

Representative Wayne A. Harper proposes the following substitute bill:

PROPERTY TAX AMENDMENTS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: Wayne L. Niederhauser

LONG TITLE

General Description:

This bill modifies provisions relating to property tax.

Highlighted Provisions:

This bill:

- ▶ moves the authority to fill a vacancy in the office of county assessor from the county executive to the county legislative body;
- ▶ modifies the time at which certain qualifications for a county assessor in a county of the first, second, or third class are determined;
- ▶ expands a requirement to conduct an annual update of property values using a mass appraisal system so that the requirement applies to assessors in counties of the third, fourth, fifth, and sixth class in addition to county assessors in first and second class counties;
- ▶ modifies the distribution of certain funds from the multicounty assessing and collecting levy;
- ▶ modifies a provision relating to a property tax notice that the county auditor is required to provide;
- ▶ modifies the time within which a taxpayer may file an appeal relating to the value of personal property;



26 ▶ prohibits a person from claiming a homestead exemption for property acquired as a
27 result of criminal activity; and

28 ▶ modifies provisions relating to the multicounty assessing and collecting levy.

29 **Monies Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 **AMENDS:**

35 **17-17-2**, as last amended by Laws of Utah 2009, Chapter 271

36 **59-2-303.1**, as last amended by Laws of Utah 2008, Chapter 301

37 **59-2-306**, as last amended by Laws of Utah 2008, Chapter 61

38 **59-2-919.1**, as last amended by Laws of Utah 2009, Chapter 204

39 **59-2-924**, as last amended by Laws of Utah 2009, Chapters 152, 204, 356, and 388

40 **59-2-1005**, as last amended by Laws of Utah 2005, Chapters 217 and 244

41 **59-2-1601**, as enacted by Laws of Utah 2008, Chapter 330

42 **59-2-1602**, as last amended by Laws of Utah 2009, Chapters 204 and 271

43 **59-2-1603**, as last amended by Laws of Utah 2009, Chapter 271

44 **78B-5-503**, as renumbered and amended by Laws of Utah 2008, Chapter 3



45
46 *Be it enacted by the Legislature of the state of Utah:*

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

48 **17-17-2. Assessor to be state qualified -- Vacancy -- Filling vacancy.**

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

54 (b) Notwithstanding Subsection (1)(a), a county assessor of a county of the first
55 through third class shall be a state-licensed or state-certified appraiser as defined in Title 61,
56 Chapter 2b, Real Estate Appraiser Licensing and Certification Act, prior to ~~taking~~ filing for

57 office if the county assessor is:

- 58 (i) elected to the office of county assessor on or after January 1, 2010; or
- 59 (ii) selected to fill the vacancy of a county assessor as described in Subsection (2).

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

62 (b) (i) ~~[In the event of]~~ (A) If a vacancy occurs under this section, the county
63 ~~[executive]~~ legislative body shall fill the vacancy in the manner provided ~~[for]~~ in Sections
64 17-53-104 and 20A-1-508. ~~[However, a]~~

65 (B) A person selected to fill the vacancy ~~[must]~~ shall be a state-licensed or
66 state-certified appraiser ~~[within six months after]~~ before assuming the office of county assessor.

67 (ii) If a state-licensed or state-certified appraiser cannot be found to fill a vacancy
68 which resulted from the requirements of this section, the county ~~[executive]~~ legislative body
69 may contract with a state-licensed or state-certified appraiser from outside the county to fill the
70 remainder of the term in the office of county assessor.

71 Section 2. Section **59-2-303.1** is amended to read:

72 **59-2-303.1. Mandatory cyclical appraisals.**

73 (1) For purposes of this section:

74 (a) "Corrective action" includes:

- 75 (i) factoring pursuant to Section 59-2-704;
- 76 (ii) notifying the state auditor that the county failed to comply with the requirements of
77 this section; or
- 78 (iii) filing a petition for a court order requiring a county to take action.

79 (b) "Mass appraisal system" means a computer assisted mass appraisal system that:

- 80 (i) a county assessor uses to value real property; and
- 81 (ii) includes at least the following system features:
 - 82 (A) has the ability to update all parcels of real property located within the county each
83 year;
 - 84 (B) can be programmed with specialized criteria;
 - 85 (C) provides uniform and equal treatment of parcels within the same class of real
86 property throughout the county; and
 - 87 (D) annually updates all parcels of residential real property within the county using

88 accepted valuation methodologies as determined by rule.

89 (c) "Property review date" means the date a county assessor completes a detailed
90 review of the property characteristics of a parcel of real property in accordance with Subsection
91 (3)(a).

92 (2) (a) The county assessor shall annually update property values of property as
93 provided in Section 59-2-301 based on a systematic review of current market data.

94 (b) The county assessor [~~of a county of the first or second class~~] shall conduct the
95 annual update described in Subsection (2)(a) by using a mass appraisal system on or before the
96 following:

97 (i) for a county of the first class, January 1, 2009; [~~and~~]

98 (ii) for a county of the second class, January 1, 2011[-];

99 (iii) for a county of the third class, January 1, 2014; and

100 (iv) for a county of the fourth, fifth, or sixth class, January 1, 2015.

101 (c) The county assessor and the commission shall jointly certify that the county's mass
102 appraisal system meets the requirements:

103 (i) described in Subsection (1)(b); and

104 (ii) of the commission.

105 (3) (a) In addition to the requirements in Subsection (2), the county assessor shall
106 complete a detailed review of property characteristics for each property at least once every five
107 years.

108 (b) The county assessor shall maintain on the county's computer system, a record of the
109 last property review date for each parcel of real property located within the county assessor's
110 county.

111 (4) (a) The commission shall take corrective action if the commission determines that:

112 (i) a county assessor has not satisfactorily followed the current mass appraisal
113 standards, as provided by law;

114 (ii) the sales-assessment ratio, coefficients of dispersion, or other statistical measures
115 of appraisal performance related to the studies required by Section 59-2-704 are not within the
116 standards provided by law; or

117 (iii) the county assessor has failed to comply with the requirements of this section.

118 (b) If a county assessor fails to comply with the requirements of this section for one

119 year, the commission shall assist the county assessor in fulfilling the requirements of
120 Subsections (2) and (3).

121 (c) If a county assessor fails to comply with the requirements of this section for two
122 consecutive years, the county will lose the county's allocation of the revenue generated
123 statewide from the imposition of the multicounty assessing and collecting levy authorized in
124 Sections 59-2-1602 and 59-2-1603.

125 (d) If a county loses its allocation of the revenue generated statewide from the
126 imposition of the multicounty assessing and collecting levy described in Subsection (4)(c), the
127 revenue the county would have received shall[;] be distributed to the Multicounty Appraisal
128 Trust created by interlocal agreement by all counties in the state.

129 [~~(i) be retained in the Property Tax Valuation Agency Fund for that calendar year; and~~]
130 [~~(ii) be distributed the following calendar year in accordance with Section 59-2-1603.~~]

131 (5) (a) On or before July 1, 2008, the county assessor shall prepare a five-year plan to
132 comply with the requirements of Subsections (2) and (3).

133 (b) The plan shall be available in the county assessor's office for review by the public
134 upon request.

135 (c) The plan shall be annually reviewed and revised as necessary.

136 (6) (a) A county assessor shall create, maintain, and regularly update a database
137 containing the following information that the county assessor may use to enhance the county's
138 ability to accurately appraise and assess property on an annual basis:

139 (i) fee and other appraisals;

140 (ii) property characteristics and features;

141 (iii) property surveys;

142 (iv) sales data; and

143 (v) any other data or information on sales, studies, transfers, changes to property, or
144 property characteristics.

145 (b) A county assessor shall submit a report to the commission on or before September
146 1 stating the progress of the county assessor to meet the requirements of Subsection (6)(a).

147 (c) The commission shall report to the Revenue and Taxation Interim Committee on or
148 before the October interim meeting concerning the information received from the county
149 assessors pursuant to Subsection (6)(b).

150 Section 3. Section **59-2-306** is amended to read:

151 **59-2-306. Statements by taxpayers -- Power of assessors respecting statements.**

152 (1) (a) The county assessor may request a signed statement from any person setting
153 forth all the real and personal property assessable by the assessor which is owned, possessed,
154 managed, or under the control of the person at 12 noon on January 1.

155 (b) A request under Subsection (1)(a) shall include a notice of the procedure under
156 Section 59-2-1005 for appealing the value of the personal property.

157 (2) (a) Except as provided in Subsection (2)(b) or (c), a signed statement described in
158 Subsection (1) shall be filed on or before May 15 of the year the statement described in
159 Subsection (1) is requested by the county assessor.

160 (b) For a county of the first class, the signed statement described in Subsection (1) shall
161 be filed on the later of:

162 (i) 60 days after requested by the assessor; or

163 (ii) on or before May 15 of the year the statement described in Subsection (1) is
164 requested by the county assessor if, by resolution, the county legislative body of that county
165 adopts the deadline described in Subsection (2)(a).

166 (c) If a county assessor requests a signed statement described in Subsection (1) on or
167 after March 16, the person shall file the signed statement within 60 days after requested by the
168 assessor.

169 (3) The signed statement shall include the following:

170 (a) all property belonging to, claimed by, or in the possession, control, or management
171 of the person, any firm of which the person is a member, or any corporation of which the
172 person is president, secretary, cashier, or managing agent;

173 (b) the county in which the property is located or in which it is taxable; and, if taxable
174 in the county in which the signed statement was made, also the city, town, school district, road
175 district, or other taxing district in which it is located or taxable; and

176 (c) all lands in parcels or subdivisions not exceeding 640 acres each, the sections and
177 fractional sections of all tracts of land containing more than 640 acres which have been
178 sectionized by the United States Government, and the improvements on those lands.

179 (4) Every assessor may subpoena and examine any person in any county in relation to
180 any signed statement but may not require that person to appear in any county other than the

181 county in which the subpoena is served.

182 Section 4. Section **59-2-919.1** is amended to read:

183 **59-2-919.1. Notice of property valuation and tax changes.**

184 (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or
185 before July 22 of each year, shall notify, by mail, each owner of real estate as defined in
186 Section 59-2-102 who is listed on the assessment roll.

187 (2) The notice described in Subsection (1) shall:

188 (a) be sent to all owners of real property by mail not less than 10 days before the day on
189 which:

190 (i) the county board of equalization meets; and

191 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax
192 rate;

193 (b) be printed on a form that is:

194 (i) approved by the commission; and

195 (ii) uniform in content in all counties in the state; and

196 (c) contain for each property:

197 (i) the value of the property;

198 (ii) the date the county board of equalization will meet to hear complaints on the
199 valuation;

200 (iii) itemized tax information for all taxing entities~~[-, including a separate statement for~~
201 ~~the minimum school levy under Section 53A-17a-135];~~

202 (A) stating:

203 ~~[(A)]~~ (I) (Aa) the dollar amount the taxpayer would have paid based on last year's rate;
204 and

205 ~~[(B)]~~ (Bb) the amount of the taxpayer's liability under the current rate; and

206 (II) for a taxing entity that proposes a tax increase that is subject to the notice and
207 hearing requirements of Section 59-2-919;

208 (Aa) the dollar amount of the taxpayer's liability if the proposed increase is approved;
209 and

210 (Bb) the percentage increase that the dollar amount of the taxpayer's liability under the
211 proposed tax rate represents as compared to the dollar amount of the taxpayer's liability under

212 the current tax rate; and

213 (iv) the tax impact on the property;

214 (v) the time and place of the required public hearing for each entity;

215 (vi) property tax information pertaining to:

216 (A) taxpayer relief;

217 (B) options for payment of taxes; and

218 (C) collection procedures;

219 (vii) information specifically authorized to be included on the notice under Title 59,

220 Chapter 2, Property Tax Act;

221 (viii) the last property review date of the property as described in Subsection

222 59-2-303.1(1)(c); and

223 (ix) other property tax information approved by the commission.

224 Section 5. Section **59-2-924** is amended to read:

225 **59-2-924. Report of valuation of property to county auditor and commission --**

226 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**

227 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

228 (1) Before June 1 of each year, the county assessor of each county shall deliver to the
229 county auditor and the commission the following statements:

230 (a) a statement containing the aggregate valuation of all taxable real property assessed
231 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

232 (b) a statement containing the taxable value of all personal property assessed by a
233 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

234 (2) The county auditor shall, on or before June 8, transmit to the governing body of
235 each taxing entity:

236 (a) the statements described in Subsections (1)(a) and (b);

237 (b) an estimate of the revenue from personal property;

238 (c) the certified tax rate; and

239 (d) all forms necessary to submit a tax levy request.

240 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem
241 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior
242 year.

- 243 (b) For purposes of this Subsection (3):
- 244 (i) "Ad valorem property tax revenues" do not include:
- 245 (A) interest;
- 246 (B) penalties; and
- 247 (C) revenue received by a taxing entity from personal property that is:
- 248 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 249 (II) semiconductor manufacturing equipment.
- 250 (ii) "Aggregate taxable value of all property taxed" means:
- 251 (A) the aggregate taxable value of all real property assessed by a county assessor in
- 252 accordance with Part 3, County Assessment, for the current year;
- 253 (B) the aggregate taxable year end value of all personal property assessed by a county
- 254 assessor in accordance with Part 3, County Assessment, for the prior year; and
- 255 (C) the aggregate taxable value of all real and personal property assessed by the
- 256 commission in accordance with Part 2, Assessment of Property, for the current year.
- 257 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be
- 258 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
- 259 taxing entity by the amount calculated under Subsection (3)(c)(ii).
- 260 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall
- 261 calculate an amount as follows:
- 262 (A) calculate for the taxing entity the difference between:
- 263 (I) the aggregate taxable value of all property taxed; and
- 264 (II) any redevelopment adjustments for the current calendar year;
- 265 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
- 266 amount determined by increasing or decreasing the amount calculated under Subsection
- 267 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
- 268 equalization period for the three calendar years immediately preceding the current calendar
- 269 year;
- 270 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
- 271 product of:
- 272 (I) the amount calculated under Subsection (3)(c)(ii)(B); and
- 273 (II) the percentage of property taxes collected for the five calendar years immediately

274 preceding the current calendar year; and

275 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
276 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)
277 any new growth as defined in this section:

278 (I) within the taxing entity; and

279 (II) for the following calendar year:

280 (Aa) for new growth from real property assessed by a county assessor in accordance
281 with Part 3, County Assessment and all property assessed by the commission in accordance
282 with Section 59-2-201, the current calendar year; and

283 (Bb) for new growth from personal property assessed by a county assessor in
284 accordance with Part 3, County Assessment, the prior calendar year.

285 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all
286 property taxed:

287 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in
288 Subsection (3)(b)(ii);

289 (B) does not include the total taxable value of personal property contained on the tax
290 rolls of the taxing entity that is:

291 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

292 (II) semiconductor manufacturing equipment; and

293 (C) for personal property assessed by a county assessor in accordance with Part 3,

294 County Assessment, the taxable value of personal property is the year end value of the personal
295 property contained on the prior year's tax rolls of the entity.

296 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
297 January 1, 2007, the value of taxable property does not include the value of personal property
298 that is:

299 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
300 County Assessment; and

301 (B) semiconductor manufacturing equipment.

302 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after
303 January 1, 2007, the percentage of property taxes collected does not include property taxes
304 collected from personal property that is:

305 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
306 County Assessment; and

307 (B) semiconductor manufacturing equipment.

308 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
309 January 1, 2009, the value of taxable property does not include the value of personal property
310 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County
311 Assessment.

312 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
313 the commission may prescribe rules for calculating redevelopment adjustments for a calendar
314 year.

315 (viii) (A) (I) For purposes of Subsection (3)(c)(i), for a calendar year beginning on or
316 after January 1, 2010, a taxing entity's ad valorem property tax revenues budgeted for the prior
317 year shall be decreased by an amount of revenue equal to the five-year average of the most
318 recent prior five years of redemptions as reported on the county treasurer's final annual
319 settlement required under Subsection 59-2-1365(2).

320 (II) A decrease under Subsection (3)(c)(viii)(A)(I) does not apply to the multicounty
321 assessing and collection levy authorized in Subsection 59-2-1602(2)(a), the certified revenue
322 levy, or the minimum basic tax rate established in Subsection 53A-17a-135.

323 (B) For the calendar year beginning on January 1, 2010 and ending on December 31,
324 2010, a taxing entity is exempt from the notice and public hearing provisions of Section
325 59-2-919 if the taxing entity budgets an increased amount of ad valorem property tax revenue
326 equal to or less than the taxing entity's five-year average of the most recent prior five years of
327 redemptions as reported on the county treasurer's final annual settlement required under
328 Subsection 59-2-1365(2).

329 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
330 the commission shall make rules determining the calculation of ad valorem property tax
331 revenues budgeted by a taxing entity.

332 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by
333 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are
334 calculated for purposes of Section 59-2-913.

335 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall

336 be calculated as follows:

337 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax
338 rate is zero;

339 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

340 (A) in a county of the first, second, or third class, the levy imposed for municipal-type
341 services under Sections 17-34-1 and 17-36-9; and

342 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
343 purposes and such other levies imposed solely for the municipal-type services identified in
344 Section 17-34-1 and Subsection 17-36-3(22); and

345 (iii) for debt service voted on by the public, the certified tax rate shall be the actual
346 levy imposed by that section, except that the certified tax rates for the following levies shall be
347 calculated in accordance with Section 59-2-913 and this section:

348 (A) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-127,
349 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145; and

350 (B) levies to pay for the costs of state legislative mandates or judicial or administrative
351 orders under Section 59-2-1604.

352 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be
353 established at that rate which is sufficient to generate only the revenue required to satisfy one
354 or more eligible judgments, as defined in Section 59-2-102.

355 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be
356 considered in establishing the taxing entity's aggregate certified tax rate.

357 (g) The ad valorem property tax revenue generated by the capital outlay levy described
358 in Section 53A-16-107 within a taxing entity in a county of the first class:

359 (i) may not be considered in establishing the school district's aggregate certified tax
360 rate; and

361 (ii) shall be included by the commission in establishing a certified tax rate for that
362 capital outlay levy determined in accordance with the calculation described in Subsection
363 59-2-913(3).

364 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

365 (i) the taxable value of real property assessed by a county assessor contained on the
366 assessment roll;

367 (ii) the taxable value of real and personal property assessed by the commission; and
368 (iii) the taxable year end value of personal property assessed by a county assessor
369 contained on the prior year's assessment roll.

370 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the
371 assessment roll does not include new growth as defined in Subsection (4)(c).

372 (c) "New growth" means:

373 (i) the difference between the increase in taxable value of the following property of the
374 taxing entity from the previous calendar year to the current year:

375 (A) real property assessed by a county assessor in accordance with Part 3, County
376 Assessment; and

377 (B) property assessed by the commission under Section 59-2-201; plus

378 (ii) the difference between the increase in taxable year end value of personal property
379 of the taxing entity from the year prior to the previous calendar year to the previous calendar
380 year; minus

381 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

382 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the
383 taxing entity does not include the taxable value of personal property that is:

384 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county
385 assessor in accordance with Part 3, County Assessment; and

386 (ii) semiconductor manufacturing equipment.

387 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

388 (i) the amount of increase to locally assessed real property taxable values resulting
389 from factoring, reappraisal, or any other adjustments; or

390 (ii) the amount of an increase in the taxable value of property assessed by the
391 commission under Section 59-2-201 resulting from a change in the method of apportioning the
392 taxable value prescribed by:

393 (A) the Legislature;

394 (B) a court;

395 (C) the commission in an administrative rule; or

396 (D) the commission in an administrative order.

397 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal

398 property on the prior year's assessment roll does not include:

399 (i) new growth as defined in Subsection (4)(c); or

400 (ii) the total taxable year end value of personal property contained on the prior year's
401 tax rolls of the taxing entity that is:

402 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and

403 (B) semiconductor manufacturing equipment.

404 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

405 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
406 auditor of:

407 (i) its intent to exceed the certified tax rate; and

408 (ii) the amount by which it proposes to exceed the certified tax rate.

409 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
410 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

411 Section 6. Section **59-2-1005** is amended to read:

412 **59-2-1005. Procedures for appeal of personal property valuation -- Time for**
413 **appeal -- Hearing -- Decision -- Appeal to commission.**

414 [~~(1) For personal property assessed by a county assessor in accordance with Section~~
415 ~~59-2-301, the county legislative body shall include with the signed statement required by~~
416 ~~Section 59-2-306 a notice of procedures for an appeal relating to the value of the personal~~
417 ~~property.]~~

418 [~~(2) (a) If personal property is subject to a fee in lieu of tax or the uniform tax under~~
419 ~~Article XIII, Sec. 2, Utah Constitution, and the fee or tax is based upon the value of the~~
420 ~~property, the basis of the value may be appealed to the commission.]~~

421 [~~(b) For the personal property described in Subsection (2)(a), a taxpayer]~~

422 (1)(a) A taxpayer owning personal property assessed by a county assessor under
423 Section 59-2-301 may make an appeal relating to the value of the personal property by filing an
424 application with the county legislative body no later than [30];

425 (i) the expiration of the time allowed under Section 59-2-306 for filing a signed
426 statement, if the county assessor requests a signed statement under Section 59-2-306; or

427 (ii) 60 days after the mailing of the tax notice, for each other taxpayer.

428 [~~(3) (a) After giving reasonable notice, the]~~

429 (b) A county legislative body shall:

430 (i) after giving reasonable notice, hear an appeal filed [in accordance with] under

431 Subsection [(2)] (1)(a); and

432 (ii) render a written decision on the appeal within 60 days after receiving the appeal.

433 ~~[(b) The written decision described in Subsection (3)(a) shall be rendered no later than~~
434 ~~60 days after receipt of the appeal.]~~

435 ~~[(4)] (c) If [any] the taxpayer is dissatisfied with a county legislative body decision~~
436 ~~[rendered in accordance with] under Subsection [(3) by the county legislative body] (1)(b), the~~

437 taxpayer may file an appeal with the commission in accordance with Section 59-2-1006.

438 ~~[(5) For personal property assessed by the commission in accordance with Section~~
439 ~~59-2-201, a taxpayer may make an appeal relating to the personal property in accordance with~~
440 ~~Section 59-2-1007.]~~

441 (2) A taxpayer owning personal property subject to a fee in lieu of tax or a uniform tax
442 under Article XIII, Sec. 2 of the Utah Constitution that is based on the value of the property
443 may appeal the basis of the value by filing an appeal with the commission within 30 days after
444 the mailing of the tax notice.

445 Section 7. Section **59-2-1601** is amended to read:

446 **59-2-1601. Definitions.**

447 As used in this part:

448 (1) "Contributing county" means a county that:

449 (a) retains less revenue from the imposition of the multicounty assessing and collecting
450 levy within the county pursuant to Section 59-2-1603 than it collects; and

451 (b) transmits a portion of the revenue collected from the imposition of the multicounty
452 assessing and collecting levy to the Property Tax Valuation Agency Fund pursuant to Section
453 59-2-1603.

454 (2) "Contributing county surplus revenue" means an amount equal to the difference
455 between the following:

456 (a) the revenue collected by a county from imposing the multicounty assessing and
457 collecting levy during a calendar year; and

458 (b) the county's multicounty assessing and collecting allocation as calculated in
459 accordance with Subsection 59-2-1603(3).

460 (3) "County additional property tax" means the property tax levy described in
461 Subsection 59-2-1602(4).

462 (4) "Fund" means the Property Tax Valuation Agency Fund created in Section
463 59-2-1602.

464 (5) "Maximum county contribution" means an amount equal to the following:

465 (a) for a county of the first class, [~~\$500,000~~] \$300,000;

466 (b) for a county of the second class, [~~\$250,000~~] \$100,000;

467 (c) for a county of the third class, [~~\$250,000; and~~] \$100,000;

468 (d) for a county of the fourth class, [~~\$100,000;~~] \$50,000; and

469 (e) for a county of the fifth or sixth class, \$0.

470 (6) "Minimum county contribution" means an amount equal to the following:

471 (a) for a county of the first class, [~~\$250,000~~] \$300,000; and

472 (b) for a county of the second or third class, [~~\$100,000~~] \$0.

473 (7) "Multicounty assessing and collecting allocation" means the revenue to which a
474 county is entitled [~~to retain~~] from the statewide imposition of the multicounty assessing and
475 collecting levy, as determined in accordance with the calculation described in Subsection
476 59-2-1603(3).

477 (8) "Multicounty assessing and collecting levy" means a property tax rate not to exceed
478 .0002 per dollar of taxable value levied in accordance with Section 59-2-1602.

479 (9) (a) "Parcel" means an identifiable contiguous unit of real property that is treated as
480 separate for valuation or zoning purposes and includes any improvements on that unit of real
481 property.

482 (b) "Parcel" or "other parcel" does not include an item of personal property.

483 (10) "Receiving county" means a county that:

484 (a) receives a disbursement from the Property Tax Valuation Agency Fund in
485 accordance with Section 59-2-1603; and

486 (b) levies a county additional property tax of at least .0003 per dollar of taxable value
487 in accordance with Subsection 59-2-1602(4).

488 Section 8. Section **59-2-1602** is amended to read:

489 **59-2-1602. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
490 **Additional county levy permitted.**

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

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

497 (i) accurate valuation of property;

498 (ii) establishment and maintenance of uniform assessment levels within and among
499 counties; and

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

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

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

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

510 (c) Except as provided in Subsection (2)(d)(i)~~[(B)]~~, the multicounty assessing and
511 collecting levy may not exceed the certified revenue levy as defined in Section 59-2-102,
512 unless:

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

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

516 (d) (i) For a calendar year beginning on or after January 1, ~~[2009, the Legislature:]~~
517 2010, the multicounty assessing and collecting levy for a county of the first class is adjusted to
518 be the same rate as for a county of the second, third, fourth, fifth, or sixth class.

519 ~~[(A) shall add an additional .000010 per dollar of taxable value to the amount it~~
520 ~~authorizes for the multicounty assessing and collecting levy:]~~

521 ~~[(F) described in Subsection (2)(b); and]~~

522 ~~[(H) imposed in a county of the second through sixth class; and]~~

523 ~~[(B) is exempt from the]~~

524 (ii) The notice requirements of Section 59-2-926 [for the revenue generated within a
525 county of the second through sixth class by the .000010 per dollar of taxable value described in
526 Subsection (2)(d)(i)(A)] do not apply to the rate adjustment under Subsection (2)(d)(i).

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

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

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

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

536 (ii) in addition to and exempt from the maximum levies allowable under Section
537 59-2-908; and

538 (iii) exempt from the notice requirements of Section 59-2-919.

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

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

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

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

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

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

553 (ii) interest accrued from that levy; and
554 (iii) penalties received under Subsection (3)(c)(iii).
555 (4) (a) A county may levy a county additional property tax in accordance with this
556 Subsection (4).
557 (b) A receiving county may not receive funds from the Property Tax Valuation Agency
558 Fund unless the receiving county levies a county additional property tax of at least .0003 per
559 dollar of taxable value of taxable property as reported by each county.
560 (c) The county additional property tax described in Subsection (4)(a) shall be levied by
561 the county and stated on the tax notice as a county assessing and collecting levy.
562 (d) The purpose of the county additional property tax established in this Subsection (4)
563 is to promote the:
564 (i) accurate valuation of property;
565 (ii) establishment and maintenance of uniform assessment levels within and among
566 counties; and
567 (iii) efficient administration of the property tax system, including the costs of
568 assessment, collection, and distribution of property taxes.
569 (e) A county additional property tax levy established in Subsection (4)(a) is:
570 (i) exempt from the provisions of Sections 17C-1-403 and 17C-1-404;
571 (ii) in addition to and exempt from the maximum levies allowable under Section
572 59-2-908; and
573 (iii) beginning on January 1, 2009:
574 (A) for a county that was designated as a receiving county by the state auditor during
575 the prior calendar year, subject to the notice and public hearing provisions of Section 59-2-919
576 only if the county additional property tax levied by that county levy is raised to a rate in excess
577 of .0003; and
578 (B) except as provided in Subsection (4)(f), for a county that was designated as a
579 contributing county by the state auditor during the prior calendar year, subject to the notice and
580 public hearing provisions of Section 59-2-919.
581 (f) A county additional property tax levy in a county that was not a receiving county
582 during the prior year shall be subject to the notice and public hearing provisions described in
583 Subsection (4)(e)(iii)(A) if the county would have been designated as a receiving county during

584 the prior calendar year if the county had levied a county additional property tax of at least .0003
585 per dollar of taxable value.

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

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

592 (a) the amount of revenue budgeted:

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

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

595 (b) the amount of revenue budgeted:

596 (i) by each receiving county for the calendar year immediately preceding the calendar
597 year described in Subsection (5)(a)(i); and

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

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

601 Section 9. Section **59-2-1603** is amended to read:

602 **59-2-1603. Disbursement of monies in the Property Tax Valuation Agency Fund**
603 **-- Use of funds.**

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

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

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

612 ~~[(b) For a county of the first class, the county's multicounty assessing and collecting~~
613 ~~allocation shall be 94.5% of the revenue it collects from imposing the multicounty assessing~~
614 ~~and collecting levy.]~~

615 ~~[(e)]~~ (b) A ~~[For counties of the second through sixth class, a]~~ county's multicounty
 616 assessing and collecting allocation shall be the product of:

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

618 ~~[(ii) the amount of all revenue generated statewide by the imposition of the
 619 multicounty assessing and collecting levy.]~~

620 (ii) a base unit value of \$9.

621 ~~[(d)]~~ (c) For purposes of this section, a county's adjusted parcel ratio shall be
 622 determined by multiplying the sum of the following by the county parcel factor:

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

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

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

626 ~~[(e)]~~ (d) For purposes of this Subsection (3), the county class factor is:

627 (i) 0.8 for a county of the first class;

628 ~~[(i)]~~ (ii) 0.9 for [counties] a county of the second class;

629 ~~[(ii)]~~ (iii) 1.0 for [counties] a county of the third class;

630 ~~[(iii)]~~ (iv) 1.05 for [counties] a county of the fourth class;

631 ~~[(iv)]~~ (v) 1.15 for [counties] a county of the fifth class; and

632 ~~[(v)]~~ (vi) 1.3 for [counties] a county of the sixth class.

633 ~~[(f)]~~ (e) The commission shall provide the state auditor a list of each county's parcel
 634 counts described in Subsection (3)~~[(d)]~~(c).

635 (4) (a) A first class county shall transmit \$300,000 to the fund ~~[an amount equal to the
 636 greater of the following:]~~.

637 ~~[(i) \$250,000; or]~~

638 ~~[(ii) the lesser of the following:]~~

639 ~~[(A) 5.5% of the revenue it collects from imposing the multicounty assessing and
 640 collecting levy during a calendar year; or]~~

641 ~~[(B) \$500,000.]~~

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

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

646 (ii) if the contributing county's surplus revenue is more than the county's minimum
647 county contribution and less than the county's maximum county contribution, the contributing
648 county's surplus revenue; or

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

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

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

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

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

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

667 ~~[(8) If collections from the statewide imposition of the multicounty assessing and
668 collecting levy are less than the amount of revenue the levy was expected to generate in a
669 calendar year, the state auditor shall pro rata:]~~

670 ~~[(a) decrease each receiving county's multicounty assessing and collecting allocation;
671 and]~~

672 ~~[(b) for each contributing county that did not transmit its maximum county
673 contribution to the fund during the same calendar year, increase the contributing county's
674 contribution to the fund:]~~

675 (8) The state auditor shall reallocate any surplus or deficit from the allocation under
676 Subsection (3) between all receiving counties based on their adjusted parcel counts.

677 (9) A receiving county may not receive more than \$200,000 total from an allocation
678 under Subsection (3).

679 [~~9~~] (10) If money remains in the fund after all allocations have been distributed to
680 receiving counties in a calendar year, the state auditor shall retain the money in the fund for
681 distribution the following calendar year.

682 Section 10. Section **78B-5-503** is amended to read:

683 **78B-5-503. Homestead exemption -- Definitions -- Excepted obligations -- Water**
684 **rights and interests -- Conveyance -- Sale and disposition -- Property right for federal tax**
685 **purposes.**

686 (1) For purposes of this section:

687 (a) "Household" means a group of persons related by blood or marriage living together
688 in the same dwelling as an economic unit, sharing furnishings, facilities, accommodations, and
689 expenses.

690 (b) "Mobile home" is as defined in Section 57-16-3.

691 (c) "Primary personal residence" means a dwelling or mobile home, and the land
692 surrounding it, not exceeding one acre, as is reasonably necessary for the use of the dwelling or
693 mobile home, in which the individual and the individual's household reside.

694 (d) "Property" means:

695 (i) a primary personal residence;

696 (ii) real property; or

697 (iii) an equitable interest in real property awarded to a person in a divorce decree by a
698 court.

699 (2) (a) An individual is entitled to a homestead exemption consisting of property in this
700 state in an amount not exceeding:

701 (i) \$5,000 in value if the property consists in whole or in part of property which is not
702 the primary personal residence of the individual; or

703 (ii) \$20,000 in value if the property claimed is the primary personal residence of the
704 individual.

705 (b) If the property claimed as exempt is jointly owned, each joint owner is entitled to a
706 homestead exemption; however

707 (i) for property exempt under Subsection (2)(a)(i), the maximum exemption may not

708 exceed \$10,000 per household; or

709 (ii) for property exempt under Subsection (2)(a)(ii), the maximum exemption may not
710 exceed \$40,000 per household.

711 (c) A person may claim a homestead exemption in either or both of the following:

712 (i) one or more parcels of real property together with appurtenances and improvements;
713 or

714 (ii) a mobile home in which the claimant resides.

715 (d) A person may not claim a homestead exemption for property that the person
716 acquired as a result of criminal activity.

717 (3) A homestead is exempt from judicial lien and from levy, execution, or forced sale
718 except for:

719 (a) statutory liens for property taxes and assessments on the property;

720 (b) security interests in the property and judicial liens for debts created for the purchase
721 price of the property;

722 (c) judicial liens obtained on debts created by failure to provide support or maintenance
723 for dependent children; and

724 (d) consensual liens obtained on debts created by mutual contract.

725 (4) (a) Except as provided in Subsection (4)(b), water rights and interests, either in the
726 form of corporate stock or otherwise, owned by the homestead claimant are exempt from
727 execution to the extent that those rights and interests are necessarily employed in supplying
728 water to the homestead for domestic and irrigating purposes.

729 (b) Those water rights and interests are not exempt from calls or assessments and sale
730 by the corporations issuing the stock.

731 (5) (a) When a homestead is conveyed by the owner of the property, the conveyance
732 may not subject the property to any lien to which it would not be subject in the hands of the
733 owner.

734 (b) The proceeds of any sale, to the amount of the exemption existing at the time of
735 sale, is exempt from levy, execution, or other process for one year after the receipt of the
736 proceeds by the person entitled to the exemption.

737 (6) The sale and disposition of one homestead does not prevent the selection or
738 purchase of another.

739 (7) For purposes of any claim or action for taxes brought by the United States Internal
740 Revenue Service, a homestead exemption claimed on real property in this state is considered to
741 be a property right.

H.B. 259 2nd Sub. (Gray) - Property Tax Amendments

Fiscal Note

2010 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 likely will not result in direct, measurable costs and/or benefits for individuals or businesses. Locals will see a reduction in the amounts contributed to the Property Tax Valuation Agency Fund.
