

PROPERTY TAXATION OF LOW-INCOME HOUSING

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jack R. Draxler

Senate Sponsor: _____

LONG TITLE

General Description:

This bill makes changes to low-income housing reporting procedures and related penalties for purposes of property taxation.

Highlighted Provisions:

This bill:

- ▶ requires the owner of property subject to a low-income housing covenant to annually provide certain information to a county assessor;
- ▶ provides for assessment when the required information is not provided;
- ▶ provides for a penalty for failure to provide certain information to an assessor; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on January 1, 2013.

Utah Code Sections Affected:

AMENDS:

59-2-301.3, as enacted by Laws of Utah 2003, Chapter 113

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

Section 1. Section **59-2-301.3** is amended to read:



28 **59-2-301.3. Definitions -- Assessment of real property subject to a low-income**
29 **housing covenant.**

30 (1) As used in this section:

31 (a) "low-income housing covenant" means an agreement:

32 (i) between:

33 (A) the Utah Housing Corporation; and

34 (B) an owner of real property upon which residential rental housing is located; and

35 (ii) in which the owner described in Subsection (1)(a)(i)(B) agrees to limit the amount

36 of rent that a renter may be charged for the residential rental housing; and

37 (b) "residential rental housing" means housing that:

38 (i) is used:

39 (A) for residential purposes; and

40 (B) as a primary residence; and

41 (ii) is rental property.

42 (2) ~~[In assessing the fair market value of real property that is subject to a low-income~~

43 ~~housing covenant, a] Upon receipt of the information required under Subsection (3), a county~~

44 ~~assessor shall [include as part of the assessment], in determining the fair market value of real~~

45 ~~property subject to a low-income housing covenant, take into account all relevant factors that~~

46 ~~affect the fair market value of the property, including:~~

47 ~~(a) the information provided in Subsection (3); and~~

48 ~~(b) any effects the low-income housing covenant may have on the fair market value of~~
49 ~~the real property.~~

50 (3) To have a county assessor take into account a low-income housing covenant under

51 Subsection (2), the owner of a property subject to a low-income housing covenant shall, by

52 April 30 of each year, provide to the county assessor:

53 (a) an application on a form provided by the assessor;

54 (b) a signed statement from the property owner that the project continues to meet the
55 requirements of the low-income housing covenant;

56 (c) a financial operating statement for the property for the prior year;

57 (d) rent rolls for the property for the prior year; and

58 (e) federal and commercial financing terms and agreements for the property.

59 (4) If the owner of a property subject to a low-income housing covenant fails to meet
60 the requirements of Subsection (3):

61 (a) the assessor shall:

62 (i) make a record of the failure to meet the requirements of Subsection (3); and

63 (ii) make an estimate of the fair market value of the property based on information
64 available to the assessor;

65 (b) the value fixed by the assessor in accordance with Subsection (4)(a)(ii) may not be
66 reduced by the county board of equalization or the commission; and

67 (c) the owner shall pay a penalty equal to the greater of:

68 (i) \$250; or

69 (ii) 10% of the tax due on the property for that year.

70 Section 2. **Effective date.**

71 This bill takes effect on January 1, 2013.

Legislative Review Note
as of 1-20-12 8:12 AM

Office of Legislative Research and General Counsel