



**Fiscal Note**  
**S.B. 20 2nd Sub. (Salmon)**  
 2022 General Session  
 Property Tax Amendments  
 by Bramble, C. (Bramble, Curtis.)



**General, Education, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$ (84,200)	\$ (25,000)	\$ (109,200)

**State Government**

UCA 36-12-13(2)(c)

Revenues	FY 2022	FY 2023	FY 2024
Total Revenues	\$0	\$0	\$0

Enactment of this legislation likely will not materially impact state revenue.

Expenditures	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$84,200	\$84,200
General Fund, One-time	\$0	\$25,000	\$0
Total Expenditures	\$0	\$109,200	\$84,200

Enactment of this legislation could cost the Tax Commission \$84,200 ongoing from the General Fund beginning in FY2023 and \$25,000 one-time from the General Fund in FY2023 for personnel and related costs associated with auditing telecommunications services providers.

	FY 2022	FY 2023	FY 2024
<b>Net All Funds</b>	<b>\$0</b>	<b>\$ (109,200)</b>	<b>\$ (84,200)</b>

**Local Government**

UCA 36-12-13(2)(c)

Enactment of this legislation could reduce property tax revenue to local governments indefinitely due to a decline in total centrally assessed value below the benchmark necessary for local governments to generate revenue from new growth. Enactment of this legislation could also increase costs for local governments that would take on the responsibility to appraise telecommunications companies' real property; this could result in a cost to counties of approximately \$40,000 per appraisal and \$1,000 per appeal. The aggregate cost is unknown. Finally, enactment of this legislation could increase costs for the Multicounty Appraisal Trust for appraising telecommunication companies' personal property by approximately \$1 million annually. Additionally, changes to the formula for calculating an energy supplier's fee in lieu of property tax may affect the exemption of a project entity to the fee in lieu for the capacity, service, or other benefit from the facility that is resold (including by an exempt entity) to a non-exempt entity. Currently 14% of project entity value is exempt from the fee in lieu on this basis. If this entire percentage is no longer exempt, it may represent a revenue increase of up to \$5.8 million statewide.

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**Individuals & Businesses**

UCA 36-12-13(2)(c)

Enactment of this legislation could result in a tax shift, wherein telecommunications companies could have reduced property tax burdens and all other filers could have increased property tax burdens. The aggregate impact is estimated to be a shift of approximately \$19 million annually. Additionally, changes to the formula for calculating an energy supplier's fee in lieu of property tax may affect the exemption of a project entity to the fee in lieu for the capacity, service, or other benefit from the facility that is resold (including by an exempt entity) to a non-exempt entity. Currently 14% of project entity value is exempt from the fee in lieu on this basis. If this entire percentage is no longer exempt it may represent a tax increase to affected taxpayers of up to \$5.8 million statewide.

**Regulatory Impact**

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

**Performance Evaluation**

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.