

PAYMENT OF PROPERTY TAX AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Curt Webb

Senate Sponsor: Kevin T. Van Tassell

LONG TITLE

General Description:

This bill addresses the payment of property taxes.

Highlighted Provisions:

This bill:

- ▶ addresses due dates for the payment of property taxes;
- ▶ addresses closure of the county treasurer's office for the posting of property tax payments;
- ▶ provides that a county treasurer or other public official, public entity, or public employee may not require a property tax to be paid before the due date; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-1330, as last amended by Laws of Utah 2008, Chapters 61, 231, 236, and 301

59-2-1331, as last amended by Laws of Utah 2014, Chapter 279

59-2-1332, as last amended by Laws of Utah 2009, Chapter 388

59-2-1332.5, as last amended by Laws of Utah 2011, Chapter 422

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

30 Section 1. Section **59-2-1330** is amended to read:

31 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
32 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
33 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
34 **commission -- Time periods for making payments to taxpayer.**

35 (1) Unless otherwise specifically provided by statute, property taxes shall be paid
36 directly to the county assessor or the county treasurer:

- 37 (a) on the date that the property taxes are due; and
- 38 (b) as provided in this chapter.

39 (2) A taxpayer shall receive payment as provided in this section if a reduction in the
40 amount of any tax levied against any property for which the taxpayer paid a tax or any portion
41 of a tax under this chapter for a calendar year is required by a final and unappealable judgment
42 or order described in Subsection (3) issued by:

- 43 (a) a county board of equalization;
- 44 (b) the commission; or
- 45 (c) a court of competent jurisdiction.

46 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
47 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
48 shall pay the taxpayer if:

49 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
50 authorized officer of the:

- 51 (A) county; or
- 52 (B) state; and

53 (ii) the taxpayer obtains a final and unappealable judgment or order:

- 54 (A) from:
 - 55 (I) a county board of equalization;
 - 56 (II) the commission; or
 - 57 (III) a court of competent jurisdiction;

58 (B) against:
59 (I) the taxing entity or an authorized officer of the taxing entity; or
60 (II) the state or an authorized officer of the state; and
61 (C) ordering a reduction in the amount of any tax levied against any property for which
62 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

63 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
64 in accordance with Subsections (4) through (7).

65 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer
66 is equal to the sum of:

67 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
68 between:

- 69 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
- 70 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
71 amount of tax levied against the property in accordance with the final and unappealable
72 judgment or order described in Subsection (3);

73 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
74 between:

- 75 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;
- 76 and
- 77 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with
78 Section 59-2-1331 after the reduction in the amount of tax levied against the property in
79 accordance with the final and unappealable judgment or order described in Subsection (3);

80 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
81 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and

82 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

- 83 (i) Subsection (4)(a);
- 84 (ii) Subsection (4)(b); and
- 85 (iii) Subsection (4)(c).

86 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
87 taxpayer is equal to the sum of:

88 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
89 between:

90 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and

91 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
92 the amount of tax levied against the property in accordance with the final and unappealable
93 judgment or order described in Subsection (3);

94 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
95 between:

96 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
97 59-2-1331; and

98 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
99 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the
100 property in accordance with the final and unappealable judgment or order described in
101 Subsection (3);

102 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
103 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and

104 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

105 (i) Subsection (5)(a);

106 (ii) Subsection (5)(b); and

107 (iii) Subsection (5)(c).

108 (6) Except as provided in Subsection (7):

109 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
110 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
111 with Section 59-2-1331; and

112 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
113 (5)(d):

- 114 (i) beginning on the later of:
- 115 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or
- 116 (B) January 1 of the calendar year immediately following the calendar year for which
- 117 the tax was due;
- 118 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
- 119 amount required by Subsection (4) or (5); and
- 120 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
- 121 state treasurer in accordance with Section 51-7-5.
- 122 (7) Notwithstanding Subsection (6):
- 123 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
- 124 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
- 125 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and
- 126 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
- 127 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
- 128 levied by the taxing entity for that calendar year as stated on the notice required by Section
- 129 59-2-1317.
- 130 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
- 131 judgment or order described in Subsection (3) if:
- 132 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
- 133 the date the [levy] certified tax rate is set under [~~Subsection~~] Section 59-2-924~~[(3)(a)]~~;
- 134 (ii) the amount of the judgment levy is included on the notice under Section
- 135 59-2-919.1; and
- 136 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
- 137 Section 59-2-102.
- 138 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
- 139 levy established for the taxing entity.
- 140 (9) (a) A taxpayer that objects to the assessment of property assessed by the
- 141 commission shall pay, on or before the property tax due date [~~of delinquency~~] established

142 under Subsection 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the
143 notice required by Section 59-2-1317 if:

144 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
145 59-2-1007 on the objection to the assessment; and

146 (ii) the commission has not issued a written decision on the objection to the assessment
147 in accordance with Section 59-2-1007.

148 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not
149 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

150 (i) a final and unappealable judgment or order establishing that the property described
151 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section
152 59-2-1317 is issued by:

153 (A) the commission; or

154 (B) a court of competent jurisdiction; and

155 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
156 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
157 the county bills the taxpayer for the additional tax liability.

158 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this
159 section shall be paid to a taxpayer:

160 (i) within 60 days after the day on which the final and unappealable judgment or order
161 is issued in accordance with Subsection (3); or

162 (ii) if a judgment levy is imposed in accordance with Subsection (8):

163 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later
164 than December 31 of the year in which the judgment levy is imposed; and

165 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
166 60 days after the date the final and unappealable judgment or order is issued in accordance with
167 Subsection (3).

168 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

169 (i) that establishes a time period other than a time period described in Subsection

170 (10)(a) for making a payment to the taxpayer that is required by this section; and

171 (ii) with:

172 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

173 (B) an authorized officer of the state for a tax imposed by the state.

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

175 **59-2-1331. Property tax due date -- Date tax is delinquent -- Penalty -- Interest --**
 176 **Payments -- Refund of prepayment.**

177 (1) (a) Except as provided in Subsection (1)(b) and subject to Subsections (1)(c) and
 178 (d), all property taxes, unless otherwise specifically provided for under Section **59-2-1332**, or
 179 other law, [~~unpaid or postmarked after~~] are due on November 30 of each year following the
 180 date of levy[~~, are delinquent, and the county treasurer shall close the treasurer's office for the~~
 181 ~~posting of current year tax payments until a delinquent list has been prepared].~~

182 (b) [~~Notwithstanding Subsection (1)(a), if~~] If November 30 falls on a Saturday,
 183 Sunday, or holiday:

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

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

188 (c) If a property tax is paid or postmarked after the due date described in this
 189 Subsection (1) the property tax is delinquent.

190 (d) A county treasurer or other public official, public entity, or public employee may
 191 not require the payment of a property tax before the due date described in this Subsection (1).

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

195 (b) Unless the delinquent taxes, together with the penalty, are paid on or before January
 196 31, the amount of taxes and penalty shall bear interest on a per annum basis from the January 1
 197 immediately following the delinquency date.

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

200 (i) 6%; and

201 (ii) the federal funds rate target:

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

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

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

205 (i) less than 7%; or

206 (ii) more than 10%.

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

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

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

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

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

219 (5) (a) At any time before the county treasurer provides the tax notice described in
220 Section [59-2-1317](#), the county treasurer may refund amounts accepted and credited on account
221 against taxes becoming due during the current year.

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

224 Section 3. Section **59-2-1332** is amended to read:

225 **59-2-1332. Extension of date of delinquency.**

226 (1) (a) The county legislative body may, upon a petition of not less than 100 taxpayers
227 or upon its own motion for good cause, by proclamation, extend the property tax due date
228 [~~when taxes become delinquent~~] from November 30 to noon on December 30.

229 (b) If the county legislative body [~~so~~] extends [~~this~~] the property tax due date under
230 Subsection (1)(a), the county legislative body shall publish a notice of the proclamation
231 covering this extension:

232 (i) in a newspaper of general circulation in the county in at least two issues before
233 November 1 of the year in which the taxes are to be paid; and

234 (ii) in accordance with Section 45-1-101 for two weeks before November 1.

235 (2) In all cases where the county legislative body extends the property tax due date
236 [~~when taxes become delinquent~~] under Subsection (1), the date for the selling of property to the
237 county for delinquent taxes shall be extended 30 days from the dates provided by law.

238 Section 4. Section 59-2-1332.5 is amended to read:

239 **59-2-1332.5. Mailing notice of delinquency or publication of delinquent list --**
240 **Contents -- Notice -- Definitions.**

241 (1) The county treasurer shall provide notice of delinquency in the payment of property
242 taxes:

243 (a) except as provided in Subsection (4), on or before December 31 of each calendar
244 year; and

245 (b) in a manner described in Subsection (2).

246 (2) A notice of delinquency in the payment of property taxes shall be provided by:

247 (a) (i) mailing a written notice, postage prepaid:

248 (A) to each delinquent taxpayer; and

249 (B) that includes the information required by Subsection (3)(a); and

250 (ii) making available to the public a list of delinquencies in the payment of property
251 taxes:

252 (A) by electronic means; and

253 (B) that includes the information required by Subsection (3)(b); or

- 254 (b) publishing a list of delinquencies in the payment of property taxes:
- 255 (i) in one issue of a newspaper having general circulation in the county;
- 256 (ii) that lists each delinquency in alphabetical order by:
- 257 (A) the last name of the delinquent taxpayer; or
- 258 (B) if the delinquent taxpayer is a business entity, the name of the business entity; and
- 259 (iii) that includes the information required by Subsection (3)(b).
- 260 (3) (a) A written notice of delinquency in the payment of property taxes described in
- 261 Subsection (2)(a)(i) shall include:
- 262 (i) a statement that delinquent taxes are due;
- 263 (ii) the amount of delinquent taxes due, not including any penalties imposed in
- 264 accordance with this chapter;
- 265 (iii) (A) the name of the delinquent taxpayer; or
- 266 (B) if the delinquent taxpayer is a business entity, the name of the business entity;
- 267 (iv) (A) a description of the delinquent property; or
- 268 (B) the property identification number of the delinquent property;
- 269 (v) a statement that a penalty shall be imposed in accordance with this chapter; and
- 270 (vi) a statement that interest accrues as of January 1 following the date of the
- 271 delinquency unless on or before January 31 the following are paid:
- 272 (A) the delinquent taxes; and
- 273 (B) the penalty.
- 274 (b) The list of delinquencies described in Subsection (2)(a)(ii) or (2)(b) shall include:
- 275 (i) the amount of delinquent taxes due, not including any penalties imposed in
- 276 accordance with this chapter;
- 277 (ii) (A) the name of the delinquent taxpayer; or
- 278 (B) if the delinquent taxpayer is a business entity, the name of the business entity;
- 279 (iii) (A) a description of the delinquent property; or
- 280 (B) the property identification number of the delinquent property;
- 281 (iv) a statement that a penalty shall be imposed in accordance with this chapter; and

282 (v) a statement that interest accrues as of January 1 following the date of the
283 delinquency unless on or before January 31 the following are paid:

284 (A) the delinquent taxes; and

285 (B) the penalty.

286 (4) Notwithstanding Subsection (1)(a), if the county legislative body extends the [date
287 ~~when taxes become delinquent~~] property tax due date under Subsection 59-2-1332(1), the
288 notice of delinquency in the payment of property taxes shall be provided on or before January
289 10.

290 (5) (a) In addition to the notice of delinquency in the payment of property taxes
291 required by Subsection (1), a county treasurer may in accordance with this Subsection (5) mail
292 a notice that property taxes are delinquent:

293 (i) to:

294 (A) a delinquent taxpayer;

295 (B) an owner of record of the delinquent property;

296 (C) any other interested party that requests notice; or

297 (D) a combination of Subsections (5)(a)(i)(A) through (C); and

298 (ii) at any time that the county treasurer considers appropriate.

299 (b) A notice mailed in accordance with this Subsection (5):

300 (i) shall include the information required by Subsection (3)(a); and

301 (ii) may include any information that the county treasurer finds is useful to the owner
302 of record of the delinquent property in determining:

303 (A) the status of taxes owed on the delinquent property;

304 (B) any penalty that is owed on the delinquent property;

305 (C) any interest charged under Section 59-2-1331 on the delinquent property; or

306 (D) any related matters concerning the delinquent property.

307 (6) As used in this section, "business entity" means:

308 (a) an association;

309 (b) a corporation;

- 310 (c) a limited liability company;
- 311 (d) a partnership;
- 312 (e) a trust; or
- 313 (f) a business entity similar to Subsections (6)(a) through (e).