

CERTAIN MUNICIPAL SERVICES IN FIRST CLASS COUNTIES

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Leonard M. Blackham

This act modifies provisions relating to Counties and to Revenue and Taxation to require counties of the first class to provide detective investigative services in their unincorporated area. The act requires those counties to decrease their countywide tax levy previously imposed to pay for those services and authorizes them to increase their levy on the unincorporated area to offset the decrease. The act authorizes cities and towns located within those counties to increase their tax levy to generate the city or town's proportionate share of the county's countywide decrease. The act exempts those tax increases from applicable notice and hearing requirements and expands an exemption from those same requirements for cities and towns that increase their tax rate to offset a countywide reduction relating to advanced life support and paramedic services. The act also makes technical changes.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

17-34-1, as repealed and reenacted by Chapter 199, Laws of Utah 2000

17-34-3, as last amended by Chapter 199, Laws of Utah 2000

59-2-924, as last amended by Chapters 22, 61, 141 and 199, Laws of Utah 2000

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

Section 1. Section **17-34-1** is amended to read:

17-34-1. Counties may provide municipal services -- First class counties required to provide paramedic and detective investigative services.

(1) For purposes of this chapter, "municipal-type services" means:

(a) fire protection service;

- 28 (b) waste and garbage collection and disposal;
- 29 (c) planning and zoning;
- 30 (d) street lighting;
- 31 (e) in a county of the first class[-];
- 32 (i) advanced life support and paramedic services; and
- 33 (ii) detective investigative services; and
- 34 (f) all other services and functions that are required by law to be budgeted, appropriated,
- 35 and accounted for from a municipal services fund or a municipal capital projects fund as defined
- 36 under Chapter 36, Uniform Fiscal Procedures Act for Counties.

37 (2) A county may:

38 (a) provide municipal-type services to areas of the county outside the limits of cities and

39 towns without providing the same services to cities or towns;

40 (b) fund those services by:

41 (i) levying a tax on taxable property in the county outside the limits of cities and towns;

42 or

43 (ii) charging a service charge or fee to persons benefitting from the municipal-type

44 services.

45 (3) Each county of the first class shall provide [~~advanced life support and paramedic~~

46 ~~services~~] to the area of the county outside the limits of cities and towns[-];

47 (a) advanced life support and paramedic services; and

48 (b) detective investigative services.

49 Section 2. Section **17-34-3** is amended to read:

50 **17-34-3. Taxes or service charges.**

51 (1) (a) If a county furnishes the municipal-type services and functions described in Section

52 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the entire cost of

53 the services or functions so furnished shall be defrayed from funds that the county has derived

54 from [~~either~~]:

55 (i) taxes [~~which~~] that the county may lawfully levy or impose outside the limits of

56 incorporated towns or cities;

57 (ii) service charges or fees the county may impose upon the persons benefited in any way

58 by the services or functions; or

59 (iii) a combination of these sources.

60 (b) As the taxes or service charges or fees are levied and collected, they shall be placed in
61 a special revenue fund of the county and shall be disbursed only for the rendering of the services
62 or functions established in Section 17-34-1 within the unincorporated areas of the county.

63 (2) For the purpose of levying taxes, service charges, or fees provided in this section, the
64 county legislative body may establish a district or districts in the unincorporated areas of the
65 county.

66 (3) Nothing contained in this chapter may be construed to authorize counties to impose
67 or levy taxes not otherwise allowed by law.

68 (4) (a) A county required under Subsection 17-34-1(3) to provide advanced life support
69 and paramedic services to the unincorporated area of the county and that previously paid for those
70 services through a countywide levy may increase its levy under Subsection (1)(a)(i) to generate in
71 the unincorporated area of the county the same amount of revenue as the county loses from that
72 area due to the required decrease in the countywide certified tax rate under Subsection
73 59-2-924(2)(~~h~~)(k)(i).

74 (b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and hearing
75 requirements of Sections 59-2-918 and 59-2-919.

76 (5) (a) For fiscal year 2001, a county required under Subsection 17-34-1(3)(b) to provide
77 detective investigative services to the unincorporated area of the county and that previously paid
78 for those services through a countywide levy may increase its levy under Subsection (1)(a)(i) to
79 generate in the unincorporated area of the county the same amount of revenue as the county loses
80 from that area due to the decrease in the countywide certified tax rate required under Subsection
81 59-2-924(2)(l)(i).

82 (b) If an increase under Subsection (5)(a) causes an increase in the certified tax rate
83 applicable to the unincorporated area of the county, that increase in the certified tax rate is exempt
84 from the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

85 Section 3. Section **59-2-924** is amended to read:

86 **59-2-924. Report of valuation of property to county auditor and commission --**
87 **Transmittal by auditor to governing bodies -- Certified tax rate -- Adoption of tentative**
88 **budget.**

89 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to the

90 county auditor and the commission the following statements:

91 (i) a statement containing the aggregate valuation of all taxable property in each taxing
92 entity; and

93 (ii) a statement containing the taxable value of any additional personal property estimated
94 by the county assessor to be subject to taxation in the current year.

95 (b) The county auditor shall, on or before June 8, transmit to the governing body of each
96 taxing entity:

97 (i) the statements described in Subsections (1)(a)(i) and (ii);

98 (ii) an estimate of the revenue from personal property;

99 (iii) the certified tax rate; and

100 (iv) all forms necessary to submit a tax levy request.

101 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad valorem
102 property tax revenues for a taxing entity as were collected by that taxing entity for the prior year.

103 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not include:

104 (A) collections from redemptions;

105 (B) interest; and

106 (C) penalties.

107 (iii) Except as provided in Subsection (2)(a)(iv), the certified tax rate shall be calculated
108 by dividing the ad valorem property tax revenues collected for the prior year by the taxing entity
109 by the taxable value established in accordance with Section 59-2-913.

110 (iv) The certified tax rates for the taxing entities described in this Subsection (2)(a)(iv)
111 shall be calculated as follows:

112 (A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified tax
113 rate is zero;

114 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

115 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
116 services under Sections 17-34-1 and 17-36-9; and

117 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
118 purposes and such other levies imposed solely for the municipal-type services identified in Section
119 17-34-1 and Subsection 17-36-3(22);

120 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy

121 imposed by that section, except that the certified tax rates for the following levies shall be
122 calculated in accordance with Section 59-2-913 and this section:

123 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
124 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

125 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
126 orders under Section 59-2-906.3.

127 (v) (A) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall be
128 established at that rate which is sufficient to generate only the revenue required to satisfy one or
129 more eligible judgments, as defined in Section 59-2-102.

130 (B) The ad valorem property tax revenue generated by the judgment levy shall not be
131 considered in establishing the taxing entity's aggregate certified tax rate.

132 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use the
133 taxable value of property on the assessment roll.

134 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the assessment
135 roll does not include new growth as defined in Subsection (2)(b)(iii).

136 (iii) "New growth" means:

137 (A) the difference between the increase in taxable value of the taxing entity from the
138 previous calendar year to the current year; minus

139 (B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

140 (iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

141 (A) the amount of increase to locally assessed real property taxable values resulting from
142 factoring, reappraisal, or any other adjustments; or

143 (B) the amount of an increase in the taxable value of property assessed by the commission
144 under Section 59-2-201 resulting from a change in the method of apportioning the taxable value
145 prescribed by:

146 (I) the Legislature;

147 (II) a court;

148 (III) the commission in an administrative rule; or

149 (IV) the commission in an administrative order.

150 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform
151 fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of

152 any county imposing a sales and use tax under Chapter 12, Part 11, County Option Sales and Use
153 Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

154 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter
155 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

156 (A) decreased on a one-time basis by the amount of the estimated sales tax revenue to be
157 distributed to the county under Subsection 59-12-1102(3); and

158 (B) increased by the amount necessary to offset the county's reduction in revenue from
159 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a
160 result of the decrease in the certified tax rate under Subsection (2)(d)(i)(A).

161 (ii) The commission shall determine estimates of sales tax distributions for purposes of
162 Subsection (2)(d)(i).

163 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort
164 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
165 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated
166 revenue from the additional resort communities sales tax imposed under Section 59-12-402.

167 (f) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999,
168 a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the adjustment
169 in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result
170 of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted
171 by the Legislature during the 1998 Annual General Session.

172 (g) For purposes of Subsections (2)(h) through (j):

173 (i) "1998 actual collections" means the amount of revenues a taxing entity actually
174 collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

175 (A) motor vehicles required to be registered with the state that weigh 12,000 pounds or
176 less; and

177 (B) state-assessed commercial vehicles required to be registered with the state that weigh
178 12,000 pounds or less.

179 (ii) "1999 actual collections" means the amount of revenues a taxing entity actually
180 collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

181 (h) For the calendar year beginning on January 1, 2000, the commission shall make the
182 following adjustments:

183 (i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for the
184 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
185 than the sum of:

- 186 (A) the taxing entity's 1999 actual collections; and
- 187 (B) any adjustments the commission made under Subsection (2)(f);

188 (ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for the
189 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
190 than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual collections were
191 less than the sum of:

- 192 (A) the taxing entity's 1999 actual collections; and
- 193 (B) any adjustments the commission made under Subsection (2)(f); and

194 (iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for
195 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were less
196 than the taxing entity's 1999 actual collections.

197 (i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing entity's
198 certified tax rate under this section and a taxing entity's certified revenue levy under Section
199 59-2-906.1 by the amount necessary to offset the difference between:

- 200 (A) the taxing entity's 1998 actual collections; and
- 201 (B) the sum of:
 - 202 (I) the taxing entity's 1999 actual collections; and
 - 203 (II) any adjustments the commission made under Subsection (2)(f).

204 (ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing entity's
205 certified tax rate under this section and a taxing entity's certified revenue levy under Section
206 59-2-906.1 by the amount necessary to offset the difference between:

- 207 (A) the sum of:
 - 208 (I) the taxing entity's 1999 actual collections; and
 - 209 (II) any adjustments the commission made under Subsection (2)(f); and
- 210 (B) the taxing entity's 1998 actual collections.

211 (iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing entity's
212 certified tax rate under this section and a taxing entity's certified revenue levy under Section
213 59-2-906.1 by the amount of any adjustments the commission made under Subsection (2)(f).

214 (j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for
215 purposes of Subsections (2)(f) through (i), the commission may make rules establishing the method
216 for determining a taxing entity's 1998 actual collections and 1999 actual collections.

217 (k) (i) (A) For fiscal year 2000, the certified tax rate of each county ~~[to which]~~ required
218 under Subsection [17-34-3(4)(a) applies] 17-34-1(3)(a) to provide advanced life support and
219 paramedic services to the unincorporated area of the county shall be decreased by the amount
220 necessary to reduce revenues in that fiscal year by an amount equal to the difference between the
221 amount the county budgeted in its 2000 fiscal year budget for advanced life support and paramedic
222 services countywide and the amount the county spent during fiscal year 2000 for those services,
223 excluding amounts spent from a municipal services fund for those services.

224 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection
225 ~~[17-34-3(4)(a)] (2)(k)(i)(A)~~ applies shall be decreased by the amount necessary to reduce revenues
226 in that fiscal year by the amount that the county spent during fiscal year 2000 for advanced life
227 support and paramedic services countywide, excluding amounts spent from a municipal services
228 fund for those services.

229 (ii) (A) ~~[For fiscal year 2001, a]~~ A city or town located within a county of the first class
230 to which Subsection [17-34-3(4)(a)] (2)(k)(i) applies may increase its certified tax rate by the
231 amount necessary to generate within the city or town the same amount of revenues as the county
232 would collect from that city or town if the decrease under Subsection (2)(k)(i) did not occur.

233 (B) An increase under Subsection (2)(k)(ii)(A), whether occurring in a single fiscal year
234 or spread over multiple fiscal years, is not subject to the notice and hearing requirements of
235 Sections 59-2-918 and 59-2-919.

236 (l) (i) For fiscal year 2001, the certified tax rate of each county required under Subsection
237 17-34-1(3)(b) to provide detective investigative services to the unincorporated area of the county
238 shall be decreased by the amount necessary to reduce revenues in that fiscal year by \$12,700,000.

239 (ii) (A) A city or town located within a county of the first class to which Subsection
240 (2)(l)(i) applies may increase its levy for detective investigative services by the amount necessary
241 to generate within the city or town the same amount of revenue as the county would collect from
242 that city or town if the decrease under Subsection (2)(l)(i) did not occur.

243 (B) An increase in the city or town's certified tax rate under Subsection (2)(l)(ii)(A),
244 whether occurring in a single fiscal year or spread over multiple fiscal years, is exempt from the

245 notice and hearing requirements of Sections 59-2-918 and 59-2-919.

246 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

247 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
248 auditor of:

249 (i) its intent to exceed the certified tax rate; and

250 (ii) the amount by which it proposes to exceed the certified tax rate.

251 (c) The county auditor shall notify all property owners of any intent to exceed the certified
252 tax rate in accordance with Subsection 59-2-919(2).

253 (4) (a) The taxable value for the base year under Subsection 17A-2-1247(2)(a) or
254 17A-2-1202(2), as the case may be, shall be reduced for any year to the extent necessary to provide
255 a redevelopment agency established under Title 17A, Chapter 2, Part 12, Utah Neighborhood
256 Development Act, with approximately the same amount of money the agency would have received
257 without a reduction in the county's certified tax rate if:

258 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
259 (2)(d)(i);

260 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
261 previous year; and

262 (iii) the decrease results in a reduction of the amount to be paid to the agency under
263 Section 17A-2-1247 or 17A-2-1247.5.

264 (b) The taxable value of the base year under Subsection 17A-2-1247(2)(a) or
265 17A-2-1202(2), as the case may be, shall be increased in any year to the extent necessary to
266 provide a redevelopment agency with approximately the same amount of money as the agency
267 would have received without an increase in the certified tax rate that year if:

268 (i) in that year the taxable value for the base year under Subsection 17A-2-1247(2) or
269 17A-2-1202(2) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or
270 (2)(d)(i); and

271 (ii) The certified tax rate of a city, school district, or special district increases independent
272 of the adjustment to the taxable value of the base year.

273 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i),
274 the amount of money allocated and, when collected, paid each year to a redevelopment agency
275 established under Title 17A, Chapter 2, Part 12, Utah Neighborhood Development Act, for the

276 payment of bonds or other contract indebtedness, but not for administrative costs, may not be less
277 than that amount would have been without a decrease in the certified tax rate under Subsection
278 (2)(c) or (2)(d)(i).

Legislative Review Note
as of 1-22-01 4:51 PM

This legislation raises the following constitutional or statutory concerns:

Subsection 17-34-3(5), as provided in this bill, authorizes a county of the first class to increase its levy in only the unincorporated area of the county, resulting in a county levy for the unincorporated area that is different than the levy in the rest of the county. That provision may be subject to challenge under the uniform and equal clause of Article XIII, Section 2 of the Utah Constitution which requires all property to be "taxed at a uniform and equal rate."

Office of Legislative Research and General Counsel