

1                                   **PROPERTY TAX - REFUNDING TAX**

2   **PREPAYMENTS**

3   2006 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Fred R. Hunsaker**

6   Senate Sponsor: Lyle W. Hillyard

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8 **LONG TITLE**

9 **General Description:**

10           This bill amends the Property Tax Act to provide for the refund of tax prepayments.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ provides that a county treasurer may refund tax prepayments at any time before the  
14 county treasurer mails the property tax notice; and  
15           ▶ grants authority to a county legislative body to make rules and ordinances to  
16 implement the provisions of this bill.

17 **Monies Appropriated in this Bill:**

18           None

19 **Other Special Clauses:**

20           None

21 **Utah Code Sections Affected:**

22 AMENDS:

23           **59-2-1331**, as last amended by Chapter 143, Laws of Utah 2003

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

26           Section 1. Section **59-2-1331** is amended to read:

27           **59-2-1331. Date tax is delinquent -- Penalty -- Interest -- Payments -- Refund of**



28 **prepayment.**

29 (1) (a) Except as provided in Subsection (1)(b), all taxes, unless otherwise specifically  
30 provided for under Section 59-2-1332, or other law, unpaid or postmarked after November 30  
31 of each year following the date of levy, are delinquent, and the county treasurer shall close the  
32 treasurer's office for the posting of current year tax payments until a delinquent list has been  
33 prepared.

34 (b) Notwithstanding Subsection (1)(a), if November 30 falls on a Saturday, Sunday, or  
35 holiday:

36 (i) the date of the next following day that is not a Saturday, Sunday, or holiday shall be  
37 substituted in Subsection (1)(a) and Subsection 59-2-1332(1) for November 30; and

38 (ii) the date of the day occurring 30 days after the date under Subsection (1)(b)(i) shall  
39 be substituted in Subsection 59-2-1332(1) for December 30.

40 (2) (a) For each parcel, all delinquent taxes on each separately assessed parcel are  
41 subject to a penalty of 2% of the amount of the taxes or \$10, whichever is greater.

42 (b) Unless the delinquent taxes, together with the penalty, are paid before January 16,  
43 the amount of taxes and penalty shall bear interest on a per annum basis from January 1  
44 following the delinquency date.

45 (c) For purposes of Subsection (2)(b), the interest rate is equal to the sum of:

46 (i) 6%; and

47 (ii) the targeted federal funds rate:

48 (A) as defined in 12 C.F.R. Sec. 201.2; and

49 (B) that exists on the January 1 immediately following the date of delinquency.

50 (3) If the delinquency exceeds one year, the amount of taxes and penalties for that year  
51 and all succeeding years shall bear interest until settled in full through redemption or tax sale.

52 The interest rate to be applied shall be calculated for each year as established under Subsection  
53 (2) and shall apply on each individual year's delinquency until paid.

54 (4) The county treasurer may accept and credit on account against taxes becoming due  
55 during the current year, at any time before or after the tax rates are adopted, but not subsequent  
56 to the date of delinquency, either:

57 (a) payments in amounts of not less than \$10; or

58 (b) the full amount of the unpaid tax.

59           (5) (a) At any time before the county treasurer mails the tax notice described in Section  
60 59-2-1317, the county treasurer may refund amounts accepted and credited on account against  
61 taxes becoming due during the current year.

62           (b) Upon recommendation by the county treasurer, the county legislative body ~~§~~ → **[may]**  
62a **shall** ← ~~§~~  
63 adopt rules or ordinances to implement the provisions of this Subsection (5).

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**Legislative Review Note**  
**as of 1-4-06 1:16 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**