

**DELINQUENT PROPERTY TAX AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gage Froerer**

Senate Sponsor: Wayne L. Niederhauser

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**LONG TITLE**

**General Description:**

This bill amends provisions in the Property Tax Act related to the imposition and payment of delinquent taxes.

**Highlighted Provisions:**

This bill:

- ▶ increases the penalty imposed on delinquent property taxes from 2% to 2.5%;
- ▶ provides that the penalty is only 1% if the delinquent property taxes and the penalty are paid by a specified date;
- ▶ provides that the interest rate that attaches to delinquent taxes and the penalty be:
  - no less than 7%; and
  - no more than 10%; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2010.

**Utah Code Sections Affected:**

AMENDS:

**59-2-1331**, as last amended by Laws of Utah 2007, Chapter 306

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

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

30           **59-2-1331. Date tax is delinquent -- Penalty -- Interest -- Payments -- Refund of**  
31 **prepayment.**

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

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

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

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

43           (2) (a) ~~For~~ Except as provided in Subsection (2)(e), for each parcel, all delinquent  
44 taxes on each separately assessed parcel are subject to a penalty of ~~2%~~ 2.5% of the amount  
45 of the delinquent taxes or \$10, whichever is greater.

46           (b) Unless the delinquent taxes, together with the penalty, are paid on or before  
47 January ~~16~~ 31, the amount of taxes and penalty shall bear interest on a per annum basis from  
48 the January 1 immediately following the delinquency date.

49           (c) ~~For~~ Except as provided in Subsection (2)(d), for purposes of Subsection (2)(b),  
50 the interest rate is equal to the sum of:

51           (i) 6%; and

52           (ii) the federal funds rate target:

53           (A) established by the Federal Open Markets Committee; and

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

55           (d) The interest rate described in Subsection (2)(c) may not be:

56           (i) less than 7%; or

57           (ii) more than 10%.

58           (e) The penalty described in Subsection (2)(a) is 1% of the amount of the delinquent  
59 taxes or \$10, whichever is greater, if all delinquent taxes and the penalty are paid on or before  
60 the January 31 immediately following the delinquency date.

61           (3) If the delinquency exceeds one year, the amount of taxes and penalties for that year  
62 and all succeeding years shall bear interest until settled in full through redemption or tax sale.  
63 The interest rate to be applied shall be calculated for each year as established under Subsection  
64 (2) and shall apply on each individual year's delinquency until paid.

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

- 68           (a) payments in amounts of not less than \$10; or
- 69           (b) the full amount of the unpaid tax.

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

73           (b) Upon recommendation by the county treasurer, the county legislative body shall  
74 adopt rules or ordinances to implement the provisions of this Subsection (5).

75           Section 2. **Effective date.**

76           This bill takes effect on July 1, 2010.