

Representative Gage Froerer proposes the following substitute bill:

DELINQUENT PROPERTY TAX AMENDMENTS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: Wayne L. Niederhauser

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 has retrospective operation to January 1, 2010.

Utah Code Sections Affected:

AMENDS:



26 **59-2-1331**, as last amended by Laws of Utah 2007, Chapter 306



27
28 *Be it enacted by the Legislature of the state of Utah:*

29 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 of
45 the delinquent taxes or \$10, whichever is greater.

46 (b) Unless the delinquent taxes, together with the penalty, are paid before January ~~[16]~~
47 31, the amount of taxes and penalty shall bear interest on a per annum basis from the January 1
48 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) shall be 1% of the amount of the
59 delinquent taxes or \$10, whichever is greater, if all delinquent taxes and the penalty are paid on
60 or before 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 subsequent
67 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 Section
71 59-2-1317, the county treasurer may refund amounts accepted and credited on account against
72 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. Retrospective operation.**

76 This bill has retrospective operation to January 1, 2010.