

1 **TAXABLE VALUE ADJUSTMENT FOR**
2 **PROPERTY DAMAGED BY A NATURAL**
3 **DISASTER**

4 2005 GENERAL SESSION

5 STATE OF UTAH

6 **Sponsor: Bradley G. Last**

7
8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Property Tax Act to provide a tax adjustment for property
11 damaged by a natural disaster.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ defines terms;
- 15 ▶ grants rulemaking authority to the State Tax Commission;
- 16 ▶ provides a property tax adjustment for property damaged by a natural disaster, if the
17 damage causes a decrease in taxable value of at least 30%;
- 18 ▶ establishes application and hearing procedures for a county board of equalization to
19 determine whether the owner of property is entitled to the tax adjustment provided
20 in this bill; and
- 21 ▶ provides for an appeal of a decision rendered by a county board of equalization
22 regarding the tax adjustment provided in this bill.

23 **Monies Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 None

27 **Utah Code Sections Affected:**



28 ENACTS:

29 **59-2-1004.5**, Utah Code Annotated 1953



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

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

33 **59-2-1004.5. Tax adjustment for decrease in taxable value caused by a natural**
34 **disaster.**

35 (1) For purposes of this section:

36 (a) "natural disaster" means:

37 (i) an explosion;

38 (ii) fire;

39 (iii) a flood;

40 (iv) a storm;

41 (v) a tornado;

42 (vi) winds;

43 (vii) an earthquake;

44 (viii) lightning;

45 (ix) any adverse weather event; or

46 (x) any event similar to an event described in this Subsection (1), as determined by the

47 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative

48 Rulemaking Act; and

49 (b) "natural disaster damage" means any physical harm to property caused by a natural
50 disaster.

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 natural disaster damage, the owner of the property
53 may apply to the county board of equalization for an adjustment in the taxable value of the
54 owner's property as provided in Subsection (4).

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

57 (a) due to the intentional action or inaction of the owner; or

58 (b) less than 30% of the taxable value of the property described in Subsection (2)

59 before the decrease in taxable value described in Subsection (2).

60 (4) (a) To receive the tax adjustment described in Subsection (2), the owner of the
61 property shall file an application for the tax adjustment with the county board of equalization
62 on or before the later of:

63 (i) the deadline described in Subsection 59-2-1004(2); or

64 (ii) 45 days after the day on which the natural disaster damage described in Subsection
65 (2) occurs.

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

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

69 (ii) following the procedures and requirements of Section 59-2-1001.

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

72 (i) that the property sustained a decrease in taxable value, that:

73 (A) was caused by natural disaster damage; and

74 (B) is at least 30% of the taxable value of the property described in this Subsection

75 (4)(c)(i) before the decrease in taxable value described in this Subsection (4)(c)(i);

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

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

79 (d) If the county board of equalization determines that the applicant has met the burden
80 of proof described in Subsection (4)(c), the county board of equalization shall reduce the
81 valuation of the property described in Subsection (4)(c)(i) by an amount equal to the decrease
82 in taxable value of the property multiplied by the percentage of the calendar year remaining
83 after the natural disaster damage occurred.

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

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

Legislative Review Note

as of 2-8-05 1:52 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0324

Taxable Value Adjustment for Property Damaged by a Natural Disaster

16-Feb-05

8:34 AM

AMENDED NOTE

State Impact

Passage of this bill could result in significant losses in local revenues including the local contribution to the minimum school program. The exact level of the loss is indeterminate at this time.

Individual and Business Impact

Individuals with property affected by natural disaster would experience tax reductions.

Office of the Legislative Fiscal Analyst