

DEADLINES FOR PROPERTY TAX AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill amends certain deadlines related to property taxes.

Highlighted Provisions:

This bill:

▶ moves up the deadline for when:

- the Tax Commission shall assess certain property, transmit to the county auditor changes made to the county's assessment book and various apportionment information, apportion to each tax area the total assessment of all of the property the commission assesses, and determine the state tax rate to collect the amount of revenue determined by the Legislature;
- a county assessor shall assess certain property, complete the assessment book, make certain adjustments to the taxable value of property, and transmit certain property tax information; and
- a county auditor shall prepare the county's assessment book and transmit certain property tax information; and

▶ amends application deadlines for taxpayers or counties to apply to the Tax Commission to hear objections on valuation assessments made by the Tax Commission.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-2-201, as last amended by Laws of Utah 2017, Chapter 425

59-2-303, as last amended by Laws of Utah 1993, Chapter 245

59-2-311, as last amended by Laws of Utah 2005, Chapter 182

- 33 **59-2-322**, as last amended by Laws of Utah 2000, Chapter 86
 34 **59-2-323**, as last amended by Laws of Utah 1987, Chapter 148
 35 **59-2-801**, as last amended by Laws of Utah 2008, Chapters 283 and 382
 36 **59-2-802**, as last amended by Laws of Utah 2015, Chapter 139
 37 **59-2-901**, as last amended by Laws of Utah 1988, Chapter 3
 38 **59-2-924**, as last amended by Laws of Utah 2017, Chapter 390
 39 **59-2-1007**, as last amended by Laws of Utah 2015, Chapter 139

40

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

42 Section 1. Section **59-2-201** is amended to read:

43 **59-2-201. Assessment by commission -- Determination of value of mining**
 44 **property -- Determination of value of aircraft -- Notification of assessment -- Local**
 45 **assessment of property assessed by the unitary method -- Commission may consult with**
 46 **county.**

47 (1) (a) By ~~May~~ April 1 of each year, the following property, unless otherwise exempt
 48 under the Utah Constitution or under Part 11, Exemptions, Deferrals, and Abatements, shall be
 49 assessed by the commission at 100% of fair market value, as valued on January 1, in
 50 accordance with this chapter:

51 (i) except as provided in Subsection (2), all property that operates as a unit across
 52 county lines, if the values must be apportioned among more than one county or state;

53 (ii) all property of public utilities;

54 (iii) all operating property of an airline, air charter service, and air contract service;

55 (iv) all geothermal fluids and geothermal resources;

56 (v) all mines and mining claims except in cases, as determined by the commission,
 57 where the mining claims are used for other than mining purposes, in which case the value of
 58 mining claims used for other than mining purposes shall be assessed by the assessor of the
 59 county in which the mining claims are located; and

60 (vi) all machinery used in mining, all property or surface improvements upon or
 61 appurtenant to mines or mining claims. For the purposes of assessment and taxation, all
 62 processing plants, mills, reduction works, and smelters that are primarily used by the owner of
 63 a mine or mining claim for processing, reducing, or smelting minerals taken from a mine or

64 mining claim shall be considered appurtenant to that mine or mining claim, regardless of actual
65 location.

66 (b) (i) For purposes of Subsection (1)(a)(iii), operating property of an air charter
67 service does not include an aircraft that is:

68 (A) used by the air charter service for air charter; and

69 (B) owned by a person other than the air charter service.

70 (ii) For purposes of this Subsection (1)(b):

71 (A) "person" means a natural person, individual, corporation, organization, or other
72 legal entity; and

73 (B) a person does not qualify as a person other than the air charter service as described
74 in Subsection (1)(b)(i)(B) if the person is:

75 (I) a principal, owner, or member of the air charter service; or

76 (II) a legal entity that has a principal, owner, or member of the air charter service as a
77 principal, owner, or member of the legal entity.

78 (2) The commission shall assess and collect property tax on state-assessed commercial
79 vehicles at the time of original registration or annual renewal.

80 (a) The commission shall assess and collect property tax annually on state-assessed
81 commercial vehicles that are registered pursuant to Section 41-1a-222 or 41-1a-228.

82 (b) State-assessed commercial vehicles brought into the state that are required to be
83 registered in Utah shall, as a condition of registration, be subject to ad valorem tax unless all
84 property taxes or fees imposed by the state of origin have been paid for the current calendar
85 year.

86 (c) Real property, improvements, equipment, fixtures, or other personal property in this
87 state owned by the company shall be assessed separately by the local county assessor.

88 (d) The commission shall adjust the value of state-assessed commercial vehicles as
89 necessary to comply with 49 U.S.C. Sec. 14502, and the commission shall direct the county
90 assessor to apply the same adjustment to any personal property, real property, or improvements
91 owned by the company and used directly and exclusively in their commercial vehicle activities.

92 (3) (a) The method for determining the fair market value of productive mining property
93 is the capitalized net revenue method or any other valuation method the commission believes,
94 or the taxpayer demonstrates to the commission's satisfaction, to be reasonably determinative

95 of the fair market value of the mining property.

96 (b) The commission shall determine the rate of capitalization applicable to mines,
97 consistent with a fair rate of return expected by an investor in light of that industry's current
98 market, financial, and economic conditions.

99 (c) In no event may the fair market value of the mining property be less than the fair
100 market value of the land, improvements, and tangible personal property upon or appurtenant to
101 the mining property.

102 (4) (a) As used in this Subsection (4), "aircraft pricing guide" means a nationally
103 recognized publication that assigns value estimates for individual commercial aircraft that are:

104 (i) identified by year, make, and model; and

105 (ii) in average condition typical for the aircraft's type and vintage.

106 (b) (i) Except as provided in Subsection (4)(d), the commission shall use an aircraft
107 pricing guide, adjusted as provided in Subsection (4)(c), to determine the fair market value of
108 aircraft assessed under this part.

109 (ii) The commission shall use the Airliner Price Guide as the aircraft pricing guide,
110 except that:

111 (A) if the Airliner Price Guide is no longer published or the commission determines
112 that another aircraft pricing guide more reasonably reflects the fair market value of aircraft, the
113 commission, after consulting with the airlines operating in the state, shall select an alternative
114 aircraft pricing guide;

115 (B) if an aircraft is not listed in the Airliner Price Guide, the commission shall use the
116 Aircraft Bluebook Price Digest as the aircraft pricing guide; and

117 (C) if the Aircraft Bluebook Price Digest is no longer published or the commission
118 determines that another aircraft pricing guide more reasonably reflects the fair market value of
119 aircraft, the commission, after consulting with the airlines operating in the state, shall select an
120 alternative aircraft pricing guide.

121 (c) (i) To reflect the value of an aircraft fleet that is used as part of the operating
122 property of an airline, air charter service, or air contract service, the fair market value of the
123 aircraft shall include a fleet adjustment as provided in this Subsection (4)(c).

124 (ii) If the aircraft pricing guide provides a method for making a fleet adjustment, the
125 commission shall use the method described in the aircraft pricing guide.

126 (iii) If the aircraft pricing guide does not provide a method for making a fleet
127 adjustment, the commission shall make a fleet adjustment by reducing the aircraft pricing guide
128 value of each aircraft in the fleet by .5% for each aircraft over three aircraft up to a maximum
129 20% reduction.

130 (d) The commission may use an alternative method for valuing aircraft of an airline, air
131 charter service, or air contract service if the commission:

132 (i) has clear and convincing evidence that the aircraft values reflected in the aircraft
133 pricing guide do not reasonably reflect fair market value of the aircraft; and

134 (ii) cannot identify an alternative aircraft pricing guide from which the commission
135 may determine aircraft value.

136 (5) Immediately following the assessment, the commission shall send, by certified
137 mail, notice of the assessment to the owner or operator of the assessed property and the
138 assessor of the county in which the property is located.

139 (6) The commission may consult with a county in valuing property in accordance with
140 this part.

141 (7) The local county assessor shall separately assess property that is assessed by the
142 unitary method if the commission determines that the property:

143 (a) is not necessary to the conduct of the business; and

144 (b) does not contribute to the income of the business.

145 Section 2. Section **59-2-303** is amended to read:

146 **59-2-303. General duties of county assessor.**

147 (1) Prior to [~~May~~] April 22 each year, the county assessor shall ascertain the names of
148 the owners of all property which is subject to taxation by the county, and shall assess the
149 property to the owner, claimant of record, or occupant in possession or control at 12 o'clock
150 midnight of January 1 in the tax year, unless a subsequent conveyance of ownership of the real
151 property was recorded in the office of the county recorder more than 14 calendar days before
152 the date of mailing of the tax notice. In that case, any tax notice may be mailed, and the tax
153 assessed, to the new owner. No mistake in the name or address of the owner or supposed
154 owner of property renders the assessment invalid.

155 (2) A county assessor shall become fully acquainted with all property in [~~his~~] the
156 county assessor's county, as provided in Section 59-2-301.

157 Section 3. Section **59-2-311** is amended to read:

158 **59-2-311. Completion and delivery of assessment book -- Signed statement**
159 **required -- Contents of signed statement -- Adjustment of assessment in assessment book.**

160 (1) Prior to [~~May~~] April 22 each year, the assessor shall complete and deliver the
161 assessment book to the county auditor.

162 (2) The assessor shall subscribe and sign a statement in the assessment book
163 substantially as follows:

164 I, _____, the assessor of _____ County, do swear that before [~~May~~] April 22,
165 _____(year), I made diligent inquiry and examination, and either personally or by deputy,
166 established the value of all of the property within the county subject to assessment by me; that
167 the property has been assessed on the assessment book equally and uniformly according to the
168 best of my judgment, information, and belief at its fair market value; that I have faithfully
169 complied with all the duties imposed on the assessor under the revenue laws including the
170 requirements of Section 59-2-303.1; and that I have not imposed any unjust or double
171 assessments through malice or ill will or otherwise, or allowed anyone to escape a just and
172 equal assessment through favor or reward, or otherwise.

173 (3) Before completing and delivering the assessment book under Subsection (1), the
174 assessor shall adjust the assessment of property in the assessment book to reflect an adjustment
175 in the taxable value of any property if the adjustment in taxable value is made:

176 (a) by the county board of equalization under Section 59-2-1004.5; and

177 (b) on or before [~~May~~] April 15.

178 Section 4. Section **59-2-322** is amended to read:

179 **59-2-322. Transmittal of statement to commission.**

180 (1) The county auditor shall, before [~~June~~] May 8 of each year, prepare from the
181 assessment book of that year a statement showing in separate columns:

182 (a) the total value of all property;

183 (b) the value of real estate, including patented mining claims, stated separately;

184 (c) the value of the improvements;

185 (d) the value of personal property exclusive of money; and

186 (e) the number of acres of land and the number of patented mining claims, stated
187 separately.

188 (2) As soon as the statement is prepared the county auditor shall transmit the statement
189 to the commission.

190 Section 5. Section **59-2-323** is amended to read:

191 **59-2-323. Changes ordered by commission.**

192 (1) The commission shall, before [~~June~~] May 17 or within 10 days after the county
193 auditors of the state have filed their report with the commission as provided for under Section
194 59-2-322, each year transmit to the county auditor a statement of the changes made by it in the
195 assessment book of the county, as provided under Section 59-1-210.

196 (2) As soon as the county auditor receives from the commission a statement of the
197 changes made by it in the assessment book of the county, or of any assessment contained
198 therein, the auditor shall make the corresponding changes in the assessment book, by entering
199 the same in a column provided with the proper heading in the assessment book, counting any
200 fractional sum when more than 50 cents as one dollar and omitting it when less than 50 cents,
201 so that the value of any separate assessment shall contain no fractions of a dollar; but shall in
202 all cases disregard any action of the county board of equalization or commission which is
203 prohibited by law.

204 Section 6. Section **59-2-801** is amended to read:

205 **59-2-801. Apportionment of property assessed by commission.**

206 (1) Before [~~May~~] April 25 of each year, the commission shall apportion to each tax
207 area the total assessment of all of the property the commission assesses as provided in
208 Subsections (1)(a) through (f).

209 (a) (i) The commission shall apportion the assessments of the property described in
210 Subsection (1)(a)(ii):

211 (A) to each tax area through which the public utility or company described in
212 Subsection (1)(a)(ii) operates; and

213 (B) in proportion to the property's value in each tax area.

214 (ii) Subsection (1)(a)(i) applies to property owned by:

215 (A) a public utility, except for the rolling stock of a public utility;

216 (B) a pipeline company;

217 (C) a power company;

218 (D) a canal company; or

- 219 (E) an irrigation company.
- 220 (b) The commission shall apportion the assessments of the rolling stock of a railroad:
- 221 (i) to the tax areas through which railroads operate; and
- 222 (ii) in the proportion that the length of the main tracks, sidetracks, passing tracks,
- 223 switches, and tramways of the railroads in each tax area bears to the total length of the main
- 224 tracks, sidetracks, passing tracks, switches, and tramways in the state.
- 225 (c) The commission shall apportion the assessments of the property of a car company
- 226 to:
- 227 (i) each tax area in which a railroad is operated; and
- 228 (ii) in the proportion that the length of the main tracks, passing tracks, sidetracks,
- 229 switches, and tramways of all of the railroads in each tax area bears to the total length of the
- 230 main tracks, passing tracks, sidetracks, switches, and tramways of all of the railroads in the
- 231 state.
- 232 (d) (i) The commission shall apportion the assessments of the property described in
- 233 Subsection (1)(d)(ii) to each tax area in which the property is located.
- 234 (ii) Subsection (1)(d)(i) applies to the following property:
- 235 (A) mines;
- 236 (B) mining claims; or
- 237 (C) mining property.
- 238 (e) (i) As used in this Subsection (1)(e), "ground hours" means the total number of
- 239 hours during the calendar year immediately preceding the January 1 described in Section
- 240 59-2-103 that aircraft owned or operated by the following are on the ground:
- 241 (A) an air charter service;
- 242 (B) an air contract service; or
- 243 (C) an airline.
- 244 (ii) The commission shall apportion the assessments of the property described in
- 245 Subsection (1)(e) (iii) to:
- 246 (A) each designated tax area; and
- 247 (B) in the proportion that the ground hours in each designated tax area bear to the total
- 248 ground hours in the state.
- 249 (iii) Subsection (1)(e) (ii) applies to the mobile flight equipment owned by an:

250 (A) air charter service;

251 (B) air contract service; or

252 (C) airline.

253 (f) (i) The commission shall apportion the assessments of the property described in
254 Subsection (1)(f)(ii) to each tax area in which the property is located as of January 1 of each
255 year.

256 (ii) Subsection (1)(f)(i) applies to the real and tangible personal property, other than
257 mobile flight equipment, owned by an:

258 (A) air charter service;

259 (B) air contract service; or

260 (C) airline.

261 (2) (a) (i) (A) State-assessed commercial vehicles that weigh 12,001 pounds or more
262 shall be taxed at a statewide average rate which is calculated from the overall county average
263 tax rates from the preceding year, exclusive of the property subject to the statewide uniform
264 fee, weighted by lane miles of principal routes in each county.

265 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
266 commission shall adopt rules to define "principal routes."

267 (ii) State-assessed commercial vehicles that weigh 12,000 pounds or less are subject to
268 the uniform fee provided in Section 59-2-405.1.

269 (b) The combined revenue from all state-assessed commercial vehicles shall be
270 apportioned to the counties based on:

271 (i) 40% by the percentage of lane miles of principal routes within each county as
272 determined by the commission; and

273 (ii) 60% by the percentage of total state-assessed vehicles having business situs in each
274 county.

275 (c) At least quarterly, the commission shall apportion the total taxes paid on
276 state-assessed commercial vehicles to the counties.

277 (d) Each county shall apportion its share of the revenues under this Subsection (2) to
278 the taxing entities within its boundaries in the same proportion as the assessments of other:

279 (i) real property;

280 (ii) tangible personal property; and

281 (iii) property assessed by the commission.

282 Section 7. Section **59-2-802** is amended to read:

283 **59-2-802. Statement of commission transmitted to county auditors -- Contents of**
284 **statement -- Duties of auditors -- Change of assessment prohibited.**

285 (1) The commission shall, before [~~June~~] May 8, annually transmit to the county auditor
286 of each county to which an apportionment has been made a statement showing:

287 (a) the property assessed;

288 (b) the value of the property, as fixed and apportioned to the tax areas; and

289 (c) the aggregate amount of taxable value placed in dispute in accordance with Section
290 59-2-1007.

291 (2) The county auditor shall enter the:

292 (a) statement on the county assessment roll or book; and

293 (b) amount of the assessment apportioned to the county in the column of the
294 assessment book or roll which shows for the county the total taxable value of all property.

295 (3) A county board of equalization may not change any assessment fixed by the
296 commission.

297 Section 8. Section **59-2-901** is amended to read:

298 **59-2-901. Determination of rate by commission -- Transmittal to county and state**
299 **auditors.**

300 Before [~~June~~] May 22 of each year the commission shall determine the rate of state tax
301 to be levied and collected upon the taxable value of all property in the state sufficient to raise
302 the amount of revenue specified by the Legislature for general state purposes. That rate may
303 not exceed .00048 per dollar of taxable value of taxable property in the state. The commission
304 shall transmit to the county auditor of each county and to the state auditor a statement of that
305 rate. The county auditor shall, upon receipt, give the commission written acknowledgment of
306 receipt.

307 Section 9. Section **59-2-924** is amended to read:

308 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
309 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
310 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
311 **commission.**

312 (1) As used in this section:

313 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
314 this chapter.

315 (ii) "Ad valorem property tax revenue" does not include:

316 (A) interest;

317 (B) penalties;

318 (C) collections from redemptions; or

319 (D) revenue received by a taxing entity from personal property that is semiconductor
320 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
321 Assessment.

322 (b) (i) "Aggregate taxable value of all property taxed" means:

323 (A) the aggregate taxable value of all real property a county assessor assesses in
324 accordance with Part 3, County Assessment, for the current year;

325 (B) the aggregate taxable value of all real and personal property the commission
326 assesses in accordance with Part 2, Assessment of Property, for the current year; and

327 (C) the aggregate year end taxable value of all personal property a county assessor
328 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
329 of the taxing entity.

330 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
331 end taxable value of personal property that is:

332 (A) semiconductor manufacturing equipment assessed by a county assessor in
333 accordance with Part 3, County Assessment; and

334 (B) contained on the prior year's tax rolls of the taxing entity.

335 (c) "Centrally assessed benchmark value" means an amount equal to the highest year
336 end taxable value of real and personal property the commission assesses in accordance with
337 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
338 2015, adjusted for taxable value attributable to:

339 (i) an annexation to a taxing entity; or

340 (ii) an incorrect allocation of taxable value of real or personal property the commission
341 assesses in accordance with Part 2, Assessment of Property.

342 (d) (i) "Centrally assessed new growth" means the greater of:

- 343 (A) zero; or
- 344 (B) the amount calculated by subtracting the centrally assessed benchmark value
345 adjusted for prior year end incremental value from the taxable value of real and personal
346 property the commission assesses in accordance with Part 2, Assessment of Property, for the
347 current year, adjusted for current year incremental value.
- 348 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
349 change in the method of apportioning the value prescribed by the Legislature, a court, or the
350 commission in an administrative rule or administrative order.
- 351 (e) "Certified tax rate" means a tax rate that will provide the same ad valorem property
352 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 353 (f) "Eligible new growth" means the greater of:
- 354 (i) zero; or
- 355 (ii) the sum of:
- 356 (A) locally assessed new growth;
- 357 (B) centrally assessed new growth; and
- 358 (C) project area new growth.
- 359 (g) "Incremental value" means the same as that term is defined in Section 17C-1-102.
- 360 (h) (i) "Locally assessed new growth" means the greater of:
- 361 (A) zero; or
- 362 (B) the amount calculated by subtracting the year end taxable value of real property the
363 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
364 adjusted for prior year end incremental value from the taxable value of real property the county
365 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
366 for current year incremental value.
- 367 (ii) "Locally assessed new growth" does not include a change in:
- 368 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or
369 another adjustment;
- 370 (B) assessed value based on whether a property is allowed a residential exemption for a
371 primary residence under Section 59-2-103;
- 372 (C) assessed value based on whether a property is assessed under Part 5, Farmland
373 Assessment Act; or

374 (D) assessed value based on whether a property is assessed under Part 17, Urban
375 Farming Assessment Act.

376 (i) "Project area" means the same as that term is defined in Section 17C-1-102.

377 (j) "Project area new growth" means an amount equal to the incremental value that is
378 no longer provided to an agency as tax increment.

379 (2) Before [~~June~~] May 1 of each year, the county assessor of each county shall deliver
380 to the county auditor and the commission the following statements:

381 (a) a statement containing the aggregate valuation of all taxable real property a county
382 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

383 (b) a statement containing the taxable value of all personal property a county assessor
384 assesses in accordance with Part 3, County Assessment, from the prior year end values.

385 (3) The county auditor shall, on or before [~~June~~] May 8, transmit to the governing body
386 of each taxing entity:

387 (a) the statements described in Subsections (2)(a) and (b);

388 (b) an estimate of the revenue from personal property;

389 (c) the certified tax rate; and

390 (d) all forms necessary to submit a tax levy request.

391 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
392 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
393 prior year by the amount calculated under Subsection (4)(b).

394 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
395 calculate an amount as follows:

396 (i) calculate for the taxing entity the difference between:

397 (A) the aggregate taxable value of all property taxed; and

398 (B) any adjustments for current year incremental value;

399 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
400 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the
401 average of the percentage net change in the value of taxable property for the equalization
402 period for the three calendar years immediately preceding the current calendar year;

403 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
404 of:

- 405 (A) the amount calculated under Subsection (4)(b)(ii); and
- 406 (B) the percentage of property taxes collected for the five calendar years immediately
- 407 preceding the current calendar year; and
- 408 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount
- 409 determined by subtracting eligible new growth from the amount calculated under Subsection
- 410 (4)(b)(iii).
- 411 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be
- 412 calculated as follows:
- 413 (a) except as provided in Subsection (5)(b), for a new taxing entity, the certified tax
- 414 rate is zero;
- 415 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 416 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
- 417 services under Sections 17-34-1 and 17-36-9; and
- 418 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
- 419 purposes and such other levies imposed solely for the municipal-type services identified in
- 420 Section 17-34-1 and Subsection 17-36-3(22); and
- 421 (c) for debt service voted on by the public, the certified tax rate is the actual levy
- 422 imposed by that section, except that a certified tax rate for the following levies shall be
- 423 calculated in accordance with Section 59-2-913 and this section:
- 424 (i) a school levy provided for under Section 53A-16-113, 53A-17a-133, or
- 425 53A-17a-164; and
- 426 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative
- 427 orders under Section 59-2-1602.
- 428 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
- 429 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more
- 430 eligible judgments.
- 431 (b) The ad valorem property tax revenue generated by a judgment levy described in
- 432 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
- 433 rate.
- 434 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 435 (i) the taxable value of real property:

436 (A) the county assessor assesses in accordance with Part 3, County Assessment; and

437 (B) contained on the assessment roll;

438 (ii) the year end taxable value of personal property:

439 (A) a county assessor assesses in accordance with Part 3, County Assessment; and

440 (B) contained on the prior year's assessment roll; and

441 (iii) the taxable value of real and personal property the commission assesses in

442 accordance with Part 2, Assessment of Property.

443 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new

444 growth.

445 (8) (a) On or before June 22, a taxing entity shall annually adopt a tentative budget.

446 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall

447 notify the county auditor of:

448 (i) the taxing entity's intent to exceed the certified tax rate; and

449 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

450 (c) The county auditor shall notify property owners of any intent to levy a tax rate that

451 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

452 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through

453 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim

454 Committee if:

455 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end

456 taxable value of the real and personal property the commission assesses in accordance with

457 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental

458 value; and

459 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end

460 taxable value of the real and personal property of a taxpayer the commission assesses in

461 accordance with Part 2, Assessment of Property, for the previous year.

462 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by

463 subtracting the taxable value of real and personal property the commission assesses in

464 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year

465 incremental value, from the year end taxable value of the real and personal property the

466 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,

467 adjusted for prior year end incremental value.

468 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
 469 subtracting the total taxable value of real and personal property of a taxpayer the commission
 470 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
 471 year end taxable value of the real and personal property of a taxpayer the commission assesses
 472 in accordance with Part 2, Assessment of Property, for the previous year.

473 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
 474 the requirement under Subsection (9)(a)(ii).

475 Section 10. Section **59-2-1007** is amended to read:

476 **59-2-1007. Objection to assessment by commission -- Application -- Contents of**
 477 **application -- Amending an application -- Hearings -- Appeals.**

478 (1) (a) Subject to the other provisions of this section, if the owner of property assessed
 479 by the commission objects to the assessment, the owner may apply to the commission for a
 480 hearing on the objection on or before the later of:

481 (i) [~~June~~] August 1; or

482 (ii) [~~30~~] 60 days after the date the commission mails the notice of assessment in
 483 accordance with Section 59-2-201.

484 (b) The commission shall allow an owner that meets the requirements of Subsection
 485 (1)(a) to be a party at a hearing under this section.

486 (2) Subject to the other provisions of this section, a county that objects to the
 487 assessment of property assessed by the commission may apply to the commission for a hearing
 488 on the objection:

489 (a) for an assessment with respect to which the owner has applied to the commission
 490 for a hearing on the objection under Subsection (1), if the county applies to the commission to
 491 become a party to the hearing on the objection no later than [~~30~~] 60 days after the date the
 492 owner applied to the commission for the hearing on the objection; or

493 (b) for an assessment with respect to which the owner has not applied to the
 494 commission for a hearing on the objection under Subsection (1), if the county:

495 (i) reasonably believes that the commission should have assessed the property for the
 496 current calendar year at a fair market value that is at least the lesser of an amount that is:

497 (A) 50% greater than the value at which the commission is assessing the property for

498 the current calendar year; or

499 (B) 50% greater than the value at which the commission assessed the property for the
500 prior calendar year; and

501 (ii) applies to the commission for a hearing on the objection no later than ~~[30]~~ 60 days
502 after the last day on which the owner could have applied to the commission for a hearing on the
503 objection under Subsection (1).

504 (3) Before a county may apply to the commission for a hearing under this section on an
505 objection to an assessment, a majority of the members of the county legislative body shall
506 approve filing an application under this section.

507 (4) (a) The commission shall allow a county that meets the requirements of
508 Subsections (2) and (3) to be a party at a hearing under this section.

509 (b) The commission shall allow an owner to be a party at a hearing under this section
510 on an objection to an assessment a county files in accordance with Subsection (2)(b).

511 (5) An owner or a county shall include in an application under this section:

512 (a) a written statement:

513 (i) setting forth the known facts and legal basis supporting a different fair market value
514 than the value assessed by the commission; and

515 (ii) for an assessment described in Subsection (2)(b), establishing the county's
516 reasonable belief that the commission should have assessed the property for the current
517 calendar year at a fair market value that is at least the lesser of an amount that is:

518 (A) 50% greater than the value at which the commission is assessing the property for
519 the current calendar year; or

520 (B) 50% greater than the value at which the commission assessed the property for the
521 prior calendar year; and

522 (b) the owner's or county's estimate of the fair market value of the property.

523 (6) (a) Except as provided in Subsection (6)(b), an owner's or a county's estimate on an
524 application under this section of the fair market value of the property may be amended prior to
525 the hearing as provided by rule.

526 (b) A county may not amend the fair market value of property under this Subsection (6)
527 to equal an amount that is less than the lesser of:

528 (i) the value at which the commission is assessing the property for the current calendar

529 year plus 50%; or

530 (ii) the value at which the commission assessed the property for the prior calendar year
531 plus 50%.

532 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
533 commission may make rules governing the procedures for amending an estimate of fair market
534 value under this Subsection (6).

535 (7) In applying to the commission for a hearing on an objection under this section:

536 (a) a county may estimate the fair market value of the property using a valuation
537 methodology the county considers to be appropriate, regardless of:

538 (i) the valuation methodology used previously in valuing the property; or

539 (ii) the valuation methodology an owner asserts; and

540 (b) an owner may estimate the fair market value of the property using a valuation
541 methodology the owner considers to be appropriate, regardless of:

542 (i) the valuation methodology used previously in valuing the property; or

543 (ii) the valuation methodology a county asserts.

544 (8) (a) An owner who applies to the commission for a hearing in accordance with
545 Subsection (1) shall, for the property for which the owner objects to the commission's
546 assessment, file a copy of the application with the county auditor of each county in which the
547 property is located.

548 (b) A county auditor who receives a copy of an application in accordance with
549 Subsection (8)(a) shall provide a copy of the application to the county:

550 (i) assessor;

551 (ii) attorney;

552 (iii) legislative body; and

553 (iv) treasurer.

554 (9) (a) On or before ~~August 1~~ November 15, the commission shall conduct a
555 scheduling conference with all parties to a hearing under this section.

556 (b) At the scheduling conference under Subsection (9)(a), the commission shall
557 establish dates for:

558 (i) the completion of discovery;

559 (ii) the filing of prehearing motions; and

560 (iii) conducting a hearing on the objection to the assessment.

561 (10) (a) The commission shall issue a written decision no later than 120 days after the
562 later of the date:

563 (i) the hearing under this section is completed; or
564 (ii) all posthearing briefs are submitted.

565 (b) If the commission does not issue a written decision on an objection to an
566 assessment under this section within a two-year period after the date an application under this
567 section is filed, the objection is considered to be denied, unless the parties stipulate to a
568 different time period for resolving the objection.

569 (c) A party may appeal to the district court in accordance with Section 59-1-601 within
570 30 days after the date an objection is considered to be denied.

571 (11) At the hearing on an objection under this section, the commission may increase,
572 lower, or sustain the assessment if:

573 (a) the commission finds an error in the assessment; or
574 (b) the commission determines that increasing, lowering, or sustaining the assessment
575 is necessary to equalize the assessment with other similarly assessed property.

576 (12) (a) The commission shall send notice of a commission action under Subsection
577 (11) to a county auditor if:

578 (i) the commission proposes to adjust an assessment the commission made in
579 accordance with Section 59-2-201;

580 (ii) the county's tax revenues may be affected by the commission's decision; and
581 (iii) the county is not a party to the hearing under this section.

582 (b) The written notice described in Subsection (12)(a):

583 (i) may be transmitted by:

584 (A) any form of electronic communication;
585 (B) first class mail; or
586 (C) private carrier; and

587 (ii) shall request the county to show good cause why the commission should not adjust
588 the assessment by requesting the county to provide to the commission a written statement
589 setting forth the known facts and legal basis for not adjusting the assessment within 30 days
590 from the date of the written notice.

591 (c) If a county provides a written statement described in Subsection (12)(b) to the
592 commission, the commission shall:

593 (i) hold a hearing or take other appropriate action to consider the good cause the county
594 provides in the written statement; and

595 (ii) issue a written decision increasing, lowering, or sustaining the assessment.

596 (d) If a county does not provide a written statement described in Subsection (12)(b) to
597 the commission within 30 days after the commission sends the notice described in Subsection
598 (12)(a), the commission shall adjust the assessment and send a copy of the commission's
599 written decision to the county.

600 (13) Subsection (12) does not limit the rights of a county as provided in Subsections
601 (2) and (4)(a).

602 (14) (a) On or before the November 2018 interim meeting, the Revenue and Taxation
603 Interim Committee shall study the process for a county to object to an assessment of property
604 assessed by the commission.

605 (b) As part of the study required by Subsection (14)(a), the Revenue and Taxation
606 Interim Committee shall determine whether to draft legislation to modify the process for a
607 county to object to an assessment of property assessed by the commission.

608 Section 11. **Effective date.**

609 This bill takes effect on January 1, 2019.