

PROPERTY TAX ASSESSMENT AMENDMENTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the appraiser licensing requirements for certain county assessors.

Highlighted Provisions:

This bill:

▶ amends the licensing requirements for first, second, and third class county assessors to require those county assessors to be state licensed or state certified appraisers prior to taking office as a county assessor;

▶ creates the Multicounty Appraisal Trust Account;

▶ requires second through sixth class counties to levy an additional .000010 per dollar of taxable value for its Multicounty Assessing and Collection Levy;

▶ requires certain revenue from the Property Tax Valuation Agency Fund to be deposited into the Multicounty Appraisal Trust Account;

▶ decreases the county additional property tax for certain second and third class counties;

▶ provides a method to determine the amount of revenue to be transferred from the Property Tax Valuation Agency Fund to the Multicounty Appraisal Trust Account;

▶ provides that the Multicounty Appraisal Trust oversee the distributions of revenue from the Multicounty Appraisal Trust Account;

▶ defines terms; and

▶ makes technical changes.



28 **Monies Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

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

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **17-17-2**, as last amended by Laws of Utah 2001, Chapter 214

36 **59-2-1602**, as renumbered and amended by Laws of Utah 2008, Chapter 330

37 **59-2-1603**, as last amended by Laws of Utah 2008, Chapter 301 and renumbered and
38 amended by Laws of Utah 2008, Chapter 330

39 ENACTS:

40 **59-2-1606**, Utah Code Annotated 1953



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

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

44 **17-17-2. Assessor to be state qualified -- Vacancy -- Filling vacancy.**

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

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

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

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

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

58 (b) (i) In the event of a vacancy under this section, the county executive shall fill the

59 vacancy in the manner provided for in Sections 17-53-104 and 20A-1-508. However, a person
 60 selected to fill the vacancy must be a state-licensed or state-certified appraiser within six
 61 months after assuming the office of county assessor.

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

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

67 **59-2-1602. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
 68 **Additional county levy permitted.**

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

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

75 (i) accurate valuation of property;

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

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

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

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

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

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

90 unless:

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

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

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

95 (A) shall add an additional .000010 per dollar of taxable value to the amount it

96 authorizes for the multicounty assessing and collecting levy:

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

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

99 (B) is exempt from the notice requirements of Section 59-2-926 for the revenue

100 generated within a county of the second through sixth class by the .000010 per dollar of taxable
101 value described in Subsection (2)(d)(i)(A).

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

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

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

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

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

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

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

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

120 (iii) If revenue transmitted under Subsection (3)(c)(i) is transmitted after the tenth day

121 of the month following the end of the quarter in which the revenue is collected, the county shall
122 pay an interest penalty at the rate of 10% each year until the revenue is transmitted.

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

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

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

128 (ii) interest accrued from that levy; and

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

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

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

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

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

139 (i) accurate valuation of property;

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

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

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

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

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

148 (iii) beginning on January 1, 2009:

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

152 in excess of .0003; and

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

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

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

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

- 167 (a) the amount of revenue budgeted:
- 168 (i) by each receiving county for that calendar year; and
- 169 (ii) for the county additional property tax levy described in Subsection (4)(a); and
- 170 (b) the amount of revenue budgeted:
- 171 (i) by each receiving county for the calendar year immediately preceding the calendar
- 172 year described in Subsection (7)(a); and
- 173 (ii) for the county additional property tax levy described in Subsection (4)(a).

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

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

177 **59-2-1603. Disbursement of monies in the Property Tax Valuation Agency Fund**
178 **-- Use of funds.**

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

181 (2) Except as provided in Section 59-2-1606 and Subsection 59-2-303.1(4), money
182 derived from funds transmitted by contributing counties shall be disbursed pro rata to receiving

183 counties of the second through sixth class based upon the number of adjusted parcel units in
184 each county as determined in Subsection (3).

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

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

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

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

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

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

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

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

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

200 (e) For purposes of this Subsection (3), the county parcel factor is:

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

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

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

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

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

206 (f) The commission shall provide the state auditor a list of each county's parcel counts
207 described in Subsection (3)(d).

208 (4) (a) A first class county shall transmit to the fund an amount equal to the greater of
209 the following:

210 (i) \$250,000; or

211 (ii) the lesser of the following:

212 (A) 5.5% of the revenue it collects from imposing the multicounty assessing and
213 collecting levy during a calendar year; or

214 (B) \$500,000.

215 (b) A second, third, or fourth class contributing county shall transmit to the fund an
216 amount equal to the following:

217 (i) if the contributing county's surplus revenue is equal to or less than the contributing
218 county's minimum county contribution, the minimum county contribution;

219 (ii) if the contributing county's surplus revenue is more than the county's minimum
220 county contribution and less than the county's maximum county contribution, the contributing
221 county's surplus revenue; or

222 (iii) if the contributing county's surplus revenue is equal to or greater than the county's
223 maximum county contribution, the contributing county's maximum county contribution.

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

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

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

234 (b) disbursed to the receiving county in the next quarter.

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

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

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

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

243 (a) decrease each receiving county's multicounty assessing and collecting allocation;

244 and

245 (b) for each contributing county that did not transmit its maximum county contribution
246 to the fund during the same calendar year, increase the contributing county's contribution to the
247 fund.

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

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

252 **59-2-1606. Multicounty Appraisal Trust Account -- Additional .000010**

253 **multicounty assessing and collecting levy -- Distribution and use of funds.**

254 (1) As used in this section:

255 (a) "CAMA" means mass appraisal system.

256 (b) "CAMA fee rate" means:

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

258 (ii) for a calendar year beginning on or after January 1, 2010, the \$1.50 shall be
259 increased each year by 2%.

260 (c) "Factored parcel count" means the product of:

261 (i) a county's parcel count described in Subsection 59-2-1603(3)(f); and

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

263 (d) "Multicounty Appraisal Trust" means the Multicounty Appraisal Trust created by
264 interlocal agreement by all 29 counties in the state.

265 (e) "Multicounty Appraisal Trust Account" means the Multicounty Appraisal Trust
266 Account created in this section.

267 (2) (a) There is created a restricted account within the Property Tax Valuation Agency
268 Fund known as the "Multicounty Appraisal Trust Account."

269 (b) The purpose of the Multicounty Appraisal Trust Account is to provide funding for a
270 statewide assisted mass appraisal system that will promote:

271 (i) accurate valuation of property;

272 (ii) establishment and maintenance of uniform assessment levels among counties
273 within the state; and

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

276 (c) The Multicounty Appraisal Trust Account shall consist of:
277 (i) monies credited to the Multicounty Appraisal Trust Account under Subsection (3);
278 and
279 (ii) appropriations from the Legislature.
280 (d) Income derived from the investment of money in the account created in this
281 Subsection (2) shall be deposited in and become part of the Property Tax Valuation Agency
282 Fund created in Section 59-2-1602.
283 (3) For a calendar year beginning on or after January 1, 2009, before determining the
284 amount of each county's multicounty assessing and collecting allocation in accordance with
285 Subsection 59-2-1603(3), the state auditor shall credit to the Multicounty Appraisal Trust
286 Account an amount of revenue equal to the product of:
287 (a) the sum of the factored parcel counts for all second through sixth class counties;
288 and
289 (b) the CAMA fee rate.
290 (4) The Multicounty Appraisal Trust shall determine which projects should be funded
291 and oversee the administration of a statewide computer assisted mass appraisal system.
292 **Section 5. Retrospective operation.**
293 This bill provides retrospective operation for a taxable year beginning on or after
294 January 1, 2009.

Legislative Review Note
as of 2-5-09 2:12 PM

Office of Legislative Research and General Counsel

H.B. 157 - Property Tax Assessment Amendments

Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill could increase local revenues by \$1,400,000 annually. Funds would be allocated to the Multicounty Appraisal Trust Fund.
