

**PROPERTY TAX AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to property tax.

**Highlighted Provisions:**

This bill:

▶ modifies the time at which certain qualifications for a county assessor in a county of the first, second, or third class are determined;

▶ expands a requirement to conduct an annual update of property values using a mass appraisal system so that the requirement applies to assessors in counties of the third, fourth, fifth, and sixth class in addition to county assessors in first and second class counties;

▶ modifies a provision relating to a notice that the county auditor is required to provide so that it includes information about the percentage of change in the dollar amount of taxes under the current year's rate as compared to the dollar amount under the previous year's rate;

▶ modifies the time within which a taxpayer may file an appeal relating to the value of personal property;

▶ modifies the amounts associated with the homestead exemption; and

▶ prohibits a person from claiming a homestead exemption for property acquired as a result of criminal activity.

**Monies Appropriated in this Bill:**



28 None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **17-17-2**, as last amended by Laws of Utah 2009, Chapter 271

34 **59-2-303.1**, as last amended by Laws of Utah 2008, Chapter 301

35 **59-2-919.1**, as last amended by Laws of Utah 2009, Chapter 204

36 **59-2-1005**, as last amended by Laws of Utah 2005, Chapters 217 and 244

37 **78B-5-503**, as renumbered and amended by Laws of Utah 2008, Chapter 3



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

40 Section 1. Section **17-17-2** is amended to read:

41 **17-17-2. Assessor to be state qualified -- Vacancy -- Filling vacancy.**

42 (1) (a) Except as provided in Subsection (1)(b), in addition to the requirements of  
43 Section 17-16-1, any person elected to the office of county assessor after November 1, 1993,  
44 shall be a state-licensed or state-certified appraiser as defined in Title 61, Chapter 2b, Real  
45 Estate Appraiser Licensing and Certification Act, prior to the expiration of 36 months from the  
46 day on which his term of office begins.

47 (b) Notwithstanding Subsection (1)(a), a county assessor of a county of the first  
48 through third class shall be a state-licensed or state-certified appraiser as defined in Title 61,  
49 Chapter 2b, Real Estate Appraiser Licensing and Certification Act, prior to ~~[taking]~~ filing for  
50 office if the county assessor is:

- 51 (i) elected to the office of county assessor on or after January 1, 2010; or
- 52 (ii) selected to fill the vacancy of a county assessor as described in Subsection (2).

53 (2) (a) If an assessor fails to meet the requirement of this section, the assessor's office  
54 is automatically vacant.

55 (b) (i) In the event of a vacancy under this section, the county executive shall fill the  
56 vacancy in the manner provided for in Sections 17-53-104 and 20A-1-508. However, a person  
57 selected to fill the vacancy must be a state-licensed or state-certified appraiser within six  
58 months after assuming the office of county assessor.

59 (ii) If a state-licensed or state-certified appraiser cannot be found to fill a vacancy  
60 which resulted from the requirements of this section, the county executive may contract with a  
61 state-licensed or state-certified appraiser from outside the county to fill the remainder of the  
62 term in the office of county assessor.

63 Section 2. Section **59-2-303.1** is amended to read:

64 **59-2-303.1. Mandatory cyclical appraisals.**

65 (1) For purposes of this section:

66 (a) "Corrective action" includes:

67 (i) factoring pursuant to Section 59-2-704;

68 (ii) notifying the state auditor that the county failed to comply with the requirements of  
69 this section; or

70 (iii) filing a petition for a court order requiring a county to take action.

71 (b) "Mass appraisal system" means a computer assisted mass appraisal system that:

72 (i) a county assessor uses to value real property; and

73 (ii) includes at least the following system features:

74 (A) has the ability to update all parcels of real property located within the county each  
75 year;

76 (B) can be programmed with specialized criteria;

77 (C) provides uniform and equal treatment of parcels within the same class of real  
78 property throughout the county; and

79 (D) annually updates all parcels of residential real property within the county using  
80 accepted valuation methodologies as determined by rule.

81 (c) "Property review date" means the date a county assessor completes a detailed  
82 review of the property characteristics of a parcel of real property in accordance with Subsection  
83 (3)(a).

84 (2) (a) The county assessor shall annually update property values of property as  
85 provided in Section 59-2-301 based on a systematic review of current market data.

86 (b) The county assessor [~~of a county of the first or second class~~] shall conduct the  
87 annual update described in Subsection (2)(a) by using a mass appraisal system on or before the  
88 following:

89 (i) for a county of the first class, January 1, 2009; [~~and~~]

90 (ii) for a county of the second class, January 1, 2011[-];

91 (iii) for a county of the third class, January 1, 2013; and

92 (iv) for a county of the fourth, fifth, or sixth class, January 1, 2015.

93 (c) The county assessor and the commission shall jointly certify that the county's mass  
94 appraisal system meets the requirements:

95 (i) described in Subsection (1)(b); and

96 (ii) of the commission.

97 (3) (a) In addition to the requirements in Subsection (2), the county assessor shall  
98 complete a detailed review of property characteristics for each property at least once every five  
99 years.

100 (b) The county assessor shall maintain on the county's computer system, a record of the  
101 last property review date for each parcel of real property located within the county assessor's  
102 county.

103 (4) (a) The commission shall take corrective action if the commission determines that:

104 (i) a county assessor has not satisfactorily followed the current mass appraisal  
105 standards, as provided by law;

106 (ii) the sales-assessment ratio, coefficients of dispersion, or other statistical measures  
107 of appraisal performance related to the studies required by Section 59-2-704 are not within the  
108 standards provided by law; or

109 (iii) the county assessor has failed to comply with the requirements of this section.

110 (b) If a county assessor fails to comply with the requirements of this section for one  
111 year, the commission shall assist the county assessor in fulfilling the requirements of  
112 Subsections (2) and (3).

113 (c) If a county assessor fails to comply with the requirements of this section for two  
114 consecutive years, the county will lose the county's allocation of the revenue generated  
115 statewide from the imposition of the multicounty assessing and collecting levy authorized in  
116 Sections 59-2-1602 and 59-2-1603.

117 (d) If a county loses its allocation of the revenue generated statewide from the  
118 imposition of the multicounty assessing and collecting levy described in Subsection (4)(c), the  
119 revenue the county would have received shall:

120 (i) be retained in the Property Tax Valuation Agency Fund for that calendar year; and

121 (ii) be distributed the following calendar year in accordance with Section 59-2-1603.

122 (5) (a) On or before July 1, 2008, the county assessor shall prepare a five-year plan to  
123 comply with the requirements of Subsections (2) and (3).

124 (b) The plan shall be available in the county assessor's office for review by the public  
125 upon request.

126 (c) The plan shall be annually reviewed and revised as necessary.

127 (6) (a) A county assessor shall create, maintain, and regularly update a database  
128 containing the following information that the county assessor may use to enhance the county's  
129 ability to accurately appraise and assess property on an annual basis:

130 (i) fee and other appraisals;

131 (ii) property characteristics and features;

132 (iii) property surveys;

133 (iv) sales data; and

134 (v) any other data or information on sales, studies, transfers, changes to property, or  
135 property characteristics.

136 (b) A county assessor shall submit a report to the commission on or before September  
137 1 stating the progress of the county assessor to meet the requirements of Subsection (6)(a).

138 (c) The commission shall report to the Revenue and Taxation Interim Committee on or  
139 before the October interim meeting concerning the information received from the county  
140 assessors pursuant to Subsection (6)(b).

141 Section 3. Section **59-2-919.1** is amended to read:

142 **59-2-919.1. Notice of property valuation and tax changes.**

143 (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or  
144 before July 22 of each year, shall notify, by mail, each owner of real estate as defined in  
145 Section 59-2-102 who is listed on the assessment roll.

146 (2) The notice described in Subsection (1) shall:

147 (a) be sent to all owners of real property by mail not less than 10 days before the day on  
148 which:

149 (i) the county board of equalization meets; and

150 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax  
151 rate;

152 (b) be printed on a form that is:

153 (i) approved by the commission; and

154 (ii) uniform in content in all counties in the state; and

155 (c) contain for each property:

156 (i) the value of the property;

157 (ii) the date the county board of equalization will meet to hear complaints on the

158 valuation;

159 (iii) itemized tax information for all taxing entities~~[-, including a separate statement for~~

160 ~~the minimum school levy under Section 53A-17a-135];~~

161 (A) stating:

162 [~~(A)~~] (I) (Aa) the dollar amount the taxpayer would have paid based on last year's rate;

163 and

164 [~~(B)~~] (Bb) the amount of the taxpayer's liability under the current rate; and

165 (II) the percentage increase or decrease that the amount of the taxpayer's liability under

166 the current rate represents as compared to the dollar amount the taxpayer would have paid

167 based on last year's rate; and

168 (B) including a separate statement for the minimum school levy under Section

169 53A-17a-135;

170 (iv) the tax impact on the property;

171 (v) the time and place of the required public hearing for each entity;

172 (vi) property tax information pertaining to:

173 (A) taxpayer relief;

174 (B) options for payment of taxes; and

175 (C) collection procedures;

176 (vii) information specifically authorized to be included on the notice under Title 59,

177 Chapter 2, Property Tax Act;

178 (viii) the last property review date of the property as described in Subsection

179 59-2-303.1(1)(c); and

180 (ix) other property tax information approved by the commission.

181 Section 4. Section **59-2-1005** is amended to read:

182 **59-2-1005. Procedures for appeal of personal property valuation -- Time for**

183 **appeal -- Hearing -- Decision -- Appeal to commission.**

184 (1) For personal property assessed by a county assessor in accordance with Section  
185 59-2-301, the county legislative body shall include with the signed statement required by  
186 Section 59-2-306 a notice of procedures for an appeal relating to the value of the personal  
187 property.

188 (2) (a) If personal property is subject to a fee in lieu of tax or the uniform tax under  
189 Article XIII, Sec. 2, Utah Constitution, and the fee or tax is based upon the value of the  
190 property, the basis of the value may be appealed to the commission.

191 (b) For the personal property described in Subsection (2)(a), a taxpayer may make an  
192 appeal relating to the value of the personal property by filing an application with the county  
193 legislative body no later than [~~30~~] 60 days after the mailing of the tax notice.

194 (3) (a) After giving reasonable notice, the county legislative body shall hear an appeal  
195 filed in accordance with Subsection (2) and render a written decision.

196 (b) The written decision described in Subsection (3)(a) shall be rendered no later than  
197 60 days after receipt of the appeal.

198 (4) If any taxpayer is dissatisfied with a decision rendered in accordance with  
199 Subsection (3) by the county legislative body, the taxpayer may file an appeal with the  
200 commission in accordance with Section 59-2-1006.

201 (5) For personal property assessed by the commission in accordance with Section  
202 59-2-201, a taxpayer may make an appeal relating to the personal property in accordance with  
203 Section 59-2-1007.

204 Section 5. Section **78B-5-503** is amended to read:

205 **78B-5-503. Homestead exemption -- Definitions -- Excepted obligations -- Water**  
206 **rights and interests -- Conveyance -- Sale and disposition -- Property right for federal tax**  
207 **purposes.**

208 (1) For purposes of this section:

209 (a) "Household" means a group of persons related by blood or marriage living together  
210 in the same dwelling as an economic unit, sharing furnishings, facilities, accommodations, and  
211 expenses.

212 (b) "Mobile home" is as defined in Section 57-16-3.

213 (c) "Primary personal residence" means a dwelling or mobile home, and the land

214 surrounding it, not exceeding one acre, as is reasonably necessary for the use of the dwelling or  
215 mobile home, in which the individual and the individual's household reside.

216 (d) "Property" means:

217 (i) a primary personal residence;

218 (ii) real property; or

219 (iii) an equitable interest in real property awarded to a person in a divorce decree by a  
220 court.

221 (2) (a) An individual is entitled to a homestead exemption consisting of property in this  
222 state in an amount not exceeding:

223 (i) ~~[\$5,000]~~ \$15,000 in value if the property consists in whole or in part of property  
224 which is not the primary personal residence of the individual; or

225 (ii) ~~[\$20,000]~~ \$150,000 in value if the property claimed is the primary personal  
226 residence of the individual.

227 (b) If the property claimed as exempt is jointly owned, each joint owner is entitled to a  
228 homestead exemption; however

229 (i) for property exempt under Subsection (2)(a)(i), the maximum exemption may not  
230 exceed ~~[\$10,000]~~ \$30,000 per household; or

231 (ii) for property exempt under Subsection (2)(a)(ii), the maximum exemption may not  
232 exceed ~~[\$40,000]~~ \$300,000 per household.

233 (c) A person may claim a homestead exemption in either or both of the following:

234 (i) one or more parcels of real property together with appurtenances and improvements;

235 or

236 (ii) a mobile home in which the claimant resides.

237 (d) A person may not claim a homestead exemption for property that the person  
238 acquired as a result of criminal activity.

239 (3) A homestead is exempt from judicial lien and from levy, execution, or forced sale  
240 except for:

241 (a) statutory liens for property taxes and assessments on the property;

242 (b) security interests in the property and judicial liens for debts created for the purchase  
243 price of the property;

244 (c) judicial liens obtained on debts created by failure to provide support or maintenance



245 for dependent children; and

246 (d) consensual liens obtained on debts created by mutual contract.

247 (4) (a) Except as provided in Subsection (4)(b), water rights and interests, either in the  
248 form of corporate stock or otherwise, owned by the homestead claimant are exempt from  
249 execution to the extent that those rights and interests are necessarily employed in supplying  
250 water to the homestead for domestic and irrigating purposes.

251 (b) Those water rights and interests are not exempt from calls or assessments and sale  
252 by the corporations issuing the stock.

253 (5) (a) When a homestead is conveyed by the owner of the property, the conveyance  
254 may not subject the property to any lien to which it would not be subject in the hands of the  
255 owner.

256 (b) The proceeds of any sale, to the amount of the exemption existing at the time of  
257 sale, is exempt from levy, execution, or other process for one year after the receipt of the  
258 proceeds by the person entitled to the exemption.

259 (6) The sale and disposition of one homestead does not prevent the selection or  
260 purchase of another.

261 (7) For purposes of any claim or action for taxes brought by the United States Internal  
262 Revenue Service, a homestead exemption claimed on real property in this state is considered to  
263 be a property right.

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**Legislative Review Note**  
as of 1-27-10 11:22 AM

**Office of Legislative Research and General Counsel**

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**H.B. 259 - Property Tax Amendments**

**Fiscal Note**

2010 General Session  
State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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