

Senator Aaron Osmond proposes the following substitute bill:

MODIFICATIONS TO PROPERTY TAX

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Aaron Osmond

House Sponsor: Eric K. Hutchings

LONG TITLE

General Description:

This bill amends provisions related to certain property tax notices.

Highlighted Provisions:

This bill:

- ▶ addresses the contents of certain property tax notices;
- ▶ authorizes a county treasurer to provide certain property tax notices by electronic mail under certain circumstances if a taxpayer elects to receive the property tax notice by electronic mail; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-327, as last amended by Laws of Utah 1997, Chapter 360

59-2-506, as last amended by Laws of Utah 2013, Chapter 322

59-2-913, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236



- 26 [59-2-924.1](#), as enacted by Laws of Utah 1997, Chapter 53
- 27 [59-2-1317](#), as last amended by Laws of Utah 2013, Chapter 265
- 28 [59-2-1331](#), as last amended by Laws of Utah 2010, Chapter 63
- 29 [59-2-1705](#), as enacted by Laws of Utah 2012, Chapter 197

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

32 Section 1. Section [59-2-327](#) is amended to read:

33 **59-2-327. Assessment roll -- Taxes charged to county treasurer.**

34 (1) The county auditor shall deliver the assessment roll, with the taxes extended, all
35 orders of the county board of equalization and commission posted, and all relief granted, prior
36 to the time prescribed in Section [59-2-1317](#) for ~~[mailing]~~ providing the original tax notice, to
37 the county treasurer, together with a report of the accumulated total, which shall be considered
38 to be a preliminary taxes charged amount. ~~[On]~~

39 (2) After delivering the corrected assessment roll to the county treasurer, under Section
40 [59-2-326](#), the county auditor shall charge the treasurer with the full amount of taxes levied,
41 except the taxes of rail car companies and state-assessed commercial vehicles, in an account
42 established for the purpose.

43 (3) The county auditor shall either report the final taxes charged or report the
44 adjustments in taxable value and tax amounts from the preliminary taxes charged amount to the
45 county treasurer for use in settling with all taxing entities under Section [59-2-1365](#).

46 Section 2. Section [59-2-506](#) is amended to read:

47 **59-2-506. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**
48 **Interest -- Notice -- Collection -- Distribution -- Appeal to county board of equalization.**

49 (1) Except as provided in this section, Section [59-2-506.5](#), or Section [59-2-511](#), if land
50 is withdrawn from this part, the land is subject to a rollback tax imposed in accordance with
51 this section.

52 (2) (a) An owner shall notify the county assessor that land is withdrawn from this part
53 within 120 days after the day on which the land is withdrawn from this part.

54 (b) An owner that fails to notify the county assessor under Subsection (2)(a) that land is
55 withdrawn from this part is subject to a penalty equal to the greater of:

56 (i) \$10; or

57 (ii) 2% of the rollback tax due for the last year of the rollback period.
58 (3) (a) The county assessor shall determine the amount of the rollback tax by
59 computing the difference for the rollback period described in Subsection (3)(b) between:
60 (i) the tax paid while the land was assessed under this part; and
61 (ii) the tax that would have been paid had the property not been assessed under this
62 part.
63 (b) For purposes of this section, the rollback period is a time period that:
64 (i) begins on the later of:
65 (A) the date the land is first assessed under this part; or
66 (B) five years preceding the day on which the county assessor mails the notice required
67 by Subsection (5); and
68 (ii) ends the day on which the county assessor mails the notice required by Subsection
69 (5).
70 (4) (a) The county treasurer shall:
71 (i) collect the rollback tax; and
72 (ii) after the rollback tax is paid, certify to the county recorder that the rollback tax lien
73 on the property has been satisfied by:
74 (A) preparing a document that certifies that the rollback tax lien on the property has
75 been satisfied; and
76 (B) providing the document described in Subsection (4)(a)(ii)(A) to the county recorder
77 for recordation.
78 (b) The rollback tax collected under this section shall:
79 (i) be paid into the county treasury; and
80 (ii) be paid by the county treasurer to the various taxing entities pro rata in accordance
81 with the property tax levies for the current year.
82 (5) (a) The county assessor shall mail to an owner of the land that is subject to a
83 rollback tax a notice that:
84 (i) the land is withdrawn from this part;
85 (ii) the land is subject to a rollback tax under this section; and
86 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within
87 30 days after the day on which the county assessor mails the notice.

88 (b) (i) The rollback tax is due and payable on the day the county assessor mails the
89 notice required by Subsection (5)(a).

90 (ii) Subject to Subsection (7), the rollback tax is delinquent if an owner of the land that
91 is withdrawn from this part does not pay the rollback tax within 30 days after the day on which
92 the county assessor mails the notice required by Subsection (5)(a).

93 (6) (a) Subject to Subsection (6)(b), the following are a lien on the land assessed under
94 this part:

95 (i) the rollback tax; and

96 (ii) interest imposed in accordance with Subsection (7).

97 (b) The lien described in Subsection (6)(a) shall:

98 (i) arise upon the imposition of the rollback tax under this section;

99 (ii) end on the day on which the rollback tax and interest imposed in accordance with
100 Subsection (7) are paid in full; and

101 (iii) relate back to the first day of the rollback period described in Subsection (3)(b).

102 (7) (a) A delinquent rollback tax under this section shall accrue interest:

103 (i) from the date of delinquency until paid; and

104 (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1
105 of the year in which the delinquency occurs.

106 (b) A rollback tax that is delinquent on September 1 of any year shall be included on
107 the notice required by Section 59-2-1317, along with interest calculated on that delinquent
108 amount through November 30 of the year in which the county treasurer provides the notice
109 under Section 59-2-1317 [~~is mailed~~].

110 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an
111 amendment to this part is not subject to the rollback tax if the owner of the land notifies the
112 county assessor that the land is withdrawn from this part in accordance with Subsection (2).

113 (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of
114 an event other than an amendment to this part, whether voluntary or involuntary, is subject to
115 the rollback tax.

116 (9) Except as provided in Section 59-2-511, land that becomes exempt from taxation
117 under Utah Constitution Article XIII, Section 3, is not subject to the rollback tax if the land
118 meets the requirements of Section 59-2-503 to be assessed under this part.

119 (10) Land that becomes ineligible for assessment under this part only as a result of a
120 split estate mineral rights owner exercising the right to extract a mineral is not subject to the
121 rollback tax:

122 (a) (i) for the portion of the land required by a split estate mineral rights owner to
123 extract a mineral if, after the split estate mineral rights owner exercises the right to extract a
124 mineral, the portion of the property that remains in agricultural production still meets the
125 acreage requirements of Section 59-2-503 for assessment under this part; or

126 (ii) for the entire acreage that would otherwise qualify for assessment under this part if,
127 after the split estate mineral rights owner exercises the right to extract a mineral, the entire
128 acreage that would otherwise qualify for assessment under this part no longer meets the acreage
129 requirements of Section 59-2-503 for assessment under this part only due to the extraction of
130 the mineral by the split estate mineral rights owner; and

131 (b) for the period of time that the property described in Subsection (10)(a) is ineligible
132 for assessment under this part due to the extraction of a mineral by the split estate mineral
133 rights owner.

134 (11) (a) Subject to Subsection (11)(b), an owner of land may appeal to the county
135 board of equalization:

136 (i) a decision by a county assessor to withdraw land from assessment under this part; or

137 (ii) the imposition of a rollback tax under this section.

138 (b) An owner shall file an appeal under Subsection (11)(a) no later than 45 days after
139 the day on which the county assessor mails the notice required by Subsection (5).

140 Section 3. Section 59-2-913 is amended to read:

141 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**
142 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**
143 **establishing tax levies -- Format of statement.**

144 (1) As used in this section, "budgeted property tax revenues" does not include property
145 tax revenue received by a taxing entity from personal property that is:

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

147 (b) semiconductor manufacturing equipment.

148 (2) (a) The legislative body of each taxing entity shall file a statement as provided in
149 this section with the county auditor of the county in which the taxing entity is located.

150 (b) The auditor shall annually transmit the statement to the commission:
151 (i) before June 22; or
152 (ii) with the approval of the commission, on a subsequent date prior to the date
153 ~~established~~ required by Section 59-2-1317 for the county treasurer to provide the notice under
154 Section 59-2-1317 ~~[for mailing tax notices]~~.

155 (c) The statement shall contain the amount and purpose of each levy fixed by the
156 legislative body of the taxing entity.

157 (3) For purposes of establishing the levy set for each of a taxing entity's applicable
158 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing
159 the budgeted property tax revenues, specified in a budget which has been adopted and
160 approved prior to setting the levy, by the amount calculated under Subsections
161 59-2-924(3)(c)(ii)(A) through (C).

162 (4) The format of the statement under this section shall:

163 (a) be determined by the commission; and

164 (b) cite any applicable statutory provisions that:

165 (i) require a specific levy; or

166 (ii) limit the property tax levy for any taxing entity.

167 (5) The commission may require certification that the information submitted on a
168 statement under this section is true and correct.

169 Section 4. Section 59-2-924.1 is amended to read:

170 **59-2-924.1. Definitions -- Commission authorized to adjust taxing entity's**
171 **certified rate for clerical error -- Requirements -- Amount of adjustment.**

172 (1) For purposes of this section:

173 (a) "Clerical error" means the following in an assessment roll:

174 (i) an omission;

175 (ii) an error; or

176 (iii) a defect in form.

177 (b) "Year" means the period beginning on January 1 and ending on December 31
178 during which there is a clerical error on the taxing entity's assessment roll.

179 (2) The commission shall adjust a taxing entity's certified tax rate as provided in
180 Subsection (3) if the county legislative body in which the taxing entity is located certifies to the

181 commission in writing that:

182 (a) the taxing entity's assessment roll contained a clerical error;

183 (b) the county adjusted the clerical error on the assessment roll;

184 (c) the taxing entity's actual collections for the year were different than the taxing

185 entity's budgeted collections for the year; and

186 (d) the taxing entity notified the county legislative body of the clerical error after the

187 county treasurer [~~mailed~~] provided the tax notices under Section 59-2-1317, but no later than

188 60 days after the day on which the county treasurer made the final annual settlement with the

189 taxing entity under Section 59-2-1365.

190 (3) (a) The adjustment under Subsection (2) is an amount equal to the lesser of:

191 (i) the difference between the taxing entity's budgeted collections for the year and the
192 taxing entity's actual collections for the year; or

193 (ii) the amount of the clerical error.

194 (b) The commission shall make an adjustment under Subsection (2) no later than 90

195 days after the day on which the county treasurer made the final annual settlement with the

196 taxing entity under Section 59-2-1365.

197 Section 5. Section 59-2-1317 is amended to read:

198 **59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for**
199 **providing notice.**

200 (1) [~~The~~] Subject to the other provisions of this section, the county treasurer shall:

201 (a) collect the taxes; and

202 (b) [~~furnish~~] provide a notice to each taxpayer[~~, except those taxpayers under Sections~~

203 ~~59-2-1302 and 59-2-1307, by mail, postage prepaid, or leave at the taxpayer's residence or~~

204 ~~usual place of business, if known, a notice stating] that contains the following:~~

205 (i) the kind and value of property assessed to the taxpayer;

206 (ii) the street address of the property, if available to the county;

207 (iii) that the property may be subject to a detailed review in the next year under Section

208 ~~59-2-303.1;~~

209 (iv) the amount of taxes levied;

210 (v) a separate statement of the taxes levied only on a certain kind or class of property

211 for a special purpose;

212 ~~[(v)]~~ (vi) property tax information pertaining to taxpayer relief, options for payment of
213 taxes, and collection procedures;

214 ~~[(vi)]~~ (vii) if applicable, the amount of an assessment assessed in accordance with
215 Section [11-42-401](#);

216 (viii) the date the taxes are due;

217 (ix) the street address at which the taxes may be paid;

218 (x) the date on which the taxes are delinquent;

219 (xi) the penalty imposed on delinquent taxes;

220 ~~[(vii)]~~ (xii) other information specifically authorized to be included on the notice under
221 ~~[Title 59, Chapter 2, Property Tax Act]~~ this chapter; and

222 ~~[(viii)]~~ (xiii) other property tax information approved by the commission.

223 (2) For any property for which property taxes are delinquent, ~~[the treasurer shall stamp~~
224 ~~on]~~ the notice described in Subsection (1) shall state, "Prior taxes are delinquent on this
225 parcel."

226 ~~[(3) The notice shall:]~~

227 ~~[(a) separately state all taxes levied only on a certain kind or class of property for a~~
228 ~~special purpose;]~~

229 ~~[(b) have printed or stamped on it when and where the taxes are payable;]~~

230 ~~[(c) state the date on which the taxes will be delinquent; and]~~

231 ~~[(d) state the penalty provided by law.]~~

232 ~~[(4) (a) The notice shall be mailed by November 1.]~~

233 (3) Except as provided in Subsection (4), the county treasurer shall:

234 (a) mail the notice required by this section, postage prepaid; or

235 (b) leave the notice required by this section at the taxpayer's residence or usual place of
236 business, if known.

237 (4) (a) Subject to the other provisions of this Subsection (4), a county treasurer may, at
238 the county treasurer's discretion, provide the notice required by this section by electronic mail if
239 a taxpayer makes an election, according to procedures determined by the county treasurer, to
240 receive the notice by electronic mail.

241 (b) A taxpayer may revoke an election to receive the notice required by this section by
242 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.

243 (c) A revocation of an election under this section does not relieve a taxpayer of the
244 duty to pay a tax due under this chapter on or before the due date for paying the tax.

245 (d) A county treasurer shall provide the notice required by this section using a method
246 described in Subsection (3), until a taxpayer makes a new election in accordance with this
247 Subsection (4), if:

248 (i) the taxpayer revokes an election in accordance with Subsection (4)(b) to receive the
249 notice required by this section by electronic mail; or

250 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

251 (e) A person is considered to be taxpayer for purposes of this Subsection (4) regardless
252 of whether the property that is the subject of the notice required by this section is exempt from
253 taxation.

254 (5) (a) The county treasurer shall provide the notice required by this section to a
255 taxpayer on or before November 1.

256 (b) The county treasurer shall keep on file in the county treasurer's office the
257 information set forth in the notice.

258 (c) The county treasurer is not required to mail ~~out~~ a tax receipt acknowledging
259 payment.

260 (6) This section does not apply to property taxed under Section [59-2-1302](#) or
261 [59-2-1307](#).

262 Section 6. Section **59-2-1331** is amended to read:

263 **59-2-1331. Date tax is delinquent -- Penalty -- Interest -- Payments -- Refund of**
264 **prepayment.**

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

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

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

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

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

279 (b) Unless the delinquent taxes, together with the penalty, are paid on or before January
280 31, the amount of taxes and penalty shall bear interest on a per annum basis from the January 1
281 immediately following the delinquency date.

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

284 (i) 6%; and

285 (ii) the federal funds rate target:

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

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

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

289 (i) less than 7%; or

290 (ii) more than 10%.

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

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

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

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

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

303 (5) (a) At any time before the county treasurer [~~mails~~] provides the tax notice described
304 in Section 59-2-1317, the county treasurer may refund amounts accepted and credited on

305 account against taxes becoming due during the current year.

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

308 Section 7. Section **59-2-1705** is amended to read:

309 **59-2-1705. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**
310 **Interest -- Notice -- Collection -- Distribution -- Appeal to county board of equalization.**

311 (1) Except as provided in this section or Section **59-2-1710**, land that is withdrawn
312 from this part is subject to a rollback tax imposed as provided in this section.

313 (2) (a) An owner shall notify the county assessor that land is withdrawn from this part
314 within 120 days after the day on which the land is withdrawn from this part.

315 (b) An owner who fails to notify the county assessor under Subsection (2)(a) that land
316 is withdrawn from this part is subject to a penalty equal to the greater of:

317 (i) \$10; or

318 (ii) 2% of the rollback tax due for the last year of the rollback period.

319 (3) (a) The county assessor shall determine the amount of the rollback tax by
320 computing the difference for the rollback period described in Subsection (3)(b) between:

321 (i) the tax paid while the land was assessed under this part; and

322 (ii) the tax that would have been paid had the property not been assessed under this
323 part.

324 (b) For purposes of this section, the rollback period is a time period that:

325 (i) begins on the later of:

326 (A) the date the land is first assessed under this part; or

327 (B) 10 years preceding the day on which the county assessor mails the notice required
328 by Subsection (5); and

329 (ii) ends the day on which the county assessor mails the notice required by Subsection
330 (5).

331 (4) (a) The county treasurer shall:

332 (i) collect the rollback tax; and

333 (ii) after the rollback tax is paid, certify to the county recorder that the rollback tax lien
334 on the property has been satisfied by:

335 (A) preparing a document that certifies that the rollback tax lien on the property has

336 been satisfied; and

337 (B) providing the document described in Subsection (4)(a)(ii)(A) to the county recorder
338 for recording.

339 (b) The rollback tax collected under this section shall:

340 (i) be paid into the county treasury; and

341 (ii) be paid by the county treasurer to the various taxing entities pro rata in accordance
342 with the property tax levies for the current year.

343 (5) (a) The county assessor shall mail to an owner of the land that is subject to a
344 rollback tax a notice that:

345 (i) the land is withdrawn from this part;

346 (ii) the land is subject to a rollback tax under this section; and

347 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within
348 30 days after the day on which the county assessor mails the notice.

349 (b) (i) The rollback tax is due and payable on the day the county assessor mails the
350 notice required by Subsection (5)(a).

351 (ii) Subject to Subsection (7), the rollback tax is delinquent if an owner of the land that
352 is withdrawn from this part does not pay the rollback tax within 30 days after the day on which
353 the county assessor mails the notice required by Subsection (5)(a).

354 (6) (a) Subject to Subsection (6)(b), the rollback tax and interest imposed under
355 Subsection (7) are a lien on the land assessed under this part.

356 (b) The lien described in Subsection (6)(a) shall:

357 (i) arise upon the imposition of the rollback tax under this section;

358 (ii) end on the day on which the rollback tax and interest imposed under Subsection (7)
359 are paid in full; and

360 (iii) relate back to the first day of the rollback period described in Subsection (3)(b).

361 (7) (a) A delinquent rollback tax under this section shall accrue interest:

362 (i) from the date of delinquency until paid; and

363 (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1
364 of the year in which the delinquency occurs.

365 (b) A rollback tax that is delinquent on September 1 of any year shall be included on
366 the notice required by Section 59-2-1317, along with interest calculated on that delinquent

367 amount through November 30 of the year in which the county treasurer provides the notice
368 under Section 59-2-1317 [~~is mailed~~].

369 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an
370 amendment to this part is not subject to the rollback tax if the owner of the land notifies the
371 county assessor that the land is withdrawn from this part in accordance with Subsection (2).

372 (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of
373 an event other than an amendment to this part, whether voluntary or involuntary, is subject to
374 the rollback tax.

375 (9) Except as provided in Section 59-2-1710, land that becomes exempt from taxation
376 under Utah Constitution, Article XIII, Section 3, is not subject to the rollback tax if the land
377 meets the requirements of Section 59-2-1703 to be assessed under this part.

378 (10) (a) Subject to Subsection (10)(b), an owner of land may appeal to the county
379 board of equalization:

380 (i) a decision by a county assessor to withdraw land from assessment under this part; or

381 (ii) the imposition of a rollback tax under this section.

382 (b) An owner shall file an appeal under Subsection (10)(a) no later than 45 days after
383 the day on which the county assessor mails the notice required by Subsection (5).