

## Part 2 Assessment of Property

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

- (1)
- (a) By May 1 of each year the following property, unless otherwise exempt under the Utah Constitution or under Part 11, Exemptions, Deferrals, and Abatements, shall be assessed by the commission at 100% of fair market value, as valued on January 1, in accordance with this chapter:
    - (i) except as provided in Subsection (2), all property which operates as a unit across county lines, if the values must be apportioned among more than one county or state;
    - (ii) all property of public utilities;
    - (iii) all operating property of an airline, air charter service, and air contract service;
    - (iv) all geothermal fluids and geothermal resources;
    - (v) all mines and mining claims except in cases, as determined by the commission, where the mining claims are used for other than mining purposes, in which case the value of mining claims used for other than mining purposes shall be assessed by the assessor of the county in which the mining claims are located; and
    - (vi) all machinery used in mining, all property or surface improvements upon or appurtenant to mines or mining claims. For the purposes of assessment and taxation, all processing plants, mills, reduction works, and smelters which are primarily used by the owner of a mine or mining claim for processing, reducing, or smelting minerals taken from a mine or mining claim shall be considered appurtenant to that mine or mining claim, regardless of actual location.
  - (b)
    - (i) For purposes of Subsection (1)(a)(iii), operating property of an air charter service does not include an aircraft that is:
      - (A) used by the air charter service for air charter; and
      - (B) owned by a person other than the air charter service.
    - (ii) For purposes of this Subsection (1)(b):
      - (A) "person" means a natural person, individual, corporation, organization, or other legal entity; and
      - (B) a person does not qualify as a person other than the air charter service as described in Subsection (1)(b)(i)(B) if the person is:
        - (I) a principal, owner, or member of the air charter service; or
        - (II) a legal entity that has a principal, owner, or member of the air charter service as a principal, owner, or member of the legal entity.
- (2) The commission shall assess and collect property tax on state-assessed commercial vehicles at the time of original registration or annual renewal.
- (a) The commission shall assess and collect property tax annually on state-assessed commercial vehicles which are registered pursuant to Section 41-1a-222 or 41-1a-228.
  - (b) State-assessed commercial vehicles brought into the state which are required to be registered in Utah shall, as a condition of registration, be subject to ad valorem tax unless all property taxes or fees imposed by the state of origin have been paid for the current calendar year.

- (c) Real property, improvements, equipment, fixtures, or other personal property in this state owned by the company shall be assessed separately by the local county assessor.
- (d) The commission shall adjust the value of state-assessed commercial vehicles as necessary to comply with 49 U.S.C. Sec. 14502, and the commission shall direct the county assessor to apply the same adjustment to any personal property, real property, or improvements owned by the company and used directly and exclusively in their commercial vehicle activities.
- (3) The method for determining the fair market value of productive mining property is the capitalized net revenue method or any other valuation method the commission believes, or the taxpayer demonstrates to the commission's satisfaction, to be reasonably determinative of the fair market value of the mining property. The rate of capitalization applicable to mines shall be determined by the commission, consistent with a fair rate of return expected by an investor in light of that industry's current market, financial, and economic conditions. In no event may the fair market value of the mining property be less than the fair market value of the land, improvements, and tangible personal property upon or appurtenant to the mining property.
- (4) Immediately following the assessment, the owner or operator of the assessed property shall be notified of the assessment by certified mail. The assessor of the county in which the property is located shall also be immediately notified of the assessment by certified mail.
- (5) The commission may consult with a county in valuing property in accordance with this part.
- (6) Property assessed by the unitary method, which is not necessary to the conduct and does not contribute to the income of the business as determined by the commission, shall be assessed separately by the local county assessor.

Amended by Chapter 139, 2015 General Session

**59-2-202 Statement of taxpayer -- Extension of time for filing -- Assessment without statement -- Penalty for failure to file statement or information -- Waiver, reduction, or compromise of penalty -- Appeals.**

- (1)
  - (a) A person, or an officer or agent of that person, owning or operating property described in Subsection (1)(b) shall, on or before March 1 of each year, file with the commission a statement:
    - (i) signed and sworn to by the person, officer, or agent;
    - (ii) showing in detail all real property and tangible personal property located in the state that the person owns or operates;
    - (iii) containing the number of miles of taxable tangible personal property in each county:
      - (A) that the person owns or operates; and
      - (B) as valued on January 1 of the year for which the person, officer, or agent is furnishing the statement; and
    - (iv) containing any other information the commission requires.
  - (b) Subsection (1)(a) applies to:
    - (i) the following property located in the state:
      - (A) a public utility;
      - (B) an airline;
      - (C) an air charter service; or
      - (D) an air contract service; or
    - (ii) the following property located in more than one county in the state:
      - (A) a pipeline company;
      - (B) a power company;

- (C) a canal company;
  - (D) an irrigation company; or
  - (E) a telephone company.
- (c)
- (i) The commission may allow an extension for filing the statement under Subsection (1)(a) for a time period not exceeding 30 days, unless the commission determines that extraordinary circumstances require a longer period of extension.
  - (ii) The commission shall grant a person, or an officer or agent of that person, an extension for filing the statement under Subsection (1)(a) for a time period not exceeding 15 days if:
    - (A) a federal regulatory agency requires the taxpayer to file a statement that contains the same information as the statement under Subsection (1)(a); and
    - (B) the person, or an officer or agent of that person, requests the commission to grant the extension.
- (2) The commission shall assess and list the property described in Subsection (1)(b) using the best information obtainable by the commission if a person, or an officer or agent of that person, fails to file the statement required under Subsection (1)(a) on or before the later of:
- (a) March 1; or
  - (b) if the commission allows an extension under Subsection (1)(c) for filing the statement, the day after the last day of the extension period.
- (3)
- (a) Except as provided in Subsection (3)(c), the commission shall assess a person a penalty as provided in Subsection (3)(b), if the person, or an officer or agent of that person, fails to file:
    - (i) the statement required under Subsection (1)(a) on or before the later of:
      - (A) March 1; or
      - (B) if the commission allows an extension under Subsection (1)(c) for filing the statement, the day after the last day of the extension period; or
    - (ii) any other information the commission determines to be necessary to:
      - (A) establish valuations for assessment purposes; or
      - (B) apportion an assessment.
  - (b) The penalty described in Subsection (3)(a) is an amount equal to the greater of:
    - (i) 10% of the person's estimated tax liability under this chapter for the current calendar year not to exceed \$50,000; or
    - (ii) \$100.
  - (c)
    - (i) Notwithstanding Subsections (3)(a) and (4), the commission may waive, reduce, or compromise a penalty imposed under this section if the commission finds there are reasonable grounds for the waiver, reduction, or compromise.
    - (ii) If the commission waives, reduces, or compromises a penalty under Subsection (3)(c)(i), the commission shall make a record of the grounds for waiving, reducing, or compromising the penalty.
- (4) The county treasurer shall collect the penalty imposed under Subsection (3) as provided in Section 59-2-1308.
- (5) A person subject to a penalty under Subsection (3) may appeal the penalty according to procedures and requirements of Title 63G, Chapter 4, Administrative Procedures Act.

Amended by Chapter 382, 2008 General Session

**59-2-203 Record of assessment of railroads and other companies -- Review by county assessor.**

- (1) Each year the commission shall prepare a record of assessment of railroads and rail car companies. The record shall include:
  - (a) the name of the person to whom the property was assessed;
  - (b) the number of miles in the state;
  - (c) the number of miles in each county;
  - (d) the total assessment of that property; and
  - (e) the amount of the apportionment of the total assessment to each county.
- (2) At least quarterly, the commission shall prepare a record of assessment of state-assessed commercial vehicles.
- (3) The record of the assessment and the information upon which the assessments and apportionments are made are available for review upon request by a county assessor.

Amended by Chapter 360, 1997 General Session

**59-2-204 Record of assessment of public utility and air travel companies -- Review by county assessor.**

- (1) Each year, the commission shall prepare a record of assessment of the following companies:
  - (a) public utility companies;
  - (b) airlines;
  - (c) air charter services; and
  - (d) air contract services.
- (2) The record of assessment under Subsection (1) shall include:
  - (a) the name of each person engaged in business within the state in a company described in Subsection (1);
  - (b) for each company described in Subsection (1), the total value of all of the company's tangible and intangible properties; and
  - (c) any other information as determined by the commission.
- (3) At the request of a county assessor, the commission shall provide to the county assessor:
  - (a) the record of assessment described in Subsection (1); and
  - (b) the information upon which the assessments and apportionments contained in the record of assessment are made.

Amended by Chapter 71, 1999 General Session

**59-2-205 Record of assessment of mines -- Review by county assessor.**

- (1) Each year the commission shall prepare a record of assessment of mines. The record shall include the following information for all mines subject to assessment by the commission:
  - (a) the owner of the mine;
  - (b) the name and description and location of the mine;
  - (c) the county in which the mine is located;
  - (d) the value of the mine;
  - (e) the value of the machinery;
  - (f) the value of supplies and other personal property;
  - (g) the value of improvements; and
  - (h) the value of machinery, property, and surface improvements having a value separate and independent of the mines or mining claims assessed by the commission, and the names of

the owners of the machinery, property, or surface improvements, together with any other information determined by the commission.

- (2) The record of the assessment and the information upon which the assessments and apportionments are calculated are available for review upon request by a county assessor.

Enacted by Chapter 4, 1987 General Session

**59-2-207 Statements for mines -- Penalty for failure to file statement or information -- Assessment without statement -- Penalty -- Waiver, reduction, or compromise of penalty -- Extension of time for filing statement -- Appeals.**

- (1)
- (a) A person, or an officer or agent of that person, owning or operating property described in Subsection (1)(b) shall file with the commission, on a form prescribed by the commission, a sworn statement on or before March 1 of each year:
    - (i) showing in detail all real property and tangible personal property located in the state that the person owns or operates; and
    - (ii) containing any other information the commission requires.
  - (b) Subsection (1)(a) applies to the following property:
    - (i) a mine;
    - (ii) a mining claim; or
    - (iii) a valuable mineral deposit, including lands containing coal or hydrocarbons.
  - (c)
    - (i) The commission may allow an extension for filing the statement under Subsection (1)(a) for a time period not exceeding 30 days, unless the commission determines that extraordinary circumstances require a longer period of extension.
    - (ii) The commission shall grant a person, or an officer or agent of that person, an extension for filing the statement under Subsection (1)(a) for a time period not exceeding 15 days if:
      - (A) a federal regulatory agency requires the taxpayer to file a statement that contains the same information as the statement under Subsection (1)(a); and
      - (B) the person, or an officer or agent of that person, requests the commission to grant the extension.
- (2) The commission shall assess and list the property described in Subsection (1)(b) using the best information obtainable by the commission if a person, or an officer or agent of that person, fails to file the statement required under Subsection (1)(a) on or before the later of:
- (a) March 1; or
  - (b) if the commission allows an extension under Subsection (1)(c) for filing the statement, the day after the last day of the extension period.
- (3)
- (a) Except as provided in Subsection (3)(c), the commission shall assess a person a penalty as provided in Subsection (3)(b), if the person, or an officer or agent of that person, fails to file:
    - (i) the statement required under Subsection (1)(a) on or before the later of:
      - (A) March 1; or
      - (B) if the commission allows an extension under Subsection (1)(c) for filing the statement, the day after the last day of the extension period; or
    - (ii) any other information the commission determines to be necessary to:
      - (A) establish valuations for assessment purposes; or
      - (B) apportion an assessment.
  - (b) The penalty described in Subsection (3)(a) is an amount equal to the greater of:

- (i) 10% of the person's estimated tax liability under this chapter for the current calendar year not to exceed \$50,000; or
  - (ii) \$100.
- (c)
- (i) Notwithstanding Subsections (3)(a) and (4), the commission may waive, reduce, or compromise a penalty imposed under this section if the commission finds there are reasonable grounds for the waiver, reduction, or compromise.
  - (ii) If the commission waives, reduces, or compromises a penalty under Subsection (3)(c)(i), the commission shall make a record of the grounds for waiving, reducing, or compromising the penalty.
- (4) The county treasurer shall collect the penalty imposed under Subsection (3) as provided in Section 59-2-1308.
- (5) A person subject to a penalty under Subsection (3) may appeal the penalty according to the procedures and requirements of Title 63G, Chapter 4, Administrative Procedures Act.

Amended by Chapter 382, 2008 General Session

**59-2-208 Duties of commission and county auditors relative to mines.**

The duties of the commission and county auditors relative to:

- (1) the assessment of mines, mining claims, and mining property;
- (2) the statements and returns to be made; and
- (3) the equalization thereof are the same as those provided for the assessment of public utilities.

Enacted by Chapter 4, 1987 General Session

**59-2-209 Assessment of improvements, machinery, or structures placed on mines.**

Nothing in this chapter may be construed to exempt from taxation any supplies used in mills, reduction works, or mines, or any improvements, machinery, or other property placed upon or used in connection with a mine or mining claim, which has a value separate and independent of the mine or mining claim.

Enacted by Chapter 4, 1987 General Session

**59-2-210 Collection and enforcement of tax on mines -- Lien -- Tax liability of owners of fractional interests -- Duties of unit operators -- Penalties.**

- (1) The tax mentioned in the preceding sections on mines, mining claims, and mining property shall be collected, and payment enforced, in the manner provided for the collection and enforcement of other taxes, except as provided in Subsection (3).
  - (2) Every tax is a lien upon the mine or mining claim and related mining machinery and improvements. The lien attaches on January 1. Sale of property for delinquent taxes may be made as provided for the sale of real estate for delinquent taxes, except as set forth below.
- (3)
- (a) If oil, gas, or other hydrocarbon wells or fields belonging to multiple owners are operated as a unit, the owner of each fractional interest in the unit is liable for the same proportion of the tax assessed against the total unit that the owner's interest bears to the total interest in the unit.
  - (b) The unit operator shall be notified of the assessment against the entire unit as provided in Section 59-2-201. The operator shall collect the applicable tax from the owner of each fractional interest, and remit the tax assessed against the entire unit. The operator shall also

- file the statement described in Section 59-2-207 for the entire unit. The commission may require that the statement include a listing of all fractional interest owners and their interests.
- (c) The unit operator may, in a manner provided by the commission, deduct and withhold from royalty payments, or from any other payments due to any fractional interest owner, the amount of the tax owed by the fractional interest owner.
  - (d) If the unit operator fails to collect the applicable tax from the fractional interest owners and remit the tax as provided, a penalty shall be imposed against the operator by the county treasurer of the county in which the unit is located. The penalty is equal to the amount of the tax due and owing the county for the tax period in question from that unit.
  - (e) Failure of the unit operator to collect and remit the tax does not preclude tax authorities from utilizing regular collection and enforcement remedies and procedures against the owner of any fractional interest to collect the tax owed by the owner. A nonoperating owner is not subject to penalty or interest upon the tax owed unless the owner fails to remit the tax within 20 days after notification by the county treasurer of the default of the operator.
  - (f) As used in this section, "unit" means any single oil, gas, or other hydrocarbon well or field which has multiple ownership, or any combination of oil, gas, or other hydrocarbon wells, fields, and properties consolidated into a single operation, whether by a formal agreement or otherwise. "Owner" means the holder of any interest or interests in those properties or units, including royalty interests.

Enacted by Chapter 4, 1987 General Session

**59-2-211 Security for tax on uranium and vanadium mining properties.**

- (1) The commission, in order to ensure the payment and collection of an ad valorem property tax imposed against uranium and vanadium mining properties, may require the owner or the person engaged in mining the properties to deposit a security with the commission in an amount determined by the commission. The security shall be deposited with the commission within 30 days of proper notice by the commission that the security is required. Notice by registered mail to the last-known address as shown in the records of the commission constitutes proper notice.
- (2) The security may be sold by the commission at public sale in order to recover any tax, interest, or penalty due. Notice of the sale may be personally served upon the person who deposited the securities, or served by registered mail sent to the last-known address as shown in the records of the commission. Following the sale, any surplus amount shall be returned to the person who deposited the security.
- (3) If the security is not deposited on or before the due date, the commission may declare the tax for that year and any preceding year, if unpaid, in jeopardy, and may proceed to collect the tax under this chapter.
- (4) Following recourse to the security by the commission, or to jeopardy proceedings under Part 13, Collection of Taxes, the person engaged in using the properties shall deposit any new security required by the commission prior to resuming operations.
- (5) The ad valorem tax imposed upon metalliferous mining claims and properties is a personal obligation of the owner or operator of the affected claims or properties, and the obligations are not satisfied until paid in full. If a mining claim or property is sold at the tax sale under Part 13, Collection of Taxes, the sale does not extinguish the personal obligation of the owner or operator of the claim or property. The personal obligation continues to exist against the owner or operator of the claim or property until paid or otherwise satisfied. Other real or personal property of the owner or operator may be seized or sold to satisfy the personal obligation. This

remedy is not exclusive but is in addition to any other remedy provided by law for the collection of these taxes. Nothing contained in this section abrogates existing powers of the commission or a county legislative body to compromise or adjust the assessment of taxes.

Amended by Chapter 181, 1995 General Session

**59-2-212 Equalization of values -- Hearings.**

- (1) The commission shall adjust and equalize the valuation of the taxable property in all counties of the state for the purpose of taxation; and may order or make an assessment or reassessment of any property which the commission determines has been overassessed or underassessed or which has not been assessed.
- (2) If the commission intends to make an assessment or reassessment under this section, the commission shall give at least 15 days written notice of the time and place fixed for the determination of the assessment to the owner of the property and to the auditor of the county in which the property is located. Upon the date so fixed the commission shall assess or reassess the property and shall notify the county auditor of the assessment made, and every assessment has the same force and effect as if made by the county assessor before the delivery of the assessment book to the county treasurer.
- (3) The county auditor shall record the assessment upon the assessment books in the same manner provided under Section 59-2-1011 in the case of a correction made by the county board of equalization, and no county board of equalization or assessor may change any assessment so fixed by the commission.
- (4) All hearings upon assessments made or ordered by the commission pursuant to this section shall be held in the county in which the property involved is located.
- (5) One or more members of the commission may conduct the hearing, and any assessment made after a hearing before any number of the members of the commission shall be as valid as if made after a hearing before the full commission.

Amended by Chapter 86, 2000 General Session

**59-2-213 Duty to furnish assessment roll to counties.**

- (1) The commission shall prepare and furnish to each county an assessment roll in which the county assessor of each county shall list all property within the county.
- (2) In counties using computerized listings, the county assessor shall furnish the information required under Subsection (1) pursuant to procedures established by the commission.

Amended by Chapter 3, 1988 General Session

**59-2-214 Commission to furnish forms for taxpayers' statements.**

- (1) The commission shall furnish the assessor of each county with blank forms of statements provided under Section 59-2-306, affixing to the form a statement substantially as follows to be signed by the party completing the form:

I, \_\_\_\_\_, do swear that I am a resident of the county of \_\_\_\_\_, and that my post office address is \_\_\_\_\_; that the above list contains a full and correct statement of all property subject to taxation, which I, or any firm of which I am a member, or any corporation, association, or company of which I am president, cashier, secretary, or managing agent, owned, claimed, possessed, or controlled at 12 o'clock midnight on the preceding January 1 and which is not already assessed this year.

- (2) The signed statement made on behalf of a firm or corporation shall state the principal place of business of the firm or corporation, and in other respects shall conform substantially to the preceding form.

Amended by Chapter 86, 2000 General Session

**59-2-215 Chief executive officer of state agency to furnish lists of sold lands.**

On or before January 15 of each year the chief executive officer of any agency of the state shall make and transmit to the commission certified lists of lands sold by the state for which certificates of purchase or patents have been issued during the preceding year, giving a description by divisions or subdivisions or lots and blocks, together with the names of the purchasers or patentees, and in the case of lands sold by the state upon contract the amount of the purchase price and the total amount paid or due on the preceding January 1.

Amended by Chapter 299, 1995 General Session

**59-2-216 Commission to furnish list of patented lands to county assessors.**

The commission shall furnish the county assessors, annually, by February 1:

- (1) a list of all patents of lands, except patents for mining locations, and all lands for which receivers' final receipts have been issued for which patents have not been issued, not previously reported;
- (2) a certified list of all lands that have been sold by the state for which certificates of purchase or patents have been issued during the preceding year, with a description, together with the names of the purchasers or patentees; and
- (3) a list containing a description of the lands sold by the state during the preceding year upon contracts for purchase, together with the names and addresses of the purchasers where known, the amount of the purchase price, and the total amount paid or due on the preceding January 1.

Enacted by Chapter 4, 1987 General Session

**59-2-217 Property escaping assessment -- Duties of assessing authority -- Property willfully concealed -- Penalties.**

- (1) Any escaped property may be assessed by the original assessing authority at any time as far back as five years prior to the time of discovery, in which case the assessing authority shall enter the assessments on the tax rolls and follow the procedures established under Part 13, Collection of Taxes.
- (2) Any property found to be willfully concealed, removed, transferred, or misrepresented by its owner or agent in order to evade taxation is subject to a penalty equal to the tax on its value, and neither the penalty nor assessment may be reduced by the county board of equalization or the commission.

Enacted by Chapter 204, 1989 General Session