

## SB0158S01 compared with SB0158

~~deleted text~~ shows text that was in SB0158 but was deleted in SB0158S01.

inserted text shows text that was not in SB0158 but was inserted into SB0158S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Senator Benjamin M. McAdams proposes the following substitute bill:

### DELINQUENT PROPERTY TAX AND UNIFORM FEE

#### AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Benjamin M. McAdams**

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

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#### LONG TITLE

##### General Description:

This bill amends provisions related to interest rates on delinquent property taxes or uniform fees.

##### Highlighted Provisions:

This bill:

- ▶ increases interest rates and interest rate caps on delinquent property taxes or uniform fees.

##### Money Appropriated in this Bill:

None

##### Other Special Clauses:

## SB0158S01 compared with SB0158

This bill ~~{has retrospective operation to}~~ takes effect on January 1, ~~{2012}~~ 2013.

### Utah Code Sections Affected:

#### AMENDS:

**59-2-1302**, as last amended by Laws of Utah 2011, Chapter 163

**59-2-1331**, as last amended by Laws of Utah 2010, Chapter 63

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

Section 1. Section **59-2-1302** is amended to read:

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

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

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

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

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

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

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

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

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

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

## SB0158S01 compared with SB0158

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

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

(4) (a) The amount of tax or uniform fee assessed upon personal property is delinquent if the tax or uniform fee is not paid on the day on which the tax notice or the combined signed statement and tax notice under Section 59-2-306 is due.

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

(i) [~~6%~~] 8%; and

(ii) the federal funds rate target:

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

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

(c) The interest rate described in Subsection (4)(b) may not be less than [~~7%~~] 8% or more than [~~10%~~] 12%.

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

(a) the state treasurer; or

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

Section 2. Section **59-2-1331** is amended to read:

**59-2-1331. Date tax is delinquent -- Penalty -- Interest -- Payments -- Refund of prepayment.**

(1) (a) Except as provided in Subsection (1)(b), all taxes, unless otherwise specifically provided for under Section 59-2-1332, or other law, unpaid or postmarked after November 30 of each year following the date of levy, are delinquent, and the county treasurer shall close the treasurer's office for the posting of current year tax payments until a delinquent list has been prepared.

(b) Notwithstanding Subsection (1)(a), if November 30 falls on a Saturday, Sunday, or holiday:

(i) the date of the next following day that is not a Saturday, Sunday, or holiday shall be

## SB0158S01 compared with SB0158

substituted in Subsection (1)(a) and Subsection 59-2-1332(1) for November 30; and

(ii) the date of the day occurring 30 days after the date under Subsection (1)(b)(i) shall be substituted in Subsection 59-2-1332(1) for December 30.

(2) (a) Except as provided in Subsection (2)(e), for each parcel, all delinquent taxes on each separately assessed parcel are subject to a penalty of 2.5% of the amount of the delinquent taxes or \$10, whichever is greater.

(b) Unless the delinquent taxes, together with the penalty, are paid on or before January 31, the amount of taxes and penalty shall bear interest on a per annum basis from the January 1 immediately following the delinquency date.

(c) Except as provided in Subsection (2)(d), for purposes of Subsection (2)(b), the interest rate is equal to the sum of:

(i) [~~6%~~] 8%; and

(ii) the federal funds rate target:

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

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

(d) The interest rate described in Subsection (2)(c) may not be:

(i) less than [~~7%~~] 8%; or

(ii) more than [~~10%~~] 12%.

(e) The penalty described in Subsection (2)(a) is 1% of the amount of the delinquent taxes or \$10, whichever is greater, if all delinquent taxes and the penalty are paid on or before the January 31 immediately following the delinquency date.

(3) If the delinquency exceeds one year, the amount of taxes and penalties for that year and all succeeding years shall bear interest until settled in full through redemption or tax sale. The interest rate to be applied shall be calculated for each year as established under Subsection (2) and shall apply on each individual year's delinquency until paid.

(4) The county treasurer may accept and credit on account against taxes becoming due during the current year, at any time before or after the tax rates are adopted, but not subsequent to the date of delinquency, either:

(a) payments in amounts of not less than \$10; or

(b) the full amount of the unpaid tax.

(5) (a) At any time before the county treasurer mails the tax notice described in Section

## SB0158S01 compared with SB0158

59-2-1317, the county treasurer may refund amounts accepted and credited on account against taxes becoming due during the current year.

(b) Upon recommendation by the county treasurer, the county legislative body shall adopt rules or ordinances to implement the provisions of this Subsection (5).

Section 3. ~~{Retrosp}~~Effective ~~{operation}~~date.

This bill ~~has retrospective operation to January 1, 2012.~~

### Legislative Review Note

~~as of 1-20-12 8:00 AM~~

~~Office of Legislative Research and General Counsel~~ takes effect on January 1, 2013.