

**Representative Gregory H. Hughes** proposes the following substitute bill:

**PROPERTY AFFECTED BY ACCESS INTERRUPTION**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Gregory H. Hughes**

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**LONG TITLE**

**General Description:**

This bill amends the Property Tax Act to provide tax relief for property that sustains a decrease in taxable value caused by access interruption.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ grants rulemaking authority to the State Tax Commission;
- ▶ provides property tax relief for the portion of a calendar year during which property is subjected to a decrease in taxable value caused by access interruption;
- ▶ establishes application and hearing procedures for a county board of equalization to determine whether the owner of property is entitled to the tax relief provided in this bill; and
- ▶ provides for an appeal of a decision rendered by a county board of equalization regarding the tax relief provided in this bill.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



26 ENACTS:

27 **59-2-1004.5**, Utah Code Annotated 1953



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

30 Section 1. Section **59-2-1004.5** is enacted to read:

31 **59-2-1004.5. Tax relief for decrease in taxable value due to access interruption.**

32 (1) For purposes of this section "access interruption" means interruption of the normal  
33 access to or from property due to any circumstance beyond the control of the owner, including:

34 (a) road construction;

35 (b) traffic diversion;

36 (c) an accident;

37 (d) vandalism;

38 (e) an explosion;

39 (f) fire;

40 (g) a flood;

41 (h) a storm;

42 (i) a tornado;

43 (j) winds;

44 (k) fire;

45 (l) an earthquake;

46 (m) lightning;

47 (n) any adverse weather event; or

48 (o) any event similar to the events described in this Subsection (1), as determined by  
49 the commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative  
50 Rulemaking Act.

51 (2) Except as provided in Subsection (3), if, during a calendar year, property sustains a  
52 decrease in taxable value that is caused by access interruption, the owner of the property may  
53 apply to the county board of equalization for an adjustment in the taxable value of the owner's  
54 property as provided in Subsection (4).

55 (3) Notwithstanding Subsection (2), an owner may not receive the tax relief described  
56 in this section if the decrease in taxable value described in Subsection (2) is due to the

57 intentional action or inaction of the owner.

58 (4) (a) To receive the tax relief described in Subsection (2), the owner of the property  
59 shall file an application for tax relief with the county board of equalization on or before January  
60 31 of the year following the calendar year that the decrease in taxable value described in  
61 Subsection (2) occurs.

62 (b) The county board of equalization shall hold a hearing:

63 (i) within 30 days of the day on which the application described in Subsection (4)(a) is  
64 received by the board of equalization; and

65 (ii) in the manner described in Section 59-2-1001.

66 (c) At the hearing described in Subsection (4)(b), the applicant shall have the burden of  
67 proving, by a preponderance of the evidence:

68 (i) that the property sustained a decrease in taxable value, during the applicable  
69 calendar year, that was caused by access interruption;

70 (ii) the amount of the decrease in taxable value described in Subsection (4)(c)(i); and

71 (iii) that the decrease in taxable value described in Subsection (4)(c)(i) is not due to the  
72 action or inaction of the applicant.

73 (d) If the county board of equalization determines that the applicant has met the burden  
74 of proof described in Subsection (4)(c), the county board of equalization shall reduce the  
75 valuation of the property described in Subsection (4)(c)(i) by an amount equal to the decrease  
76 in taxable value of the property multiplied by the portion of the calendar year that the taxable  
77 value of the property was decreased.

78 (e) The decision of the board of equalization shall be provided to the applicant, in  
79 writing, within 30 days of the day on which the hearing described in Subsection (4)(b) is  
80 concluded.

81 (5) An applicant that is dissatisfied with a decision of the board of equalization under  
82 this section may appeal that decision under Section 59-2-1006.

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**Fiscal Note****Property Affected by Access Interruption***10-Feb-05***Bill Number HB0045S01***12:54 PM*

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**State Impact**

Passage of this bill should have no net fiscal impact. There could be a shift in tax burden among entities if values are lowered for impacted businesses and individuals.

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**Individual and Business Impact**

Individuals and businesses who's properties are impacted could receive a property tax break which would be shifted to other taxable non impacted properties in a county.

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**Office of the Legislative Fiscal Analyst**