

1 **PROPERTY TAX ASSESSMENT AMENDMENTS**

2 2009 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne A. Harper**

5 Senate Sponsor: Wayne L. Niederhauser

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the appraiser licensing requirements for certain county assessors and
10 provisions in the Property Tax Act relating to the Multicounty Assessing and
11 Collecting Levy.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ amends the licensing requirements for first, second, and third class county
15 assessors to require those county assessors to be state licensed or state certified
16 appraisers prior to taking office as a county assessor;
- 17 ▶ requires second through sixth class counties to levy an additional .000010 per
18 dollar of taxable value for its Multicounty Assessing and Collecting Levy;
- 19 ▶ requires certain revenue from the Property Tax Valuation Agency Fund to be
20 disbursed to the Multicounty Appraisal Trust;
- 21 ▶ decreases the county additional property tax for certain second and third class
22 counties;
- 23 ▶ provides a method to determine the amount of revenue to be transferred from the
24 Property Tax Valuation Agency Fund to the Multicounty Appraisal Trust;
- 25 ▶ provides that the Multicounty Appraisal Trust oversee the distributions of revenue
26 received from the Property Tax Valuation Agency Fund;
- 27 ▶ defines terms; and
- 28 ▶ makes technical changes.

29 **Monies Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 This bill provides retrospective operation for a taxable year beginning on or after
33 January 1, 2009.

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **17-17-2**, as last amended by Laws of Utah 2001, Chapter 214

37 **59-2-1602**, as renumbered and amended by Laws of Utah 2008, Chapter 330

38 **59-2-1603**, as last amended by Laws of Utah 2008, Chapter 301 and renumbered and
39 amended by Laws of Utah 2008, Chapter 330

40 ENACTS:

41 **59-2-1606**, Utah Code Annotated 1953



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

44 Section 1. Section **17-17-2** is amended to read:

45 **17-17-2. Assessor to be state qualified -- Vacancy -- Filling vacancy.**

46 (1) ~~[It]~~ (a) Except as provided in Subsection (1)(b), in addition to the requirements of
47 Section 17-16-1, any person elected to the office of county assessor after November 1, 1993,
48 shall be a state-licensed or state-certified appraiser as defined in Title 61, Chapter 2b, Real
49 Estate Appraiser Licensing and Certification Act, prior to the expiration of 36 months from the
50 day on which his term of office begins.

51 (b) Notwithstanding Subsection (1)(a), a county assessor of a county of the first
52 through third class shall be a state-licensed or state-certified appraiser as defined in Title 61,
53 Chapter 2b, Real Estate Appraiser Licensing and Certification Act, prior to taking office if the
54 county assessor is:

55 (i) elected to the office of county assessor on or after January 1, 2010; or

56 (ii) selected to fill the vacancy of a county assessor as described in Subsection (2).

57 (2) (a) If an assessor fails to meet the requirement of this section, the assessor's office

58 is automatically vacant.

59 (b) (i) In the event of a vacancy under this section, the county executive shall fill the
60 vacancy in the manner provided for in Sections 17-53-104 and 20A-1-508. However, a person
61 selected to fill the vacancy must be a state-licensed or state-certified appraiser within six
62 months after assuming the office of county assessor.

63 (ii) If a state-licensed or state-certified appraiser cannot be found to fill a vacancy
64 which resulted from the requirements of this section, the county executive may contract with a
65 state-licensed or state-certified appraiser from outside the county to fill the remainder of the
66 term in the office of county assessor.

67 Section 2. Section **59-2-1602** is amended to read:

68 **59-2-1602. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
69 **Additional county levy permitted.**

70 (1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by the
71 revenue collected from the multicounty assessing and collecting levy as provided in
72 Subsection (3)(c) and Section 59-2-1603.

73 (b) The purpose of the multicounty assessing and collecting levy required under
74 Subsection (2) and the disbursement formulas established in Section 59-2-1603 is to promote
75 the:

76 (i) accurate valuation of property;

77 (ii) establishment and maintenance of uniform assessment levels within and among
78 counties; and

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

81 (c) Income derived from the investment of money in the fund created in this
82 Subsection (1) shall be deposited in and become part of the fund.

83 (2) (a) Annually, each county shall impose a multicounty assessing and collecting levy
84 not to exceed .0002 per dollar of taxable value as authorized by the Legislature as provided in
85 Subsection (2)(b).

86 (b) Subject to Subsections (2)(c), (2)(d), and (5), in order to fund the Property Tax
87 Valuation Agency Fund, the Legislature shall authorize the amount of the multicounty
88 assessing and collecting levy.

89 (c) ~~[The]~~ Except as provided in Subsections (2)(d)(i)(B), the multicounty assessing
90 and collecting levy may not exceed the certified revenue levy as defined in Section 59-2-102,
91 unless:

92 (i) the Legislature authorizes a multicounty assessing and collecting levy that exceeds
93 the certified revenue levy; and

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

95 (d) (i) For a calendar year beginning on or after January 1, 2009, the Legislature:

96 (A) shall add an additional .000010 per dollar of taxable value to the amount it
97 authorizes for the multicounty assessing and collecting levy:

98 (I) described in Subsection (2)(b); and

99 (II) imposed in a county of the second through sixth class; and

100 (B) is exempt from the notice requirements of Section 59-2-926 for the revenue
101 generated within a county of the second through sixth class by the .000010 per dollar of
102 taxable value described in Subsection (2)(d)(i)(A).

103 (ii) The revenue generated by the additional .000010 per dollar of taxable value of the
104 multicounty assessing and collecting levy imposed within a county of the second through sixth
105 class shall be distributed to the counties as described in Section 59-2-1606.

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

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

111 (i) exempt from the provisions of Sections 17C-1-403 and 17C-1-404;

112 (ii) in addition to and exempt from the maximum levies allowable under Section
113 59-2-908; and

114 (iii) exempt from the notice requirements of Sections 59-2-918 and 59-2-919.
115 (c) (i) Each contributing county shall transmit quarterly to the state treasurer the
116 portion of the multicounty assessing and collecting levy which is above the amount to which
117 that county is entitled to under Section 59-2-1603.

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

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

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

127 (d) The state treasurer shall deposit in the fund the:

128 (i) revenue transmitted to the fund by contributing counties;

129 (ii) interest accrued from that levy; and

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

131 (4) (a) A county may levy a county additional property tax in accordance with this
132 Subsection (4).

133 (b) A receiving county may not receive funds from the Property Tax Valuation Agency
134 Fund unless the receiving county levies a county additional property tax of at least .0003 per
135 dollar of taxable value of taxable property as reported by each county.

136 (c) The county additional property tax described in Subsection (4)(a) shall be levied by
137 the county and stated on the tax notice as a county assessing and collecting levy.

138 (d) The purpose of the county additional property tax established in this Subsection
139 (4) is to promote the:

140 (i) accurate valuation of property;

141 (ii) establishment and maintenance of uniform assessment levels within and among

142 counties; and

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

145 (e) A county additional property tax levy established in Subsection (4)(a) is:

146 (i) exempt from the provisions of Sections 17C-1-403 and 17C-1-404;

147 (ii) in addition to and exempt from the maximum levies allowable under Section
148 59-2-908; and

149 (iii) beginning on January 1, 2009:

150 (A) for a county that was designated as a receiving county by the state auditor during
151 the prior calendar year, subject to the notice and hearing requirements of Sections 59-2-918
152 and 59-2-919 only if the county additional property tax levied by that county levy is raised to a
153 rate in excess of .0003; and

154 (B) except as provided in Subsection (4)(f), for a county that was designated as a
155 contributing county by the state auditor during the prior calendar year, subject to the notice
156 and hearing requirements of Sections 59-2-918 and 59-2-919.

157 (f) A county additional property tax levy in a county that was not a receiving county
158 during the prior year shall be subject to the notice and hearing requirements described in
159 Subsection (4)(e)(iii)(A) if the county would have been designated as a receiving county
160 during the prior calendar year if the county had levied a county additional property tax of at
161 least .0003 per dollar of taxable value.

162 (g) For the calendar year that begins on January 1, 2009, a contributing county of the
163 second or third class shall reduce its county additional property tax rate by .000005 per dollar
164 of taxable value.

165 (5) Subject to Subsection (6), for calendar years beginning on or after January 1, 2007,
166 the amount of the multicounty assessing and collecting levy described in this section shall be
167 reduced by an amount equal to the difference between:

168 (a) the amount of revenue budgeted:

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

170 (ii) for the county additional property tax levy described in Subsection (4)(a); and

171 (b) the amount of revenue budgeted:

172 (i) by each receiving county for the calendar year immediately preceding the calendar
173 year described in Subsection [~~(7)~~] (5)(a)(i); and

174 (ii) for the county additional property tax levy described in Subsection (4)(a).

175 (6) The amounts described in the calculations required by Subsection (5) are exclusive
176 of new growth.

177 Section 3. Section **59-2-1603** is amended to read:

178 **59-2-1603. Disbursement of monies in the Property Tax Valuation Agency Fund**
179 **-- Use of funds.**

180 (1) The state auditor shall authorize disbursement of money from the Property Tax
181 Valuation Agency Fund to each receiving county in accordance with this section.

182 (2) Except as provided in Section 59-2-1606 and Subsection 59-2-303.1(4), money
183 derived from funds transmitted by contributing counties shall be disbursed pro rata to
184 receiving counties of the second through sixth class based upon the number of adjusted parcel
185 units in each county as determined in Subsection (3).

186 (3) (a) The state auditor shall determine the amount of each county's multicounty
187 assessing and collecting allocation in accordance with this Subsection (3).

188 (b) For a county of the first class, the county's multicounty assessing and collecting
189 allocation shall be 94.5% of the revenue it collects from imposing the multicounty assessing
190 and collecting levy.

191 (c) For counties of the second through sixth class, a county's multicounty assessing
192 and collecting allocation shall be the product of:

193 (i) the county's adjusted parcel ratio; and

194 (ii) the amount of all revenue generated statewide by the imposition of the multicounty
195 assessing and collecting levy.

196 (d) For purposes of this section, a county's adjusted parcel ratio shall be determined by
197 multiplying the sum of the following by the county parcel factor:

- 198 (i) the number of residential parcels multiplied by 2;
- 199 (ii) the number of commercial parcels multiplied by 4; and
- 200 (iii) the number of all other parcels multiplied by 1.
- 201 (e) For purposes of this Subsection (3), the county [~~parcel~~] class factor is:
- 202 (i) 0.9 for counties of the second class;
- 203 (ii) 1.0 for counties of the third class;
- 204 (iii) 1.05 for counties of the fourth class;
- 205 (iv) 1.15 for counties of the fifth class; and
- 206 (v) 1.3 for counties of the sixth class.
- 207 (f) The commission shall provide the state auditor a list of each county's parcel counts
- 208 described in Subsection (3)(d).
- 209 (4) (a) A first class county shall transmit to the fund an amount equal to the greater of
- 210 the following:
- 211 (i) \$250,000; or
- 212 (ii) the lesser of the following:
- 213 (A) 5.5% of the revenue it collects from imposing the multicounty assessing and
- 214 collecting levy during a calendar year; or
- 215 (B) \$500,000.
- 216 (b) A second, third, or fourth class contributing county shall transmit to the fund an
- 217 amount equal to the following:
- 218 (i) if the contributing county's surplus revenue is equal to or less than the contributing
- 219 county's minimum county contribution, the minimum county contribution;
- 220 (ii) if the contributing county's surplus revenue is more than the county's minimum
- 221 county contribution and less than the county's maximum county contribution, the contributing
- 222 county's surplus revenue; or
- 223 (iii) if the contributing county's surplus revenue is equal to or greater than the county's
- 224 maximum county contribution, the contributing county's maximum county contribution.
- 225 (5) Money in the Property Tax Valuation Agency Fund on the 10th day of the month

226 following the end of the quarter in which the revenue is collected shall, upon authorization by
227 the state auditor, be transmitted by the state treasurer according to the disbursement formula
228 determined under Subsection (3) no later than five working days after the 10th day of the
229 month following the end of the quarter in which the revenue is collected.

230 (6) If money in the Property Tax Valuation Agency Fund on the 10th day of the month
231 following the end of the quarter in which the revenue is collected is not transmitted to a
232 receiving county within five working days of the 10th day of that month, except as provided
233 for in Subsection (5), income from the investment of that money shall be:

- 234 (a) deposited in and become part of the Property Tax Valuation Agency Fund; and
- 235 (b) disbursed to the receiving county in the next quarter.

236 (7) A county shall use money disbursed from the Property Tax Valuation Agency Fund
237 for:

- 238 (a) establishing and maintaining accurate property valuations and uniform assessment
239 levels as required by Section 59-2-103; and
- 240 (b) improving the efficiency of the property tax system.

241 (8) If collections from the statewide imposition of the multicounty assessing and
242 collecting levy are less than the amount of revenue the levy was expected to generate in a
243 calendar year, the state auditor shall pro rata:

- 244 (a) decrease each receiving county's multicounty assessing and collecting allocation;
245 and
- 246 (b) for each contributing county that did not transmit its maximum county
247 contribution to the fund during the same calendar year, increase the contributing county's
248 contribution to the fund.

249 (9) If money remains in the fund after all allocations have been distributed to receiving
250 counties in a calendar year, the state auditor shall retain the money in the fund for distribution
251 the following calendar year.

252 Section 4. Section **59-2-1606** is enacted to read:

253 **59-2-1606. CAMA system funding for counties -- Disbursements to the**

254 **Multicounty Appraisal Trust -- Use of funds.**

255 (1) As used in this section:

256 (a) "CAMA" means computer assisted mass appraisal.

257 (b) "CAMA fee rate" means:

258 (i) \$1.50 for the calendar year that begins on January 1, 2009; and

259 (ii) for a calendar year beginning on or after January 1, 2010, the \$1.50 described in

260 Subsection (1)(b)(i) may be increased each year up to 2% at the discretion of the Multicounty
261 Appraisal Trust.

262 (c) (i) "County parcel count" means the total number of residential parcels,
263 commercial parcels, and other parcels within a county.

264 (ii) "County parcel count" does not include a county's parcel factor as described in
265 Subsection 59-2-1603(3)(d).

266 (d) "Factored parcel count" means the product of:

267 (i) a county's parcel count; and

268 (ii) the county's class factor described in Subsection 59-2-1603(3)(e).

269 (e) "Multicounty Appraisal Trust" means the Multicounty Appraisal Trust created by
270 interlocal agreement by all 29 counties in the state.

271 (2) For a calendar year beginning on or after January 1, 2009, before determining the
272 amount of each county's multicounty assessing and collecting allocation in accordance with
273 Subsection 59-2-1603(3), the state auditor shall disburse to the Multicounty Appraisal Trust
274 an amount of revenue equal to the product of:

275 (a) the sum of the factored parcel counts for all second through sixth class counties;

276 and

277 (b) the CAMA fee rate.

278 (3) (a) The funds described in Subsection (2) shall be used to provide funding for a
279 statewide CAMA system that will promote:

280 (i) the accurate valuation of property;

281 (ii) the establishment and maintenance of uniform assessment levels among counties

282 within the state; and

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

285 (b) The Multicounty Appraisal Trust shall determine which projects shall be funded
286 and oversee the administration of a statewide CAMA system.

287 Section 5. **Retrospective operation.**

288 This bill provides retrospective operation for a taxable year beginning on or after
289 January 1, 2009.