

Senator Howard A. Stephenson proposes the following substitute bill:

**PROPERTY TAX - CONFIDENTIALITY OF
CERTAIN INFORMATION**

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill amends provisions of the Open and Public Meetings chapter and the Revenue and Taxation title relating to confidentiality of information.

Highlighted Provisions:

This bill:

- ▶ amends and provides definitions;
- ▶ amends the purposes for which a meeting may be closed under the Open and Public Meetings chapter to include discussion of commercial information;
- ▶ provides circumstances under which certain individuals may:
 - disclose information;
 - disclose commercial information; or
 - file a lien;
- ▶ modifies penalty provisions to provide that an officer or employee of the state or a county who violates the property tax confidentiality statute may only be dismissed from office and be disqualified from holding public office for a certain time period if that officer or employee is convicted of violating the property tax confidentiality statute; and
- ▶ makes technical changes.



26 **Monies Appropriated in this Bill:**

27 None

28 **Other Special Clauses:**

29 This bill provides an immediate effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **52-4-5**, as last amended by Chapter 89, Laws of Utah 1994

33 **59-1-404**, as enacted by Chapter 7, Laws of Utah 2003, Second Special Session



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

36 Section 1. Section **52-4-5** is amended to read:

37 **52-4-5. Purposes of closed meetings -- Chance meetings and social meetings**
38 **excluded -- Disruption of meetings.**

39 (1) (a) A closed meeting may be held pursuant to Section 52-4-4 for any of the
40 following purposes:

41 (i) discussion of the character, professional competence, or physical or mental health of
42 an individual;

43 (ii) strategy sessions to discuss collective bargaining;

44 (iii) strategy sessions to discuss pending or reasonably imminent litigation; [or]

45 (iv) strategy sessions to discuss the purchase, exchange, or lease of real property when
46 public discussion of the transaction would disclose the appraisal or estimated value of the
47 property under consideration or prevent the public body from completing the transaction on the
48 best possible terms;

49 (v) strategy sessions to discuss the sale of real property when:

50 (A) public discussion of the transaction would disclose the appraisal or estimated value
51 of the property under consideration or prevent the public body from completing the transaction
52 on the best possible terms;

53 (B) the public body had previously given public notice that the property would be
54 offered for sale; and

55 (C) the terms of the sale are publicly disclosed before the public body approves the
56 sale;

57 (vi) discussion regarding deployment of security personnel, devices, or systems; ~~and~~
 58 (vii) investigative proceedings regarding allegations of criminal misconduct~~[-]; and~~
 59 (viii) discussion by a county legislative body of commercial information as defined in
 60 Section 59-1-404.

61 (b) A public body may not interview a person applying to fill an elected position in a
 62 closed meeting.

63 (c) Nothing in this section may be construed to require any public body to approve the
 64 purchase, sale, exchange, or lease of real property if that public body is not required to approve
 65 the purchase, sale, exchange, or lease of real property under other laws.

66 (2) This chapter shall not apply to any chance meeting or a social meeting. No chance
 67 meeting or social meeting shall be used to circumvent this chapter.

68 (3) This chapter shall not prohibit the removal of any person who willfully disrupts a
 69 meeting to the extent that orderly conduct is seriously compromised.

70 Section 2. Section **59-1-404** is amended to read:

71 **59-1-404. Definitions -- Confidentiality of commercial information obtained from**
 72 **a property taxpayer or derived from the commercial information -- Exceptions -- Penalty.**

73 (1) As used in this section~~[-];~~

74 (a) (i) "commercial information" means:

75 ~~[(a)] (A)~~ (A) information of a commercial nature obtained from a property taxpayer
 76 regarding the property taxpayer's property; or

77 ~~[(b)] (B)~~ (B) information derived from the information described in this Subsection
 78 (1)(a)~~[-]~~(i); and

79 (ii) (A) "commercial information" does not include information regarding a property
 80 taxpayer's property if the information is intended for public use; and

81 (B) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 82 for purposes of Subsection (1)(a)(ii)(A), the commission may by rule prescribe the
 83 circumstances under which information is intended for public use;

84 (b) "property taxpayer" means a person that:

85 (i) is a property owner; or

86 (ii) has in effect a contract with a property owner to:

87 (A) make filings on behalf of the property owner;

- 88 (B) process appeals on behalf of the property owner; or
- 89 (C) pay a tax under Chapter 2, Property Tax Act, on the property owner's property; and
- 90 (c) "property taxpayer's property" means property with respect to which a property
- 91 taxpayer:
 - 92 (i) owns the property;
 - 93 (ii) makes filings relating to the property;
 - 94 (iii) processes appeals relating to the property; or
 - 95 (iv) pays a tax under Chapter 2, Property Tax Act, on the property.
- 96 (2) Except as provided in Subsections (3) through ~~[(8)] (7)~~, an individual listed under
- 97 Subsection 59-1-403(1)(a) may not disclose commercial information[-]:
 - 98 (a) obtained in the course of performing any duty that the individual listed under
 - 99 Subsection 59-1-403(1)(a) performs under Chapter 2, Property Tax Act; or
 - 100 (b) relating to an action or proceeding:
 - 101 (i) with respect to property; and
 - 102 (ii) that is filed in accordance with this chapter.
 - 103 (3) (a) Notwithstanding Subsection (2) and subject to Subsection (3)(b), an individual
 - 104 listed under Subsection 59-1-403(1)(a) may disclose the following information:
 - 105 ~~[(a)]~~ (i) the assessed value of property;
 - 106 ~~[(b) the amount of tax assessed on property;]~~
 - 107 ~~[(c)]~~ (ii) the tax rate imposed on property;
 - 108 ~~[(d)]~~ (iii) a legal description of property;
 - 109 ~~[(e) a]~~ (iv) the physical description or characteristics of property[-or], including a
 - 110 street address or parcel number for the property;
 - 111 ~~[(f)]~~ (v) the square footage or acreage of property[-];
 - 112 (vi) the square footage of improvements on property;
 - 113 (vii) the name of a property taxpayer;
 - 114 (viii) the mailing address of a property taxpayer;
 - 115 (ix) the amount of a property tax:
 - 116 (A) assessed on property;
 - 117 (B) due on property;
 - 118 (C) collected on property;

- 119 (D) abated on property; or
- 120 (E) deferred on property;
- 121 (x) the amount of the following relating to property taxes due on property:
- 122 (A) interest;
- 123 (B) costs; or
- 124 (C) other charges;
- 125 (xi) the tax status of property, including:
- 126 (A) an exemption;
- 127 (B) a property classification;
- 128 (C) a bankruptcy filing; or
- 129 (D) whether the property is the subject of an action or proceeding under this title;
- 130 (xii) information relating to a tax sale of property; or
- 131 (xiii) information relating to single-family residential property.
- 132 (b) (i) Subject to Subsection (3)(b)(ii), a person may receive the information described
- 133 in Subsection (3)(a) in written format.
- 134 (ii) The following may charge a reasonable fee to cover the actual cost of providing the
- 135 information described in Subsection (3)(a) in written format:
- 136 (A) the commission;
- 137 (B) a county;
- 138 (C) a city; or
- 139 (D) a town.
- 140 (4) (a) Notwithstanding Subsection (2) and except as provided in Subsection
- 141 (4)~~(b)~~(c), an individual listed under Subsection 59-1-403(1)(a) shall disclose commercial
- 142 information:
- 143 (i) in accordance with judicial order;
- 144 (ii) on behalf of the commission in any action or proceeding:
- 145 (A) under this title;
- 146 (B) under another law under which a property taxpayer is required to disclose
- 147 commercial information; or
- 148 (C) to which the commission is a party; ~~[or]~~
- 149 (iii) on behalf of any party to any action or proceeding under this title if the commercial

150 information is directly involved in the action or proceeding[-]; or
151 (iv) if the requirements of Subsection (4)(b) are met, that is:
152 (A) directly involved in an action or proceeding involving property if that action or
153 proceeding has been filed in accordance with this title;
154 (B) relevant to an action or proceeding involving property if that action or proceeding
155 has been filed in accordance with this title; or
156 (C) in preparation for an action or proceeding involving property if that action or
157 proceeding has been filed in accordance with this title.
158 (b) Commercial information shall be disclosed in accordance with Subsection
159 (4)(a)(iv):
160 (i) if the commercial information is obtained from:
161 (A) a real estate agent if the real estate agent is not a property taxpayer of the property
162 that is the subject of the action or proceeding;
163 (B) an appraiser if the appraiser is not a property taxpayer of the property that is the
164 subject of the action or proceeding;
165 (C) a property manager if the property manager is not a property taxpayer of the
166 property that is the subject of the action or proceeding; or
167 (D) a property taxpayer other than a property taxpayer of the property that is the subject
168 of the action or proceeding;
169 (ii) regardless of whether the commercial information is disclosed in more than one
170 action or proceeding; and
171 (iii) (A) if a county board of equalization conducts the action or proceeding, the county
172 board of equalization takes action to provide that any commercial information disclosed during
173 the action or proceeding may not be disclosed by any person conducting or participating in the
174 action or proceeding outside the action or proceeding;
175 (B) if the commission conducts the action or proceeding, the commission enters a
176 protective order or, in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
177 Act, makes rules specifying that any commercial information disclosed during the action or
178 proceeding may not be disclosed by any person conducting or participating in the action or
179 proceeding outside the action or proceeding; or
180 (C) if a court of competent jurisdiction conducts the action or proceeding, the court

181 enters a protective order specifying that any commercial information disclosed during the
182 action or proceeding may not be disclosed by any person conducting or participating in the
183 action or proceeding outside the action or proceeding.

184 ~~(b)~~ (c) Notwithstanding Subsection (4)(a), a court may require the production of, and
185 may admit in evidence, commercial information that is specifically pertinent to the action or
186 proceeding.

187 (5) Notwithstanding Subsection (2), this section does not prohibit:

188 (a) ~~[a property taxpayer or that property taxpayer's duly authorized representative]~~ the
189 following from receiving a copy of any commercial information relating to the basis for
190 assessing a tax that is charged to a property [taxpayer's own tax;] taxpayer:

191 (i) the property taxpayer;

192 (ii) a duly authorized representative of the property taxpayer;

193 (iii) a person that has in effect a contract with the property taxpayer to:

194 (A) make filings on behalf of the property taxpayer;

195 (B) process appeals on behalf of the property taxpayer; or

196 (C) pay a tax under Chapter 2, Property Tax Act, on the property taxpayer's property;

197 (iv) a property taxpayer that purchases property from another property taxpayer; or

198 (v) a person that the property taxpayer designates in writing as being authorized to
199 receive the commercial information;

200 (b) the publication of statistics as long as the statistics are classified to prevent the
201 identification of ~~[(i) a]~~ a particular property taxpayer's commercial information; or

202 ~~[(ii) a property taxpayer; and]~~

203 (c) the inspection by the attorney general or other legal representative of the state or a
204 legal representative of a political subdivision of the state of the commercial information of a
205 property taxpayer:

206 (i) that brings action to set aside or review a tax or property valuation based on the
207 commercial information;

208 (ii) against which an action or proceeding is contemplated or has been instituted under
209 this title; or

210 (iii) against which the state or a political subdivision of the state has an unsatisfied
211 money judgment.

212 ~~[(6) Notwithstanding Subsection (2), the commission may by rule, made in accordance~~
213 ~~with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, provide for the issuance of~~
214 ~~information concerning the identity and other property tax information of a property taxpayer~~
215 ~~that has failed to file a property tax return or pay any property tax due.]~~

216 [(7)] (6) Notwithstanding Subsection (2), in accordance with Title 63, Chapter 46a,
217 Utah Administrative Rulemaking Act, the commission may by rule establish standards
218 authorizing an individual listed under Subsection 59-1-403(1)(a) to disclose commercial
219 information:

220 (a) (i) in a published decision; or

221 (ii) in carrying out official duties; and

222 (b) if that individual listed under Subsection 59-1-403(1)(a) consults with the property
223 taxpayer that provided the commercial information.

224 [(8)] (7) Notwithstanding Subsection (2)[, the commission may]:

225 (a) an individual listed under Subsection 59-1-403(1)(a) may share commercial
226 information with [a county assessor in accordance with the authority provided in Chapter 2,
227 Property Tax Act; or] the following:

228 (i) another individual listed in Subsection 59-1-403(1)(a)(i) or (ii); or

229 (ii) a representative, agent, clerk, or other officer or employee of a county as required
230 to fulfill an obligation created by Chapter 2, Property Tax Act;

231 (b) an individual listed under Subsection 59-1-403(1)(a) may perform the following to
232 fulfill an obligation created by Chapter 2, Property Tax Act:

233 (i) publish notice;

234 (ii) provide notice; or

235 (iii) file a lien; or

236 [(b)] (c) the commission may by rule, made in accordance with Title 63, Chapter 46a,
237 Utah Administrative Rulemaking Act, share commercial information gathered from returns and
238 other written statements with the federal government, any other state, any of the political
239 subdivisions of another state, or any political subdivision of this state, if these political
240 subdivisions or the federal government grant substantially similar privileges to this state.

241 [(9)] (8) (a) Any individual listed under Subsection 59-1-403(1)(a) who violates this
242 section is guilty of a class A misdemeanor.

243 (b) If the individual described in Subsection [~~(9)~~] (8)(a) is an officer or employee of the
244 state or a county and is convicted of violating this section, the individual shall be dismissed
245 from office and be disqualified from holding public office in this state for a period of five years
246 thereafter.

247 Section 3. **Effective date.**

248 If approved by two-thirds of all the members elected to each house, this bill takes effect
249 upon approval by the governor, or the day following the constitutional time limit of Utah
250 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
251 the date of veto override.