of the [certified] mailing  
750 under Subsection (3)(a)(i)(A).

751 (b) The value fixed by the assessor may not be reduced by the county board of  
752 equalization or by the commission.

753 (4) If the signed statement discloses property in any other county, the assessor shall file  
754 the signed statement and send a [certified] copy to the assessor of each county in which the  
755 property is located.

756 Section 12. Section **59-2-908** is amended to read:

757 **59-2-908. Single aggregate limitation -- Maximum levy.**

758 (1) Except as provided in Subsection (2), each county shall have a single aggregate  
759 limitation on the property tax levied for all purposes by the county. Except as provided in  
760 Section 59-2-911, this limitation may not exceed the maximum set forth in this section. The  
761 maximum is:

762 (a) .0032 per dollar of taxable value in all counties with a total taxable value of more  
763 than \$100,000,000; and

764 (b) .0036 per dollar of taxable value in all counties with a total taxable value of less  
765 than \$100,000,000.

766 (2) (a) Beginning January 1, 1995, a county may impose a tax rate in excess of the  
767 limitation provided in Subsection (1) if the rate established under Subsection (1)(a) or (b)  
768 generates revenues for the county in an amount that is less than the revenues that would be  
769 generated by the county under the certified tax rate established in [~~Subsection~~] Section

770 59-2-924[(2)].

771 (b) A county meeting the requirements of Subsection (2)(a) may impose a tax rate that  
772 does not exceed the certified tax rate established in [~~Subsection~~] Section 59-2-924[(2)].

773 Section 13. Section **59-2-913** is amended to read:

774 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**  
775 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**  
776 **establishing tax levies -- Format of statement.**

777 (1) As used in this section, "budgeted property tax revenues" does not include property  
778 tax revenue received by a taxing entity from personal property that is:

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

780 (b) semiconductor manufacturing equipment.

781 (2) (a) The legislative body of each taxing entity shall file a statement as provided in  
782 this section with the county auditor of the county in which the taxing entity is located.

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

784 (i) before June 22; or

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

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

789 (3) For purposes of establishing the levy set for each of a taxing entity's applicable  
790 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing  
791 the budgeted property tax revenues, specified in a budget which has been adopted and  
792 approved prior to setting the levy, by the amount calculated under Subsections  
793 ~~59-2-924[(2)(a)(iii)(B)(I) through (H)]~~ (3)(c)(ii)(A) through (C).

794 (4) The format of the statement under this section shall:

795 (a) be determined by the commission; and

796 (b) cite any applicable statutory provisions that:

797 (i) require a specific levy; or

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

799 (5) The commission may require certification that the information submitted on a  
800 statement under this section is true and correct.

801 Section 14. Section **59-2-914** is amended to read:

802 **59-2-914. Excess levies -- Commission to recalculate levy -- Notice to implement**  
803 **adjusted levies to county auditor.**

804 (1) If the commission determines that a levy established for a taxing entity set under  
805 Section 59-2-913 is in excess of the maximum levy permitted by law, the commission shall:

806 (a) lower the levy so that it is set at the maximum level permitted by law;  
807 (b) notify the taxing entity which set the excessive rate that the rate has been lowered;  
808 and

809 (c) notify the county auditor of the county or counties in which the taxing entity is  
810 located to implement the rate established by the commission.

811 (2) A levy set for a taxing entity by the commission under this section shall be the  
812 official levy for that taxing entity unless:

813 (a) the taxing entity lowers the levy established by the commission; or  
814 (b) the levy is subsequently modified by a court order.

815 (3) (a) Subject to the provisions of Subsections (1) and (2), beginning January 1, 1995,  
816 a taxing entity may impose a tax rate in excess of the maximum levy permitted by law if the  
817 rate established by the taxing entity for the current year generates revenues for the taxing entity  
818 in an amount that is less than the revenues that would be generated by the taxing entity under  
819 the certified tax rate established in [~~Subsection~~] Section 59-2-924[~~(2)~~].

820 (b) A taxing entity meeting the requirements of Subsection (3)(a) may impose a tax  
821 rate that does not exceed the certified rate established in [~~Subsection~~] Section 59-2-924[~~(2)~~].

822 Section 15. Section **59-2-918** is amended to read:

823 **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

824 (1) (a) Except as provided in Subsection (1)(b), a taxing entity may not budget an  
825 increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined  
826 in Subsection 59-2-924[~~(2)~~](4) unless it advertises its intention to do so at the same time that it  
827 advertises its intention to fix its budget for the forthcoming fiscal year.

828 (b) (i) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the  
829 advertisement or hearing requirements of this section if:

830 (A) the taxing entity:

831 (I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year;

832 or

833 (II) is expressly exempted by law from complying with the requirements of this  
834 section; or

835 (B) the increased amount of ad valorem tax revenue results from a tax rate increase that  
836 is exempted under Subsection 59-2-919(1)(a)(ii)(B) from the advertisement and hearing  
837 requirements of Section 59-2-919.

838 (ii) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the  
839 advertisement requirements of this section if Section 53A-17a-133 allows the taxing entity to  
840 budget an increased amount of ad valorem property tax revenue without having to comply with  
841 the advertisement requirements of this section.

842 (2) (a) For taxing entities operating under a July 1 through June 30 fiscal year, the  
843 advertisement required by this section may be combined with the advertisement required by  
844 Section 59-2-919.

845 (b) For taxing entities operating under a January 1 through December 31 fiscal year,  
846 the advertisement required by this section shall meet the size, type, placement, and frequency  
847 requirements established under Section 59-2-919.

848 (3) The form of the advertisement required by this section shall meet the size, type,  
849 placement, and frequency requirements established under Section 59-2-919 and shall be  
850 substantially as follows:

851 "NOTICE OF PROPOSED TAX INCREASE

852 (NAME OF TAXING ENTITY)

853 The (name of the taxing entity) is proposing to increase its property tax revenue.

854 ● If the proposed budget is approved, this would be an increase of \_\_\_\_\_% above  
855 the (name of the taxing entity) property tax budgeted revenue for the prior year.

856 ● The (name of the taxing entity) tax on a (insert the average value of a residence  
857 in the taxing entity rounded to the nearest thousand dollars) residence would  
858 increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

859 ● The (name of the taxing entity) tax on a (insert the value of a business having  
860 the same value as the average value of a residence in the taxing entity) business  
861 would increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

862 All concerned citizens are invited to a public hearing on the tax increase.

863 PUBLIC HEARING

864 Date/Time: (date) (time)

865 Location: (name of meeting place and address of meeting place)

866 To obtain more information regarding the tax increase, citizens may contact the (name  
867 of the taxing entity) at (phone number of taxing entity)."

868 (4) If a final decision regarding the budgeting of an increased amount of ad valorem tax  
869 revenue is not made at the public hearing described in Subsection (3), the taxing entity shall  
870 announce at the public hearing the scheduled time and place for consideration and adoption of  
871 the proposed budget increase.

872 (5) (a) Each taxing entity operating under the January 1 through December 31 fiscal  
873 year shall by March 1 notify the county of the date, time, and place of the public hearing at  
874 which the budget for the following fiscal year will be considered.

875 (b) The county shall include the information described in Subsection (5)(a) with the tax  
876 notice.

877 (6) A taxing entity shall hold a public hearing under this section beginning at or after 6  
878 p.m.

879 Section 16. Section **59-2-924** is amended to read:

880 **59-2-924. Report of valuation of property to county auditor and commission --**  
881 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**  
882 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

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

885 [~~(i)~~] (a) a statement containing the aggregate valuation of all taxable real property [~~in~~]  
886 assessed by a county assessor in accordance with Part 3, County Assessment, for each taxing  
887 entity; and

888 [~~(ii)~~] (b) a statement containing the taxable value of [~~any additional~~] all personal  
889 property [~~estimated by the county assessor to be subject to taxation in the current year~~] assessed  
890 by a county assessor in accordance with Part 3, County Assessment, from the prior year end  
891 values.

892 [~~(b)~~] (2) The county auditor shall, on or before (2) June 8, transmit to the governing body  
893 of each taxing entity:

894           ~~[(i)]~~ (a) the statements described in Subsections (1)(a)~~[(i)]~~ and ~~[(ii)]~~ (b);  
 895           ~~[(ii)]~~ (b) an estimate of the revenue from personal property;  
 896           ~~[(iii)]~~ (c) the certified tax rate; and  
 897           ~~[(iv)]~~ (d) all forms necessary to submit a tax levy request.  
 898           ~~[(2)]~~ (3) (a) ~~[(i)]~~ The "certified tax rate" means a tax rate that will provide the same ad  
 899 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the  
 900 prior year.

901           ~~[(i)]~~ (b) For purposes of this Subsection ~~[(2), "ad"]~~ (3):  
 902           (i) "Ad valorem property tax revenues" do not include:  
 903           (A) collections from redemptions;  
 904           (B) interest;  
 905           (C) penalties; and  
 906           (D) revenue received by a taxing entity from personal property that is:  
 907           (I) assessed by a county assessor in accordance with Part 3, County Assessment; and  
 908           (II) semiconductor manufacturing equipment.

909           (ii) "Aggregate taxable value of all property taxed" means:  
 910           (A) the aggregate taxable value of all real property assessed by a county assessor in  
 911 accordance with Part 3, County Assessment, for the current year;  
 912           (B) the aggregate taxable year end value of all personal property assessed by a county  
 913 assessor in accordance with Part 3, County Assessment, for the prior year; and  
 914           (C) the aggregate taxable value of all real and personal property assessed by the  
 915 commission in accordance with Part 2, Assessment of Property, for the current year.

916           ~~[(iii)-(A)]~~ (c) (i) Except as otherwise provided in this section, the certified tax rate shall  
 917 be calculated by dividing the ad valorem property tax revenues budgeted for the prior year by  
 918 the taxing entity by the amount calculated under Subsection ~~[(2)(a)(iii)-(B)]~~ (3)(c)(i).

919           ~~[(B)]~~ (ii) For purposes of Subsection ~~[(2)(a)(iii)-(A)]~~ (3)(c)(i), the legislative body of a  
 920 taxing entity shall calculate an amount as follows:

921           ~~[(F)]~~ (A) calculate for the taxing entity the difference between:  
 922           ~~[(Aa)]~~ (I) the aggregate taxable value of all property taxed; and  
 923           ~~[(Bb)]~~ (II) any redevelopment adjustments for the current calendar year;  
 924           ~~[(H)]~~ (B) after making the calculation required by Subsection ~~[(2)(a)(iii)-(B)-(F)]~~

925 (3)(c)(ii)(A), calculate an amount determined by increasing or decreasing the amount  
 926 calculated under Subsection [~~(2)(a)(iii)(B)(F)~~] (3)(c)(ii)(A) by the average of the percentage net  
 927 change in the value of taxable property for the equalization period for the three calendar years  
 928 immediately preceding the current calendar year;

929 [~~(H)~~] (C) after making the calculation required by Subsection [~~(2)(a)(iii)(B)(H)~~]  
 930 (3)(c)(ii)(B), calculate the product of:

931 [~~(Aa)~~] (I) the amount calculated under Subsection [~~(2)(a)(iii)(B)(H)~~] (3)(c)(ii)(B); and

932 [~~(Bb)~~] (II) the percentage of property taxes collected for the five calendar years  
 933 immediately preceding the current calendar year; and

934 [~~(IV)~~] (D) after making the calculation required by Subsection [~~(2)(a)(iii)(B)(H)~~]

935 (3)(c)(ii)(C), calculate an amount determined by subtracting from the amount calculated under  
 936 Subsection [~~(2)(a)(iii)(B)(H)~~] (3)(c)(ii)(C) any new growth as defined in this section:

937 [~~(Aa)~~] (I) within the taxing entity; and

938 [~~(Bb)~~] (II) for the following calendar year:

939 (Aa) for new growth from real property assessed by a county assessor in accordance  
 940 with Part 3, County Assessment and all property assessed by the commission in accordance  
 941 with Section 59-2-201, the current calendar year[-]; and

942 (Bb) for new growth from personal property assessed by a county assessor in  
 943 accordance with Part 3, County Assessment, the prior calendar year.

944 [~~(C)~~] (iii) For purposes of Subsection [~~(2)(a)(iii)(B)(F)~~] (3)(c)(ii)(A), the aggregate  
 945 taxable value of all property taxed:

946 [~~(F)~~] (A) except as provided in Subsection [~~(2)(a)(iii)(C)(H)~~], ~~includes the total taxable~~  
 947 ~~value of the real and personal property contained on the tax rolls of the taxing entity; and]~~

948 (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in Subsection (3)(b)(ii);

949 [~~(H)~~] (B) does not include the total taxable value of personal property contained on the  
 950 tax rolls of the taxing entity that is:

951 [~~(Aa)~~] (I) assessed by a county assessor in accordance with Part 3, County Assessment;  
 952 and

953 [~~(Bb)~~] (II) semiconductor manufacturing equipment[-]; and

954 (C) for personal property assessed by a county assessor in accordance with Part 3,

955 County Assessment, the taxable value of personal property is the year end value of the personal

956 property contained on the prior year's tax rolls of the entity.

957 ~~[(D)]~~ (iv) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B), for calendar years  
958 beginning on or after January 1, 2007, the value of taxable property does not include the value  
959 of personal property that is:

960 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part  
961 3, County Assessment; and

962 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

963 ~~[(E)]~~ (v) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)(Bb)]~~ (3)(c)(ii)(C)(II), for  
964 calendar years beginning on or after January 1, 2007, the percentage of property taxes collected  
965 does not include property taxes collected from personal property that is:

966 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part  
967 3, County Assessment; and

968 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

969 ~~[(F)]~~ (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or  
970 after January 1, 2009, the value of taxable property does not include the value of personal  
971 property that is within the taxing entity assessed by a county assessor in accordance with Part 3,  
972 County Assessment.

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

976 ~~[(iv)-(A)]~~ (d) (i) In accordance with Title 63, Chapter 46a, Utah Administrative  
977 Rulemaking Act, the commission shall make rules determining the calculation of ad valorem  
978 property tax revenues budgeted by a taxing entity.

979 ~~[(B)]~~ (ii) For purposes of Subsection ~~[(2)(a)(iv)(A)]~~ (3)(d)(i), ad valorem property tax  
980 revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted  
981 property tax revenues are calculated for purposes of Section 59-2-913.

982 ~~[(v)]~~ (e) The certified tax rates for the taxing entities described in this Subsection  
983 ~~[(2)(a)(v)]~~ (3)(e) shall be calculated as follows:

984 ~~[(A)]~~ (i) except as provided in Subsection ~~[(2)(a)(v)(B)]~~ (3)(e)(ii), for new taxing  
985 entities the certified tax rate is zero;

986 ~~[(B)]~~ (ii) for each municipality incorporated on or after July 1, 1996, the certified tax

987 rate is:

988 ~~[(F)]~~ (A) in a county of the first, second, or third class, the levy imposed for  
 989 municipal-type services under Sections 17-34-1 and 17-36-9; and

990 ~~[(H)]~~ (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general  
 991 county purposes and such other levies imposed solely for the municipal-type services identified  
 992 in Section 17-34-1 and Subsection 17-36-3(22); and

993 ~~[(E)]~~ (iii) for debt service voted on by the public, the certified tax rate shall be the  
 994 actual levy imposed by that section, except that the certified tax rates for the following levies  
 995 shall be calculated in accordance with Section 59-2-913 and this section:

996 ~~[(F)]~~ (A) school leeways provided for under Sections 11-2-7, 53A-16-110,  
 997 53A-17a-125, 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, and  
 998 53A-21-103; and

999 ~~[(H)]~~ (B) levies to pay for the costs of state legislative mandates or judicial or  
 1000 administrative orders under Section 59-2-906.3.

1001 ~~[(vi)-(A)]~~ (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall  
 1002 be established at that rate which is sufficient to generate only the revenue required to satisfy  
 1003 one or more eligible judgments, as defined in Section 59-2-102.

1004 ~~[(B)]~~ (ii) The ad valorem property tax revenue generated by the judgment levy shall not  
 1005 be considered in establishing the taxing entity's aggregate certified tax rate.

1006 ~~[(b)-(i)]~~ (4) (a) For the purpose of calculating the certified tax rate, the county auditor  
 1007 shall use:

1008 (i) the taxable value of real property assessed by a county assessor contained on the  
 1009 assessment roll[-];

1010 (ii) the taxable value of real and personal property assessed by the commission; and

1011 (iii) the taxable year end value of personal property assessed by a county assessor  
 1012 contained on the prior year's assessment roll.

1013 ~~[(ii)]~~ (b) For purposes of Subsection ~~[(2)(b)(i)]~~ (4)(a)(i), the taxable value of real  
 1014 property on the assessment roll does not include[-(A)] new growth as defined in Subsection  
 1015 ~~[(2)(b)(iii); or] (4)(c).~~

1016 ~~[(B) the total taxable value of personal property contained on the tax rolls of the taxing~~  
 1017 ~~entity that is:]~~

1018 [~~(I)~~] assessed by a county assessor in accordance with Part 3, County Assessment; and]  
1019 [~~(H)~~] semiconductor manufacturing equipment.]

1020 [~~(iii)~~] (c) "New growth" means:

1021 [~~(A)~~] (i) the difference between the increase in taxable value of the following property  
1022 of the taxing entity from the previous calendar year to the current year[;];

1023 (A) real property assessed by a county assessor in accordance with Part 3, County  
1024 Assessment; and

1025 (B) property assessed by the commission under Section 59-2-201; plus

1026 (ii) the difference between the increase in taxable year end value of personal property  
1027 of the taxing entity from the year prior to the previous calendar year to the previous calendar  
1028 year; minus

1029 [~~(B)~~] (iii) the amount of an increase in taxable value described in Subsection

1030 [~~(2)(b)(v)~~] (4)(e).

1031 [~~(iv)~~] (d) For purposes of Subsection [~~(2)(b)(iii)~~] (4)(c)(ii), the taxable value of  
1032 personal property of the taxing entity does not include the taxable value of personal property  
1033 that is:

1034 [~~(A)~~] (i) contained on the tax rolls of the taxing entity if that property is assessed by a  
1035 county assessor in accordance with Part 3, County Assessment; and

1036 [~~(B)~~] (ii) semiconductor manufacturing equipment.

1037 [~~(v)~~] (e) Subsection [~~(2)(b)(iii)~~] (4)(c)(ii) applies to the following increases in  
1038 taxable value:

1039 [~~(A)~~] (i) the amount of increase to locally assessed real property taxable values  
1040 resulting from factoring, reappraisal, or any other adjustments; or

1041 [~~(B)~~] (ii) the amount of an increase in the taxable value of property assessed by the  
1042 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
1043 taxable value prescribed by:

1044 [~~(I)~~] (A) the Legislature;

1045 [~~(II)~~] (B) a court;

1046 [~~(III)~~] (C) the commission in an administrative rule; or

1047 [~~(IV)~~] (D) the commission in an administrative order.

1048 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal

1049 property on the prior year's assessment roll does not include:

1050 (i) new growth as defined in Subsection (4)(c); or

1051 (ii) the total taxable year end value of personal property contained on the prior year's  
1052 tax rolls of the taxing entity that is:

1053 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and

1054 (B) semiconductor manufacturing equipment.

1055 ~~[(c) Beginning January 1, 1997, if a taxing entity receives increased revenues from~~  
1056 ~~uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~  
1057 ~~59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter~~  
1058 ~~12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax~~  
1059 ~~rate to offset the increased revenues.]~~

1060 ~~[(d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under~~  
1061 ~~Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:]~~

1062 ~~[(A) decreased on a one-time basis by the amount of the estimated sales and use tax~~  
1063 ~~revenue to be distributed to the county under Subsection 59-12-1102(3); and]~~

1064 ~~[(B) increased by the amount necessary to offset the county's reduction in revenue~~  
1065 ~~from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~  
1066 ~~59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection~~  
1067 ~~(2)(d)(i)(A).]~~

1068 ~~[(ii) The commission shall determine estimates of sales and use tax distributions for~~  
1069 ~~purposes of Subsection (2)(d)(i).]~~

1070 ~~[(e) Beginning January 1, 1998, if a municipality has imposed an additional resort~~  
1071 ~~communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be~~  
1072 ~~decreased on a one-time basis by the amount necessary to offset the first 12 months of~~  
1073 ~~estimated revenue from the additional resort communities sales and use tax imposed under~~  
1074 ~~Section 59-12-402.]~~

1075 ~~[(f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under~~  
1076 ~~Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the~~  
1077 ~~unincorporated area of the county shall be decreased by the amount necessary to reduce~~  
1078 ~~revenues in that fiscal year by an amount equal to the difference between the amount the county~~  
1079 ~~budgeted in its 2000 fiscal year budget for advanced life support and paramedic services~~

1080 ~~countywide and the amount the county spent during fiscal year 2000 for those services;~~  
1081 ~~excluding amounts spent from a municipal services fund for those services.]~~

1082 ~~[(B) For fiscal year 2001, the certified tax rate of each county to which Subsection~~  
1083 ~~(2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal~~  
1084 ~~year by the amount that the county spent during fiscal year 2000 for advanced life support and~~  
1085 ~~paramedic services countywide, excluding amounts spent from a municipal services fund for~~  
1086 ~~those services.]~~

1087 ~~[(ii) (A) A city or town located within a county of the first class to which Subsection~~  
1088 ~~(2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within~~  
1089 ~~the city or town the same amount of revenues as the county would collect from that city or~~  
1090 ~~town if the decrease under Subsection (2)(f)(i) did not occur.]~~

1091 ~~[(B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal~~  
1092 ~~year or spread over multiple fiscal years, is not subject to the notice and hearing requirements~~  
1093 ~~of Sections 59-2-918 and 59-2-919.]~~

1094 ~~[(g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to~~  
1095 ~~provide detective investigative services to the unincorporated area of the county shall be~~  
1096 ~~decreased:]~~

1097 ~~[(A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year~~  
1098 ~~by at least \$4,400,000; and]~~

1099 ~~[(B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year~~  
1100 ~~by an amount equal to the difference between \$9,258,412 and the amount of the reduction in~~  
1101 ~~revenues under Subsection (2)(g)(i)(A).]~~

1102 ~~[(ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a~~  
1103 ~~county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate~~  
1104 ~~within the city or town the same amount of revenue as the county would have collected during~~  
1105 ~~county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).]~~

1106 ~~[(H) Beginning with municipal fiscal year 2003, a city or town located within a county~~  
1107 ~~to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the~~  
1108 ~~city or town the same amount of revenue as the county would have collected during county~~  
1109 ~~fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).]~~

1110 ~~[(B) (I) Except as provided in Subsection (2)(g)(ii)(B)(H), an increase in the city or~~

1111 town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year  
1112 or spread over multiple fiscal years, is subject to the notice and hearing requirements of  
1113 Sections 59-2-918 and 59-2-919.]

1114 [~~(H) For an increase under this Subsection (2)(g)(ii) that generates revenue that does  
1115 not exceed the same amount of revenue as the county would have collected except for  
1116 Subsection (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the  
1117 city or town:]~~

1118 [~~(Aa) publishes a notice that meets the size, type, placement, and frequency  
1119 requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed  
1120 by the county to one imposed by the city or town, and explains how the revenues from the tax  
1121 increase will be used; and]~~

1122 [~~(Bb) holds a public hearing on the tax shift that may be held in conjunction with the  
1123 city or town's regular budget hearing.]~~

1124 [~~(h) (i) This Subsection (2)(h) applies to each county that:]~~

1125 [~~(A) establishes a countywide special service district under Title 17A, Chapter 2, Part  
1126 13, Utah Special Service District Act, to provide jail service, as provided in Subsection  
1127 17A-2-1304(1)(a)(x); and]~~

1128 [~~(B) levies a property tax on behalf of the special service district under Section  
1129 17A-2-1322:]~~

1130 [~~(ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies  
1131 shall be decreased by the amount necessary to reduce county revenues by the same amount of  
1132 revenues that will be generated by the property tax imposed on behalf of the special service  
1133 district.]~~

1134 [~~(B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with  
1135 the levy on behalf of the special service district under Section 17A-2-1322.]~~

1136 [~~(i) (i) As used in this Subsection (2)(i):]~~

1137 [~~(A) "Annexing county" means a county whose unincorporated area is included within  
1138 a fire district by annexation.]~~

1139 [~~(B) "Annexing municipality" means a municipality whose area is included within a  
1140 fire district by annexation.]~~

1141 [~~(C) "Equalized fire protection tax rate" means the tax rate that results from:]~~

1142 ~~[(f) calculating, for each participating county and each participating municipality, the~~  
1143 ~~property tax revenue necessary to cover all of the costs associated with providing fire~~  
1144 ~~protection, paramedic, and emergency services:]~~

1145 ~~[(Aa) for a participating county, in the unincorporated area of the county; and]~~

1146 ~~[(Bb) for a participating municipality, in the municipality; and]~~

1147 ~~[(H) adding all the amounts calculated under Subsection (2)(i)(i)(C)(f) for all~~  
1148 ~~participating counties and all participating municipalities and then dividing that sum by the~~  
1149 ~~aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:]~~

1150 ~~[(Aa) for participating counties, in the unincorporated area of all participating counties;~~  
1151 ~~and]~~

1152 ~~[(Bb) for participating municipalities, in all the participating municipalities:]~~

1153 ~~[(D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service~~  
1154 ~~Area Act, in the creation of which an election was not required under Subsection~~  
1155 ~~17B-1-214(3)(c).]~~

1156 ~~[(E) "Fire protection tax rate" means:]~~

1157 ~~[(f) for an annexing county, the property tax rate that, when applied to taxable property~~  
1158 ~~in the unincorporated area of the county, generates enough property tax revenue to cover all the~~  
1159 ~~costs associated with providing fire protection, paramedic, and emergency services in the~~  
1160 ~~unincorporated area of the county; and]~~

1161 ~~[(H) for an annexing municipality, the property tax rate that generates enough property~~  
1162 ~~tax revenue in the municipality to cover all the costs associated with providing fire protection,~~  
1163 ~~paramedic, and emergency services in the municipality:]~~

1164 ~~[(F) "Participating county" means a county whose unincorporated area is included~~  
1165 ~~within a fire district at the time of the creation of the fire district.]~~

1166 ~~[(G) "Participating municipality" means a municipality whose area is included within a~~  
1167 ~~fire district at the time of the creation of the fire district.]~~

1168 ~~[(ii) In the first year following creation of a fire district, the certified tax rate of each~~  
1169 ~~participating county and each participating municipality shall be decreased by the amount of~~  
1170 ~~the equalized fire protection tax rate:]~~

1171 ~~[(iii) In the first year following annexation to a fire district, the certified tax rate of each~~  
1172 ~~annexing county and each annexing municipality shall be decreased by the fire protection tax~~

1173 rate.]

1174 ~~[(iv) Each tax levied under this section by a fire district shall be considered to be levied~~  
1175 ~~by:]~~

1176 ~~[(A) each participating county and each annexing county for purposes of the county's~~  
1177 ~~tax limitation under Section 59-2-908; and]~~

1178 ~~[(B) each participating municipality and each annexing municipality for purposes of~~  
1179 ~~the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a~~  
1180 ~~city:]~~

1181 ~~[(j) For the calendar year beginning on January 1, 2007, the calculation of a taxing~~  
1182 ~~entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the~~  
1183 ~~certified tax rate that may result from excluding the following from the certified tax rate under~~  
1184 ~~Subsection (2)(a) enacted by the Legislature during the 2007 General Session:]~~

1185 ~~[(i) personal property tax revenue:]~~

1186 ~~[(A) received by a taxing entity;]~~

1187 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1188 ~~[(C) for personal property that is semiconductor manufacturing equipment; or]~~

1189 ~~[(ii) the taxable value of personal property:]~~

1190 ~~[(A) contained on the tax rolls of a taxing entity;]~~

1191 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1192 ~~[(C) that is semiconductor manufacturing equipment.]~~

1193 ~~[(3)]~~ (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative  
1194 budget.

1195 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county  
1196 auditor of:

1197 (i) its intent to exceed the certified tax rate; and

1198 (ii) the amount by which it proposes to exceed the certified tax rate.

1199 (c) The county auditor shall notify all property owners of any intent to exceed the  
1200 certified tax rate in accordance with Subsection 59-2-919(2).

1201 ~~[(4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be~~  
1202 ~~reduced for any year to the extent necessary to provide a community development and renewal~~  
1203 ~~agency established under Title 17C, Limited Purpose Local Government Entities - Community~~

1204 Development and Renewal Agencies, with approximately the same amount of money the  
1205 agency would have received without a reduction in the county's certified tax rate if:]

1206 [(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or  
1207 (2)(d)(i);]

1208 [(ii) the amount of the decrease is more than 20% of the county's certified tax rate of  
1209 the previous year; and]

1210 [(iii) the decrease results in a reduction of the amount to be paid to the agency under  
1211 Section 17C-1-403 or 17C-1-404.]

1212 [(b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any  
1213 year to the extent necessary to provide a community development and renewal agency with  
1214 approximately the same amount of money as the agency would have received without an  
1215 increase in the certified tax rate that year if:]

1216 [(i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to  
1217 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and]

1218 [(ii) The certified tax rate of a city, school district, local district, or special service  
1219 district increases independent of the adjustment to the taxable value of the base year.]

1220 [(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or  
1221 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community  
1222 development and renewal agency established under Title 17C, Limited Purpose Local  
1223 Government Entities - Community Development and Renewal Agencies, for the payment of  
1224 bonds or other contract indebtedness, but not for administrative costs, may not be less than that  
1225 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or  
1226 (2)(d)(i).]

1227 Section 17. Section **59-2-924.2** is enacted to read:

1228 **59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.**

1229 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated  
1230 in accordance with Section 59-2-924.

1231 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
1232 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
1233 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter  
1234 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax

1235 rate to offset the increased revenues.

1236 (3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under  
1237 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

1238 (i) decreased on a one-time basis by the amount of the estimated sales and use tax  
1239 revenue to be distributed to the county under Subsection 59-12-1102(3); and

1240 (ii) increased by the amount necessary to offset the county's reduction in revenue from  
1241 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
1242 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
1243 (3)(a)(i).

1244 (b) The commission shall determine estimates of sales and use tax distributions for  
1245 purposes of Subsection (3)(a).

1246 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort  
1247 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be  
1248 decreased on a one-time basis by the amount necessary to offset the first 12 months of  
1249 estimated revenue from the additional resort communities sales and use tax imposed under  
1250 Section 59-12-402.

1251 (5) (a) This Subsection (5) applies to each county that:

1252 (i) establishes a countywide special service district under Title 17A, Chapter 2, Part 13,  
1253 Utah Special Service District Act, to provide jail service, as provided in Subsection  
1254 17A-2-1304(1)(a)(x); and

1255 (ii) levies a property tax on behalf of the special service district under Section  
1256 17A-2-1322.

1257 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be  
1258 decreased by the amount necessary to reduce county revenues by the same amount of revenues  
1259 that will be generated by the property tax imposed on behalf of the special service district.

1260 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the  
1261 levy on behalf of the special service district under Section 17A-2-1322.

1262 (6) (a) As used in this Subsection (6):

1263 (i) "Annexing county" means a county whose unincorporated area is included within a  
1264 fire district by annexation.

1265 (ii) "Annexing municipality" means a municipality whose area is included within a fire

1266 district by annexation.

1267 (iii) "Equalized fire protection tax rate" means the tax rate that results from:

1268 (A) calculating, for each participating county and each participating municipality, the  
1269 property tax revenue necessary to cover all of the costs associated with providing fire  
1270 protection, paramedic, and emergency services:

1271 (I) for a participating county, in the unincorporated area of the county; and

1272 (II) for a participating municipality, in the municipality; and

1273 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all  
1274 participating counties and all participating municipalities and then dividing that sum by the  
1275 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

1276 (I) for participating counties, in the unincorporated area of all participating counties;  
1277 and

1278 (II) for participating municipalities, in all the participating municipalities.

1279 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
1280 Area Act, in the creation of which an election was not required under Subsection  
1281 17B-1-214(3)(c).

1282 (v) "Fire protection tax rate" means:

1283 (A) for an annexing county, the property tax rate that, when applied to taxable property  
1284 in the unincorporated area of the county, generates enough property tax revenue to cover all the  
1285 costs associated with providing fire protection, paramedic, and emergency services in the  
1286 unincorporated area of the county; and

1287 (B) for an annexing municipality, the property tax rate that generates enough property  
1288 tax revenue in the municipality to cover all the costs associated with providing fire protection,  
1289 paramedic, and emergency services in the municipality.

1290 (vi) "Participating county" means a county whose unincorporated area is included  
1291 within a fire district at the time of the creation of the fire district.

1292 (vii) "Participating municipality" means a municipality whose area is included within a  
1293 fire district at the time of the creation of the fire district.

1294 (b) In the first year following creation of a fire district, the certified tax rate of each  
1295 participating county and each participating municipality shall be decreased by the amount of  
1296 the equalized fire protection tax rate.

1297 (c) In the first year following annexation to a fire district, the certified tax rate of each  
1298 annexing county and each annexing municipality shall be decreased by the fire protection tax  
1299 rate.

1300 (d) Each tax levied under this section by a fire district shall be considered to be levied  
1301 by:

1302 (i) each participating county and each annexing county for purposes of the county's tax  
1303 limitation under Section 59-2-908; and

1304 (ii) each participating municipality and each annexing municipality for purposes of the  
1305 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a  
1306 city.

1307 (7) For the calendar year beginning on January 1, 2007, the calculation of a taxing  
1308 entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by  
1309 the amount necessary to offset any change in the certified tax rate that may result from  
1310 excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the  
1311 Legislature during the 2007 General Session:

1312 (a) personal property tax revenue:

1313 (i) received by a taxing entity;

1314 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1315 (iii) for personal property that is semiconductor manufacturing equipment; or

1316 (b) the taxable value of personal property:

1317 (i) contained on the tax rolls of a taxing entity;

1318 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1319 (iii) that is semiconductor manufacturing equipment.

1320 (8) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be  
1321 reduced for any year to the extent necessary to provide a community development and renewal  
1322 agency established under Title 17C, Limited Purpose Local Government Entities - Community  
1323 Development and Renewal Agencies, with approximately the same amount of money the  
1324 agency would have received without a reduction in the county's certified tax rate, calculated in  
1325 accordance with Section 59-2-924, if:

1326 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

1327 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the

1328 previous year; and

1329 (iii) the decrease results in a reduction of the amount to be paid to the agency under  
1330 Section 17C-1-403 or 17C-1-404.

1331 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any  
1332 year to the extent necessary to provide a community development and renewal agency with  
1333 approximately the same amount of money as the agency would have received without an  
1334 increase in the certified tax rate that year if:

1335 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to  
1336 a decrease in the certified tax rate under Subsection (2) or (3)(a); and

1337 (ii) the certified tax rate of a city, school district, local district, or special service  
1338 district increases independent of the adjustment to the taxable value of the base year.

1339 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),  
1340 the amount of money allocated and, when collected, paid each year to a community  
1341 development and renewal agency established under Title 17C, Limited Purpose Local  
1342 Government Entities - Community Development and Renewal Agencies, for the payment of  
1343 bonds or other contract indebtedness, but not for administrative costs, may not be less than that  
1344 amount would have been without a decrease in the certified tax rate under Subsection (2) or  
1345 (3)(a).

1346 Section 18. Section **59-2-1115** is amended to read:

1347 **59-2-1115. Exemption of certain tangible personal property.**

1348 (1) For purposes of this section:

1349 (a) (i) "Acquisition cost" means all costs required to put an item of tangible personal  
1350 property into service; and

1351 (ii) includes:

1352 (A) the purchase price for a new or used item;

1353 (B) the cost of freight and shipping;

1354 (C) the cost of installation, engineering, erection, or assembly; and

1355 (D) sales and use taxes.

1356 (b) (i) "Item of taxable tangible personal property" does not include an improvement to  
1357 real property or a part that will become an improvement.

1358 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,

1359 the commission may make rules defining the term "item of taxable tangible personal property."

1360 (c) (i) "Taxable tangible personal property" means tangible personal property that is  
 1361 subject to taxation under this chapter.

1362 (ii) "Taxable tangible personal property" does not include:

1363 (A) tangible personal property required by law to be registered with the state before it  
 1364 is used:

1365 (I) on a public highway;

1366 (II) on a public waterway;

1367 (III) on public land; or

1368 (IV) in the air;

1369 (B) a mobile home as defined in Section 41-1a-102; or

1370 (C) a manufactured home as defined in Section 41-1a-102.

1371 ~~[(+)]~~ (2) (a) The taxable tangible personal property of a taxpayer is exempt from  
 1372 taxation if the taxable tangible personal property has a total aggregate fair market value per  
 1373 county of \$3,500 or less.

1374 ~~[(b) For purposes of this section, "taxable tangible personal property" does not~~  
 1375 ~~include:]~~

1376 ~~[(i) tangible personal property required by law to be registered with the state before it is~~  
 1377 ~~used:]~~

1378 ~~[(A) on a public highway;]~~

1379 ~~[(B) on a public waterway;]~~

1380 ~~[(C) on public land; or]~~

1381 ~~[(D) in the air;]~~

1382 ~~[(ii) a mobile home as defined in Section 41-1a-102; or]~~

1383 ~~[(iii) a manufactured home as defined in Section 41-1a-102.]~~

1384 (b) An item of taxable tangible personal property is exempt from taxation if the item of  
 1385 taxable tangible personal property:

1386 (i) has an acquisition cost of \$1,000 or less;

1387 (ii) has reached a percent good of 15% or less according to a personal property  
 1388 schedule:

1389 (A) published by the commission pursuant to Section 59-2-107; or

1390 (B) for an item of personal property that is designated as expensed personal property in  
1391 accordance with Section 59-2-108, described in Section 59-2-108; and

1392 (iii) is in a personal property schedule with a residual value of 15% or less.

1393 [~~2~~] (3) (a) For calendar years beginning on or after January 1, 2008, the commission  
1394 shall increase the dollar amount described in Subsection [~~1~~] (2)(a):

1395 (i) by a percentage equal to the percentage difference between the consumer price  
1396 index for the preceding calendar year and the consumer price index for calendar year 2006[-];  
1397 and

1398 (ii) up to the nearest \$100 increment.

1399 (b) For purposes of this Subsection [~~2~~](3), the commission shall calculate the  
1400 consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

1401 (c) If the percentage difference under Subsection [~~2~~](3)(a)(i) is zero or a negative  
1402 percentage, the consumer price index increase for the year is zero.

1403 [~~3~~] (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking  
1404 Act, the commission may make rules to administer this section and provide for uniform  
1405 implementation.

1406 Section 19. Section **59-2-1302** is amended to read:

1407 **59-2-1302. Assessor or treasurer's duties -- Collection of uniform fees and taxes**  
1408 **on personal property -- Unpaid tax or unpaid uniform fee is a lien -- Delinquency interest**  
1409 **-- Rate.**

1410 (1) After the assessor assesses taxes or uniform fees on personal property, the assessor  
1411 or, if this duty has been reassigned in an ordinance under Section 17-16-5.5, the treasurer shall:

1412 (a) list the personal property tax or uniform fee as provided in Subsection (3) with the  
1413 real property of the owner in the manner required by law if the assessor or treasurer, as the case  
1414 may be, determines that the real property is sufficient to secure the payment of the personal  
1415 property taxes or uniform fees;

1416 (b) immediately collect the taxes or uniform fees due on the personal property; or

1417 (c) on or before the day on which the tax or uniform fee on personal property is due,  
1418 obtain from the taxpayer a bond that is:

1419 (i) payable to the county in an amount equal to the amount of the tax or uniform fee  
1420 due, plus 20% of the amount of the tax or uniform fee due; and

1421 (ii) conditioned for the payment of the tax or uniform fee on or before November 30.

1422 (2) (a) An unpaid tax as defined in Section 59-1-705, or unpaid uniform fee upon  
1423 personal property listed with the real property is a lien upon the owner's real property as of 12  
1424 o'clock noon of January 1 of each year.

1425 (b) An unpaid tax as defined in Section 59-1-705, or unpaid uniform fee upon personal  
1426 property not listed with the real property is a lien upon the owner's personal property as of 12  
1427 o'clock noon of January 1 of each year.

1428 (3) The assessor or treasurer, as the case may be, shall make the listing under this  
1429 section:

1430 (a) on the record of assessment of the real property; or

1431 (b) by entering a reference showing the record of the assessment of the personal  
1432 property on the record of assessment of the real property.

1433 (4) (a) The amount of tax or uniform fee assessed upon personal property is delinquent  
1434 if the tax or uniform fee is not paid [~~within 30 days after~~ on the day on which the tax notice or  
1435 the combined signed statement and tax notice [~~due~~] under Section 59-2-306 is [~~mailed~~] due.

1436 (b) Delinquent taxes or uniform fees under Subsection (4)(a) shall bear interest from  
1437 the date of delinquency until the day on which the delinquent tax or uniform fee is paid at an  
1438 interest rate equal to the sum of:

1439 (i) 6%; and

1440 (ii) the federal funds rate target:

1441 (A) established by the Federal Open Markets Committee; and

1442 (B) that exists on the January 1 immediately preceding the date of delinquency.

1443 (5) A county assessor or treasurer shall deposit all collections of public funds from a  
1444 personal property tax or personal property uniform fee no later than once every seven banking  
1445 days with:

1446 (a) the state treasurer; or

1447 (b) a qualified depository for the credit of the county.

1448 Section 20. Section **59-2-1330** is amended to read:

1449 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**  
1450 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**  
1451 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**

1452 **commission -- Time periods for making payments to taxpayer.**

1453 (1) Unless otherwise specifically provided by statute, property taxes shall be paid  
1454 directly to the county assessor or the county treasurer:

1455 (a) on the date that the property taxes are due; and

1456 (b) as provided in this chapter.

1457 (2) A taxpayer shall receive payment as provided in this section if a reduction in the  
1458 amount of any tax levied against any property for which the taxpayer paid a tax or any portion  
1459 of a tax under this chapter for a calendar year is required by a final and unappealable judgment  
1460 or order described in Subsection (3) issued by:

1461 (a) a county board of equalization;

1462 (b) the commission; or

1463 (c) a court of competent jurisdiction.

1464 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received  
1465 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)  
1466 shall pay the taxpayer if:

1467 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an  
1468 authorized officer of the:

1469 (A) county; or

1470 (B) state;

1471 (ii) the taxpayer obtains a final and unappealable judgment or order:

1472 (A) from:

1473 (I) a county board of equalization;

1474 (II) the commission; or

1475 (III) a court of competent jurisdiction;

1476 (B) against:

1477 (I) the taxing entity or an authorized officer of the taxing entity; or

1478 (II) the state or an authorized officer of the state; and

1479 (C) ordering a reduction in the amount of any tax levied against any property for which  
1480 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

1481 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined  
1482 in accordance with Subsections (4) through (7).

1483 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer  
1484 is equal to the sum of:

1485 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference  
1486 between:

- 1487 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
- 1488 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the  
1489 amount of tax levied against the property in accordance with the final and unappealable  
1490 judgment or order described in Subsection (3);

1491 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference  
1492 between:

1493 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;  
1494 and

1495 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with  
1496 Section 59-2-1331 after the reduction in the amount of tax levied against the property in  
1497 accordance with the final and unappealable judgment or order described in Subsection (3);

1498 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with  
1499 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and

1500 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

- 1501 (i) Subsection (4)(a);
- 1502 (ii) Subsection (4)(b); and
- 1503 (iii) Subsection (4)(c).

1504 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a  
1505 taxpayer is equal to the sum of:

1506 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference  
1507 between:

- 1508 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and
- 1509 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in  
1510 the amount of tax levied against the property in accordance with the final and unappealable  
1511 judgment or order described in Subsection (3);

1512 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference  
1513 between:

- 1514 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section  
1515 59-2-1331; and
- 1516 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in  
1517 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the  
1518 property in accordance with the final and unappealable judgment or order described in  
1519 Subsection (3); and
- 1520 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with  
1521 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and
- 1522 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:  
1523 (i) Subsection (5)(a);  
1524 (ii) Subsection (5)(b); and  
1525 (iii) Subsection (5)(c).
- 1526 (6) Except as provided in Subsection (7):  
1527 (a) interest shall be refunded to a taxpayer on the amount described in Subsection  
1528 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance  
1529 with Section 59-2-1331; and
- 1530 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or  
1531 (5)(d):  
1532 (i) beginning on the later of:  
1533 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or  
1534 (B) January 1 of the calendar year immediately following the calendar year for which  
1535 the tax was due;
- 1536 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the  
1537 amount required by Subsection (4) or (5); and
- 1538 (iii) at the interest rate earned by the state treasurer on public funds transferred to the  
1539 state treasurer in accordance with Section 51-7-5.
- 1540 (7) Notwithstanding Subsection (6):  
1541 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any  
1542 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied  
1543 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and  
1544 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on

1545 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax  
1546 levied by the taxing entity for that calendar year as stated on the notice required by Section  
1547 59-2-1317.

1548 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable  
1549 judgment or order described in Subsection (3) if:

1550 (i) the final and unappealable judgment or order is issued no later than 15 days prior to  
1551 the date the levy is set under Subsection 59-2-924~~(2)~~(3)(a);

1552 (ii) the amount of the judgment levy is included on the notice under Section 59-2-919;  
1553 and

1554 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in  
1555 Section 59-2-102.

1556 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum  
1557 levy established for the taxing entity.

1558 (9) (a) A taxpayer that objects to the assessment of property assessed by the  
1559 commission shall pay, on or before the date of delinquency established under Subsection  
1560 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by  
1561 Section 59-2-1317 if:

1562 (i) the taxpayer has applied to the commission for a hearing in accordance with Section  
1563 59-2-1007 on the objection to the assessment; and

1564 (ii) the commission has not issued a written decision on the objection to the assessment  
1565 in accordance with Section 59-2-1007.

1566 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not  
1567 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

1568 (i) a final and unappealable judgment or order establishing that the property described  
1569 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section  
1570 59-2-1317 is issued by:

1571 (A) the commission; or

1572 (B) a court of competent jurisdiction; and

1573 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and  
1574 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after  
1575 the county bills the taxpayer for the additional tax liability.

1576 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this  
1577 section shall be paid to a taxpayer:

1578 (i) within 60 days after the day on which the final and unappealable judgment or order  
1579 is issued in accordance with Subsection (3); or

1580 (ii) if a judgment levy is imposed in accordance with Subsection (8):

1581 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later  
1582 than December 31 of the year in which the judgment levy is imposed; and

1583 (B) if the payment to the taxpayer required by this section is less than \$5,000, within  
1584 60 days after the date the final and unappealable judgment or order is issued in accordance with  
1585 Subsection (3).

1586 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

1587 (i) that establishes a time period other than a time period described in Subsection  
1588 (10)(a) for making a payment to the taxpayer that is required by this section; and

1589 (ii) with:

1590 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

1591 (B) an authorized officer of the state for a tax imposed by the state.

1592 **Section 21. Effective date.**

1593 This bill takes effect on January 1, 2009.

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**H.B. 77 2nd Sub. (Gray) - Personal Property Tax Amendments**

**Fiscal Note**

2008 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations, but will require computer system reprogramming at the Utah State Tax Commission.

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**Individual, Business and/or Local Impact**

Passage of this bill will likely result in a shift of \$3,500,000 from personal property to other property types. Counties are also likely to see some increased costs to rewrite computer code.

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