

Senator Howard A. Stephenson proposes the following substitute bill:

1 **LEVIES FOR THE ASSESSMENT AND**
2 **COLLECTION OF PROPERTY TAXES**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Howard A. Stephenson**

6 House Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Property Tax Act relating to the assessment and collection of
11 certain property taxes.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ amends the levy requirements for counties participating in the Property Tax
15 Valuation Agency Fund;
- 16 ▶ amends the multicounty assessing and collecting levy requirements and procedures;
- 17 ▶ requires a contributing county to levy sufficient property taxes to fund its county
18 budgets;
- 19 ▶ requires the state treasurer to refund to certain counties any monies remaining in the
20 Property Tax Valuation Agency Fund in proportion to the amount of revenue each
21 county contributed; and
- 22 ▶ makes technical changes.

23 **Monies Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**



26 This bill has retrospective operation to January 1, 2006.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **59-2-906.1**, as last amended by Chapter 195, Laws of Utah 2005

30 **59-2-906.2**, as last amended by Chapter 195, Laws of Utah 2005



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

32 Section 1. Section **59-2-906.1** is amended to read:

33 **59-2-906.1. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
34 **Additional county levy permitted.**

35 (1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by a
36 multicounty assessing and collecting levy not to exceed .0002 as provided in Subsection (2).

37 (b) The multicounty assessing and collecting levy under Subsection (1)(a) shall be
38 imposed annually by each county in the state.

39 (c) The purpose of the multicounty assessing and collecting levy created under
40 Subsection (1)(a) and the disbursement formulas established in Section 59-2-906.2 is to
41 promote the:

- 42 (i) accurate valuation of property;
- 43 (ii) establishment and maintenance of uniform assessment levels within and among
44 counties; and
- 45 (iii) efficient administration of the property tax system, including the costs of
46 assessment, collection, and distribution of property taxes.

47 (d) Income derived from the investment of money in the fund created in this
48 Subsection (1) shall be deposited in and become part of the fund.

49 (2) (a) Subject to ~~[Subsection]~~ Subsections (2)(b), (5), and (6), in order to fund the
50 Property Tax Valuation Agency Fund, the Legislature shall authorize the amount of the
51 multicounty assessing and collecting levy.

52 (b) The multicounty assessing and collecting levy may not exceed the certified revenue
53 levy as defined in Section 59-2-102, unless:

- 54 (i) the Legislature authorizes a multicounty assessing and collecting levy that exceeds
55 the certified revenue levy; and

57 (ii) the state complies with the notice requirements of Section 59-2-926.

58 (3) (a) The multicounty assessing and collecting levy authorized by the Legislature
59 under Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and
60 collecting levy.

61 (b) The multicounty assessing and collecting levy authorized by the Legislature under
62 Subsection (2) is:

63 (i) exempt from the redevelopment provisions of Sections 17B-4-1003 and
64 17B-4-1004;

65 (ii) in addition to and exempt from the maximum levies allowable under Section
66 59-2-908; and

67 (iii) exempt from the notice requirements of Sections 59-2-918 and 59-2-919.

68 (c) (i) Each county shall transmit quarterly to the state treasurer the portion of the .0002
69 multicounty assessing and collecting levy which is above the amount to which that county is
70 entitled to under Section 59-2-906.2.

71 (ii) The revenue transmitted under Subsection (3)(c)(i) shall be transmitted no later
72 than the tenth day of the month following the end of the quarter in which the revenue is
73 collected.

74 (iii) If revenue transmitted under Subsection (3)(c)(i) is transmitted after the tenth day
75 of the month following the end of the quarter in which the revenue is collected, the county shall
76 pay an interest penalty at the rate of 10% each year until the revenue is transmitted.

77 (iv) Each county that transmits to the state treasurer a portion of the .0002 multicounty
78 assessing and collecting levy in accordance with Subsection (3)(c) shall levy sufficient property
79 taxes to fund its county assessing and collecting budgets.

80 (d) The state treasurer shall deposit in the Property Tax Valuation Agency Fund the:

81 (i) revenue from the multicounty assessing and collecting levy;

82 (ii) interest accrued from that levy; and

83 (iii) penalties received under Subsection (3)(c)(iii).

84 (4) (a) A county may levy an additional property tax in accordance with this Subsection
85 (4).

86 [~~4~~-(a)] (b) A county may not receive funds from the Property Tax Valuation Agency
87 Fund unless the county levies an additional property tax of at least .0003 per dollar of taxable

88 value of taxable property as reported by each county.

89 ~~[(b)]~~ (c) The levy described in Subsection (4)(a) shall be levied by the county and
90 stated on the tax notice as a county assessing and collecting levy.

91 ~~[(c)]~~ (d) The purpose of the levy established in this Subsection (4) is to promote the:

92 (i) accurate valuation of property;

93 (ii) establishment and maintenance of uniform assessment levels within and among
94 counties; and

95 (iii) efficient administration of the property tax system, including the costs of
96 assessment, collection, and distribution of property taxes.

97 ~~[(d)]~~ (e) A levy established in Subsection (4)(a) is:

98 (i) exempt from the redevelopment provisions of Sections 17B-4-1003 and
99 17B-4-1004;

100 (ii) in addition to and exempt from the maximum levies allowable under Section
101 59-2-908; and

102 ~~[(iii) for the calendar year beginning on January 1, 2005, and ending on December 31,~~
103 ~~2005, exempt from the notice and hearing requirements of Sections 59-2-918 and 59-2-919;~~
104 ~~and]~~

105 ~~[(iv)]~~ (iii) beginning on January 1, 2006, subject to the notice and hearing requirements
106 of Sections 59-2-918 and 59-2-919 if the levy is raised to a rate in excess of .0003.

107 (5) (a) As used in this Subsection (5) and Subsection (6), "receiving county" means a
108 county that receives a disbursement from the Property Tax Valuation Agency Fund in
109 accordance with Section 59-2-906.2.

110 (b) Subject to Subsection (7), for the calendar year beginning on January 1, 2006, the
111 amount of the multicounty assessing and collecting levy described in this section shall be set at
112 an amount that is equal to the difference between:

113 (i) the amount of revenue collected from the multicounty assessing and collecting levy
114 during the calendar year beginning on January 1, 2004; and

115 (ii) the amount of revenue budgeted:

116 (A) by each receiving county for the calendar year beginning on January 1, 2006; and

117 (B) for the county levy described in Subsection (4)(a).

118 (6) Subject to Subsection (7), for calendar years beginning on or after January 1, 2007,

119 the amount of the multicounty assessing and collecting levy described in this section shall be
120 reduced by an amount equal to the difference between:

121 (a) the amount of revenue budgeted:

122 (i) by each receiving county for that calendar year; and

123 (ii) for the county levy described in Subsection (4)(a); and

124 (b) the amount of revenue budgeted:

125 (i) by each receiving county for the calendar year immediately preceding the calendar
126 year described in Subsection (6)(a); and

127 (ii) for the county levy described in Subsection (4)(a).

128 (7) The amounts described in the calculations required by Subsections (5) and (6) are
129 exclusive of new growth.

130 Section 2. Section **59-2-906.2** is amended to read:

131 **59-2-906.2. Disbursement of monies in the Property Tax Valuation Agency Fund**
132 **-- Use of funds.**

133 (1) Beginning January 1, 1994, the state auditor shall authorize disbursement of money
134 from the Property Tax Valuation Agency Fund to each county as follows:

135 (a) subject to Subsection (6), each county of the first class shall receive a disbursement
136 of 94.5% of the funds transmitted to the Property Tax Valuation Agency Fund by such
137 counties; ~~and~~

138 (b) subject to Subsection (7), money derived from funds transmitted by counties of the
139 second through sixth class ~~and any remaining monies not distributed under Subsection (1)(a)]~~
140 shall be disbursed pro rata to counties of the second through sixth class based upon the number
141 of adjusted parcel units in each county as determined in Subsection (2)~~[-]; and~~

142 (c) any remaining monies not distributed under Subsection (1)(a) shall be disbursed to
143 each county of the second through sixth class that transmits a portion of the multicounty
144 assessing and collecting levy in accordance with Subsection 59-2-906.1(3)(c) in proportion to
145 the amount of revenue each county transmitted to the state treasurer in accordance with
146 Subsection 59-2-906.1(3)(c).

147 (2) (a) The number of adjusted parcel units in a county shall be determined by
148 multiplying the sum of the following by the county parcel factor:

149 (i) the number of residential parcels multiplied by 2;

150 (ii) the number of commercial parcels multiplied by 4; and

151 (iii) the number of all other parcels multiplied by 1.

152 (b) For purposes of this subsection, the county parcel factor is:

153 (i) 0.9 for counties of the second class;

154 (ii) 1.0 for counties of the third class;

155 (iii) 1.05 for counties of the fourth class;

156 (iv) 1.15 for counties of the fifth class; and

157 (v) 1.3 for counties of the sixth class.

158 (3) Money in the Property Tax Valuation Agency Fund on the 10th day of the month
159 following the end of the quarter in which the revenue is collected shall, upon authorization by
160 the state auditor, be transmitted by the state treasurer according to the disbursement formula
161 determined under Subsection (2) no later than five working days after the 10th day of the
162 month following the end of the quarter in which the revenue is collected.

163 (4) If money in the Property Tax Valuation Agency Fund on the 10th day of the month
164 following the end of the quarter in which the revenue is collected is not transmitted to a county
165 within five working days of the 10th day of that month, except as provided for in Subsection
166 (3), income from the investment of that money shall be:

167 (a) deposited in and become part of the Property Tax Valuation Agency Fund; and

168 (b) disbursed to the county in the next quarter.

169 (5) A county shall use money disbursed from the Property Tax Valuation Agency Fund
170 for:

171 (a) establishing and maintaining accurate property valuations and uniform assessment
172 levels as required by Section 59-2-103; and

173 (b) improving the efficiency of the property tax system.

174 (6) (a) For purposes of this Subsection (6), "retained funds" means the difference
175 between:

176 (i) the funds transmitted by a county of the first class to the Property Tax Valuation
177 Agency Fund under Subsection (1)(a); and

178 (ii) the disbursement described in Subsection (1)(a).

179 (b) Notwithstanding Subsection (1)(a), if the retained funds are:

180 (i) less than \$250,000, the disbursement described in Subsection (1)(a) shall be reduced

181 by the difference between:
182 (A) \$250,000; and
183 (B) the retained funds; and
184 (ii) more than \$500,000, the disbursement described in Subsection (1)(a) shall be
185 increased by the difference between:
186 (A) the retained funds; and
187 (B) \$500,000.
188 (7) Notwithstanding Subsection (1)(b):
189 (a) if the amount transmitted under Subsection (1)(b) by a county of the second class is:
190 (i) less than \$100,000, the amount disbursed under Subsection (1)(b) to a county of the
191 second class shall be reduced by the difference between:
192 (A) \$100,000; and
193 (B) the amount transmitted under Subsection (1)(b) by a county of the second class;
194 and
195 (ii) more than \$250,000, the amount disbursed under Subsection (1)(b) to a county of
196 the second class shall be increased by the difference between:
197 (A) the amount transmitted under Subsection (1)(b) by a county of the second class;
198 and
199 (B) \$250,000;
200 (b) if the amount transmitted under Subsection (1)(b) by a county of the third class is
201 more than \$250,000, the amount disbursed under Subsection (1)(b) to a county of the third
202 class shall be increased by the difference between:
203 (i) the amount transmitted under Subsection (1)(b) by a county of the third class; and
204 (ii) \$250,000;
205 (c) if the amount transmitted under Subsection (1)(b) by a county of the fourth class is
206 more than \$100,000, the amount disbursed under Subsection (1)(b) to a county of the fourth
207 class shall be increased by the difference between:
208 (i) the amount transmitted under Subsection (1)(b) by a county of the fourth class; and
209 (ii) \$100,000; and
210 (d) the amount disbursed under Subsection (1)(b) to a county of the fifth or sixth class
211 shall not be less than the amount transmitted under Subsection (1)(b) by a county of the fifth or

212 sixth class.

213 Section 3. **Retrospective operation.**

214 This bill has retrospective operation to January 1, 2006.