

**Senator Gene Davis** proposes the following substitute bill:

**COUNTY REGIONAL FACILITIES PROPERTY TAX**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gene Davis**

House Sponsor: \_\_\_\_\_

---

**LONG TITLE**

**General Description:**

This bill modifies the Property Tax Act to enact the County Regional Facilities Tax Act.

**Highlighted Provisions:**

This bill:

- ▶ provides for the determination of the regional facility value for purposes of calculating an eligible municipality's distribution from the revenue collected from the county regional facilities tax;
- ▶ provides for an application process to the county auditor;
- ▶ requires the county auditor to distribute revenue collected from the county regional facilities tax to eligible municipalities; and
- ▶ defines terms.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on January 1, 2010.

**Utah Code Sections Affected:**

ENACTS:





- 57 (c) any improvement on the land.
- 58 (6) "Regional correctional facility" means a county jail as described in Section 17-22-4.
- 59 (7) "Regional facility" means:
- 60 (a) a regional correctional facility;
- 61 (b) a regional public safety facility;
- 62 (c) a regional public solid waste transfer facility;
- 63 (d) a regional public education facility;
- 64 (e) a regional transportation facility;
- 65 (f) a regional water reclamation facility; or
- 66 (g) a regional youth confinement or detention facility.
- 67 (8) "Regional facility value" means the value of a regional facility determined in
- 68 accordance with Section 59-2-1704.
- 69 (9) "Regional public education facility" means a public school district facility that:
- 70 (a) is used for:
- 71 (i) administrative services;
- 72 (ii) services to a student eligible for special education services pursuant to Section
- 73 602(a)(20) of part B of the Individuals with Disabilities Act, 20 U.S.C. Section 1401(a);
- 74 (iii) support services;
- 75 (iv) maintenance; or
- 76 (v) storage; and
- 77 (b) is used for a purpose described in Subsection (9)(a) for the benefit of a student
- 78 residing outside the boundaries of the eligible municipality in which the facility is located.
- 79 (10) (a) "Regional public safety facility" means a facility:
- 80 (i) constructed or leased to house police, fire, or other public safety entity; and
- 81 (ii) from which services are provided outside the boundaries of the eligible
- 82 municipality in which the facility is located.
- 83 (b) "Regional public safety facility" includes an administrative office.
- 84 (c) "Regional public safety facility" does not include a regional correctional facility or
- 85 other place of involuntary incarceration.
- 86 (11) "Regional public solid waste transfer facility" means a facility owned or operated
- 87 by a municipality that:

88 (a) is used to collect, process, and ship solid waste, as defined in Section 19-6-1702,  
89 before the solid waste is disposed of in a final disposal site; and

90 (b) receives solid waste from outside the eligible municipality in which the facility is  
91 located.

92 (12) "Regional transportation facility" means a facility that:

93 (a) is part of a regional transportation system that transports an individual or freight  
94 outside of the eligible municipality in which the facility is located;

95 (b) is a:

96 (i) public or private rail-based transportation system; or

97 (ii) public bus system; and

98 (c) is the part of the transportation system described in Subsection (12)(a) that:

99 (i) provides storage, maintenance, or repair;

100 (ii) provides administrative services; or

101 (iii) is a rail yard.

102 (13) "Regional water reclamation facility" means a facility used in the reclamation of  
103 water that, after the reclamation, is used outside the boundaries of the eligible municipality in  
104 which the facility is located.

105 (14) "Regional youth confinement or detention facility" means a facility established in  
106 accordance with Title 62A, Chapter 7, Part 2, Detention Facilities, for the confinement or  
107 detention of juveniles from outside the boundaries of the eligible municipality in which the  
108 facility is located.

109 Section 2. Section **59-2-1702** is enacted to read:

110 **59-2-1702. County regional facilities tax -- Distribution of revenues to eligible**  
111 **municipalities.**

112 (1) An eligible county shall levy a county regional facilities tax rate per dollar of  
113 taxable value that generates \$1,000,000 in revenues countywide.

114 (2) The revenue collected from the county regional facilities tax shall be distributed to  
115 an eligible municipality in accordance with Subsection (3).

116 (3) The eligible county shall distribute to an eligible municipality an amount equal to  
117 the product of:

118 (a) the sum of the regional facility values of all regional facilities located within the

119 boundaries of the eligible municipality as determined in accordance with Section 59-2-1704;  
120 and

121 (b) the approved tax rate imposed by the eligible municipality for the same year.

122 (4) If there is insufficient revenues collected from the county regional facilities tax  
123 described in Subsection (1), the county auditor shall reduce the amount due to each eligible  
124 municipality under Subsection (3) by the same percentage until the total distributions due all  
125 eligible municipalities under Subsection (3) is equal to or less than \$1,000,000.

126 (5) Prior to making the distributions to eligible municipalities described in this section,  
127 an eligible county may collect an administrative fee for the costs of administering this part.

128 Section 3. Section **59-2-1703** is enacted to read:

129 **59-2-1703. Determining eligibility of a municipality to receive a distribution.**

130 (1) Before the February 1 of the calendar year in which a municipality seeks for a  
131 distribution of property taxes under this chapter, the municipality shall request its county  
132 assessor to provide a calculation of the percentage of the acreage of real property located within  
133 the municipality's boundaries that is exempt from paying property tax.

134 (2) On or before the February 22 immediately following the request described in  
135 Subsection (1), the county assessor shall provide the municipality the information requested in  
136 Subsection (1).

137 (3) The municipality is eligible to receive a distribution under Section 59-2-1702 if:

138 (a) the county assessor determines that 33% or more of the acreage of the real property  
139 located within the municipality's boundaries is exempt from paying a property tax; and

140 (b) the municipality has a regional facility located within its boundaries.

141 Section 4. Section **59-2-1704** is enacted to read:

142 **59-2-1704. Determination of the value of a regional facility for purposes of**  
143 **receiving a distribution from the revenue collected.**

144 (1) Before April 1 of each year an eligible municipality shall request its county assessor  
145 to provide the county with the information described in Subsection (2).

146 (2) On or before the April 22 immediately following the request described in  
147 Subsection (1), the county assessor shall provide the eligible municipality:

148 (a) a list of each parcel of real property:

149 (i) located within the eligible municipality's boundaries; and

- 150 (ii) occupied by a regional facility;
- 151 (b) the acreage of each parcel described in Subsection (2)(a);
- 152 (c) the total acreage of all parcels of real property located within the eligible
- 153 municipality's boundaries that are subject to a property tax; and
- 154 (d) the prior year total assessed value of all parcels of real property located within the
- 155 eligible municipality that are subject to a property tax.

156 (3) Using the information described in Subsection (2), the county assessor shall

157 determine the regional facility value for each regional facility within its boundaries.

158 (4) Regional facility value within an eligible municipality is an amount equal to the

159 product of:

160 (a) the average taxable value per acre for all taxable real property within the

161 municipality; and

162 (b) the total acreage of all real property occupied by a regional facility.

163 Section 5. Section **59-2-1705** is enacted to read:

164 **59-2-1705. Review and approval of an application for a distribution by the county**

165 **auditor -- Determination of the amount of a distribution.**

166 (1) By no later than May 1 of the calendar year in which an eligible municipality seeks

167 a distribution of property taxes, the eligible municipality shall file an application with the

168 county auditor.

169 (2) In the application required by Subsection (1), the eligible municipality shall:

170 (a) include the information supplied by its county assessor described in Sections

171 59-2-1703 and 59-2-1704;

172 (b) designate for which regional facilities the eligible municipality is seeking a

173 distribution of property taxes;

174 (c) state the eligible municipality's total regional facility value determined in

175 accordance with Section 59-2-1704; and

176 (d) provide any other information that the county auditor requests.

177 (3) The county auditor shall examine the application and information provided by the

178 eligible municipality and approve the application after verifying the following:

179 (a) that the information provided by the county assessor described in Subsection (2)

180 demonstrates that 33% or more of the acreage of real property located within the municipality

181 is exempt from paying a property tax;

182 (b) based on the information provided by the county assessor, that the municipality's  
183 determination of the average taxable value per acre for all taxable real property within the  
184 municipality is accurate;

185 (c) based on the information provided by the county assessor, that the municipality's  
186 determination of the total amount of acreage of real property within its boundaries occupied by  
187 a regional facility is accurate; and

188 (d) that the municipality's determination of the regional facility value for each regional  
189 facility is correct.

190 Section 6. Section **59-2-1706** is enacted to read:

191 **59-2-1706. Not applicable to certified rate.**

192 Revenue received under this chapter may not be considered to establish a certified tax  
193 rate under Chapter 2, Part 9, Levies.

194 Section 7. **Effective date.**

195 This bill takes effect on January 1, 2010.

---

---

**S.B. 47 1st Sub. (Green) - County Regional Facilities Property Tax**

**Fiscal Note**

2009 General Session

State of Utah

---

---

**State Impact**

Enactment of this bill will not require additional appropriations.

---

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

If only one county has an eligible municipality, then this bill would increase the property tax by \$1,000,000. For each county with an eligible municipality, the property tax increases by \$1,000,000. In a county of the first class, the \$1,000,000 property tax increase would mean a shift of \$979,000 between those taxing entities that pay the property tax and those taxing entities that receive the tax. There may be increased costs to the county assessor.

---