

PROPERTY TAX VALUATION AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne L. Niederhauser

House Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill addresses the assessment of fair market value of property.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires certain reporting of property tax property valuation reductions on appeal;
- ▶ requires an assessor to consider a valuation reduction in certain prior years in determining the fair market value of property;
- ▶ requires an assessor to consider certain other factors in assessing the fair market value of property; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on January 1, 2013.

Utah Code Sections Affected:

AMENDS:

59-2-1002, as last amended by Laws of Utah 2000, Chapter 86

59-2-1003, as repealed and reenacted by Laws of Utah 1988, Chapter 3

59-2-1004, as last amended by Laws of Utah 2008, Chapters 231, 301, and 382



28 ENACTS:

29 **59-2-301.4**, Utah Code Annotated 1953



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

32 Section 1. Section **59-2-301.4** is enacted to read:

33 **59-2-301.4. Definition -- Assessment of property after a reduction in value --**
34 **Other factors affecting fair market value.**

35 (1) As used in this section, "valuation reduction" means a reduction in the value of
36 property on appeal if that reduction was made:

37 (a) within the three years before the January 1 of the year in which the property is being
38 assessed; and

39 (b) by a:

40 (i) county board of equalization in a final decision;

41 (ii) the commission in a final unappealable administrative order; or

42 (iii) a court of competent jurisdiction in a final unappealable judgment or order.

43 (2) In assessing the fair market value of property subject to a valuation reduction, a
44 county assessor shall consider in the assessor's determination of fair market value:

45 (a) any additional information about the property that was previously unknown or
46 unaccounted for by the assessor that is made known on appeal; and

47 (b) whether the reasons for the valuation reduction continue to influence the fair
48 market value of the property.

49 (3) This section does not prohibit a county assessor from including as part of a
50 determination of the fair market value of property any other factor affecting the fair market
51 value of the property.

52 Section 2. Section **59-2-1002** is amended to read:

53 **59-2-1002. Change in assessment -- Force and effect -- Additional assessments --**
54 **Notice to interested persons.**

55 (1) The county board of equalization shall use all information it may gain from the
56 records of the county or elsewhere in equalizing the assessment of the property in the county or
57 in determining any exemptions. The board may require the assessor to enter upon the
58 assessment roll any taxable property which has not been assessed and any assessment made has

59 the same force and effect as if made by the assessor before the delivery of the assessment roll
60 to the county treasurer.

61 (2) During its sessions, the county board of equalization may direct the assessor to:

62 (a) assess any taxable property which has escaped assessment;

63 (b) add to the amount, number, or quantity of property when a false or incomplete list
64 has been rendered; and

65 (c) make and enter new assessments, at the same time cancelling previous entries,
66 when any assessment made by the assessor is considered by the board to be incomplete or
67 incorrect.

68 (3) The clerk of the board of equalization shall give written notice:

69 (a) to all interested persons of the day fixed for the investigation of any assessment
70 under consideration by the board at least 30 days before action is taken[-]; and

71 (b) to the assessor of a valuation adjustment made in accordance with Section
72 59-2-301.4 or another adjustment under this section.

73 Section 3. Section 59-2-1003 is amended to read:

74 **59-2-1003. Power of county board to increase or decrease assessment.**

75 (1) The county board of equalization may, after giving notice as prescribed by ~~[rule]~~
76 any rules the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative
77 Rulemaking Act, increase or decrease any assessment contained in any assessment book, so as
78 to equalize the assessment of all classes of property under Section 59-2-103.

79 (2) In accordance with any rules the commission makes in accordance with Title 63G,
80 Chapter 3, Utah Administrative Rulemaking Act, the county board of equalization shall notify
81 the assessor of an adjustment made in accordance with Subsection (1).

82 Section 4. Section 59-2-1004 is amended to read:

83 **59-2-1004. Appeal to county board of equalization -- Real property -- Time**
84 **period for appeal -- Decision of board -- Extensions approved by commission -- Appeal to**
85 **commission.**

86 (1) (a) A taxpayer dissatisfied with the valuation or the equalization of the taxpayer's
87 real property may make an application to appeal by:

88 (i) filing the application with the county board of equalization within the time period
89 described in Subsection (2); or

90 (ii) making an application by telephone or other electronic means within the time period
91 described in Subsection (2) if the county legislative body passes a resolution under Subsection
92 (5) authorizing applications to be made by telephone or other electronic means.

93 (b) The contents of the application shall be prescribed by rule of the county board of
94 equalization.

95 (2) (a) Except as provided in Subsection (2)(b), for purposes of Subsection (1), a
96 taxpayer shall make an application to appeal the valuation or the equalization of the taxpayer's
97 real property on or before the later of:

98 (i) September 15 of the current calendar year; or

99 (ii) the last day of a 45-day period beginning on the day on which the county auditor
100 mails the notice under Section 59-2-919.1.

101 (b) Notwithstanding Subsection (2)(a), in accordance with Title 63G, Chapter 3, Utah
102 Administrative Rulemaking Act, the commission shall make rules providing for circumstances
103 under which the county board of equalization is required to accept an application to appeal that
104 is filed after the time period prescribed in Subsection (2)(a).

105 (3) The owner shall include in the application under Subsection (1)(a)(i) the owner's
106 estimate of the fair market value of the property and any evidence which may indicate that the
107 assessed valuation of the owner's property is improperly equalized with the assessed valuation
108 of comparable properties.

109 (4) (a) The county board of equalization shall meet and hold public hearings as
110 prescribed in Section 59-2-1001.

111 (b) The county board of equalization shall make a decision on each appeal filed in
112 accordance with this section within a 60-day period after the day on which the application is
113 made.

114 (c) The commission may approve the extension of a time period provided for in
115 Subsection (4)(b) for a county board of equalization to make a decision on an appeal.

116 (d) The decision of the board shall contain a determination of the valuation of the
117 property based on fair market value, and a conclusion that the fair market value is properly
118 equalized with the assessed value of comparable properties.

119 (e) If no evidence is presented before the county board of equalization, it will be
120 presumed that the equalization issue has been met.

121 (f) (i) If the fair market value of the property that is the subject of the appeal deviates
122 plus or minus 5% from the assessed value of comparable properties, the valuation of the
123 appealed property shall be adjusted to reflect a value equalized with the assessed value of
124 comparable properties.

125 (ii) ~~[The]~~ Subject to Sections 59-2-301.1, 59-2-301.2, 59-2-301.3, and 59-2-301.4,
126 equalized value established under Subsection (4)(f)(i) shall be the assessed value for property
127 tax purposes until the county assessor is able to evaluate and equalize the assessed value of all
128 comparable properties to bring them all into conformity with full fair market value.

129 (5) If any taxpayer is dissatisfied with the decision of the county board of equalization,
130 the taxpayer may file an appeal with the commission as prescribed in Section 59-2-1006.

131 (6) A county legislative body may pass a resolution authorizing taxpayers owing taxes
132 on property assessed by that county to file property tax appeals applications under this section
133 by telephone or other electronic means.

134 Section 5. **Effective date.**

135 This bill takes effect on January 1, 2013.

Legislative Review Note
as of 2-2-12 10:40 AM

Office of Legislative Research and General Counsel