

**DELINQUENT PROPERTY TAX AND UNIFORM FEE
AMENDMENTS**

2012 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Benjamin M. McAdams

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to interest rates on delinquent property taxes or uniform fees.

Highlighted Provisions:

This bill:

- increases interest rates and interest rate caps on delinquent property taxes or uniform fees.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation to January 1, 2012.

Utah Code Sections Affected:

AMENDS:

59-2-1302, as last amended by Laws of Utah 2011, Chapter 163

59-2-1331, as last amended by Laws of Utah 2010, Chapter 63

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

Section 1. Section **59-2-1302** is amended to read:

59-2-1302. Assessor or treasurer's duties -- Collection of uniform fees and taxes



28 **on personal property -- Unpaid tax or unpaid uniform fee is a lien -- Delinquency interest**
29 **-- Rate.**

30 (1) After the assessor assesses taxes or uniform fees on personal property, the assessor
31 or, if this duty has been reassigned in an ordinance under Section 17-16-5.5, the treasurer shall:

32 (a) list the personal property tax or uniform fee with the real property of the owner in
33 the manner required by law and as provided under Subsection (3), if the assessor or treasurer,
34 as the case may be, determines that the real property is sufficient to secure the payment of the
35 personal property taxes or uniform fees;

36 (b) immediately collect the taxes or uniform fees due on the personal property; or

37 (c) on or before the day on which the tax or uniform fee on personal property is due,
38 obtain from the taxpayer a bond that is:

39 (i) payable to the county in an amount equal to the amount of the tax or uniform fee
40 due, plus 20% of the amount of the tax or uniform fee due; and

41 (ii) conditioned for the payment of the tax or uniform fee on or before November 30.

42 (2) (a) An unpaid tax as defined in Section 59-1-705, or unpaid uniform fee upon
43 personal property listed with the real property is a lien upon the owner's real property as of
44 noon of January 1 of each year.

45 (b) An unpaid tax as defined in Section 59-1-705, or unpaid uniform fee upon personal
46 property not listed with the real property is a lien upon the owner's personal property as of noon
47 of January 1 of each year.

48 (3) The assessor or treasurer, as the case may be, shall make the listing under this
49 section:

50 (a) on the record of assessment of the real property; or

51 (b) by entering a reference showing the record of the assessment of the personal
52 property on the record of assessment of the real property.

53 (4) (a) The amount of tax or uniform fee assessed upon personal property is delinquent
54 if the tax or uniform fee is not paid on the day on which the tax notice or the combined signed
55 statement and tax notice under Section 59-2-306 is due.

56 (b) Subject to Subsection (4)(c), delinquent taxes or uniform fees under Subsection
57 (4)(a) shall bear interest from the date of delinquency until the day on which the delinquent tax
58 or uniform fee is paid at an interest rate equal to the sum of:

- 59 (i) [~~6%~~] 8%; and
- 60 (ii) the federal funds rate target:
- 61 (A) established by the Federal Open Markets Committee; and
- 62 (B) that exists on the January 1 immediately preceding the date of delinquency.
- 63 (c) The interest rate described in Subsection (4)(b) may not be less than 7% or more
- 64 than [~~+10%~~] 12%.

65 (5) A county assessor or treasurer shall deposit all collections of public funds from a
 66 personal property tax or personal property uniform fee no later than once every seven banking
 67 days with:

- 68 (a) the state treasurer; or
- 69 (b) a qualified depository for the credit of the county.

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

71 **59-2-1331. Date tax is delinquent -- Penalty -- Interest -- Payments -- Refund of**
 72 **prepayment.**

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

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

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

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

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

87 (b) Unless the delinquent taxes, together with the penalty, are paid on or before January
 88 31, the amount of taxes and penalty shall bear interest on a per annum basis from the January 1
 89 immediately following the delinquency date.

90 (c) Except as provided in Subsection (2)(d), for purposes of Subsection (2)(b), the
91 interest rate is equal to the sum of:

92 (i) [~~6%~~] 8%; and

93 (ii) the federal funds rate target:

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

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

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

97 (i) less than 7%; or

98 (ii) more than [~~10%~~] 12%.

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

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

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

109 (a) payments in amounts of not less than \$10; or

110 (b) the full amount of the unpaid tax.

111 (5) (a) At any time before the county treasurer mails the tax notice described in Section
112 59-2-1317, the county treasurer may refund amounts accepted and credited on account against
113 taxes becoming due during the current year.

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

116 **Section 3. Retrospective operation.**

117 This bill has retrospective operation to January 1, 2012.

Legislative Review Note
as of 1-20-12 8:00 AM

Office of Legislative Research and General Counsel