

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;
- ▶ 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:



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

29 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
30 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
31 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
32 **commission -- Time periods for making payments to taxpayer.**

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

35 (a) on the date that the property taxes are due; and

36 (b) as provided in this chapter.

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

41 (a) a county board of equalization;

42 (b) the commission; or

43 (c) a court of competent jurisdiction.

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

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

49 (A) county; or

50 (B) state; and

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

52 (A) from:

53 (I) a county board of equalization;

54 (II) the commission; or

55 (III) a court of competent jurisdiction;

56 (B) against:

57 (I) the taxing entity or an authorized officer of the taxing entity; or

58 (II) the state or an authorized officer of the state; and

59 (C) ordering a reduction in the amount of any tax levied against any property for which
60 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

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

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

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

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

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

73 (i) any penalties the taxpayer paid to the state in accordance with Section [59-2-1331](#);
74 and

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

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

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

- 81 (i) Subsection (4)(a);
- 82 (ii) Subsection (4)(b); and
- 83 (iii) Subsection (4)(c).

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

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

- 88 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and
- 89 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in

90 the amount of tax levied against the property in accordance with the final and unappealable
91 judgment or order described in Subsection (3);

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

94 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
95 59-2-1331; and

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

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

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

103 (i) Subsection (5)(a);

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

105 (iii) Subsection (5)(c).

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

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

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

112 (i) beginning on the later of:

113 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or

114 (B) January 1 of the calendar year immediately following the calendar year for which
115 the tax was due;

116 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
117 amount required by Subsection (4) or (5); and

118 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
119 state treasurer in accordance with Section 51-7-5.

120 (7) Notwithstanding Subsection (6):

121 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
122 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
123 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and

124 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
125 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
126 levied by the taxing entity for that calendar year as stated on the notice required by Section
127 59-2-1317.

128 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
129 judgment or order described in Subsection (3) if:

130 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
131 the date the [levy] certified tax rate is set under [~~Subsection~~] Section 59-2-924[(3)(a)];

132 (ii) the amount of the judgment levy is included on the notice under Section
133 59-2-919.1; and

134 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
135 Section 59-2-102.

136 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
137 levy established for the taxing entity.

138 (9) (a) A taxpayer that objects to the assessment of property assessed by the
139 commission shall pay, on or before the property tax due date [~~of delinquency~~] established
140 under Subsection 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the
141 notice required by Section 59-2-1317 if:

142 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
143 59-2-1007 on the objection to the assessment; and

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

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

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

151 (A) the commission; or

152 (B) a court of competent jurisdiction; and
 153 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
 154 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
 155 the county bills the taxpayer for the additional tax liability.

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

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

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

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

163 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
 164 60 days after the date the final and unappealable judgment or order is issued in accordance with
 165 Subsection (3).

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

167 (i) that establishes a time period other than a time period described in Subsection
 168 (10)(a) for making a payment to the taxpayer that is required by this section; and

169 (ii) with:

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

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

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

173 **59-2-1331. Property tax due date -- Date tax is delinquent -- Penalty -- Interest --**
 174 **Payments -- Refund of prepayment.**

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

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

182 (i) the date of the next following day that is not a Saturday, Sunday, or holiday shall be

183 substituted in Subsection (1)(a) and Subsection 59-2-1332(1) for November 30; and

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

186 (c) If a property tax is paid or postmarked after the due date described in this

187 Subsection (1):

188 (i) the property tax is delinquent; and

189 (ii) the county treasurer shall close the treasurer's office for the posting of current year
190 tax payments until a delinquent list has been prepared.

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

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

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

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

201 (i) 6%; and

202 (ii) the federal funds rate target:

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

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

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

206 (i) less than 7%; or

207 (ii) more than 10%.

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

211 (3) If the delinquency exceeds one year, the amount of taxes and penalties for that year
212 and all succeeding years shall bear interest until settled in full through redemption or tax sale.

213 The interest rate to be applied shall be calculated for each year as established under Subsection

214 (2) and shall apply on each individual year's delinquency until paid.

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

- 218 (a) payments in amounts of not less than \$10; or
- 219 (b) the full amount of the unpaid tax.

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

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

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

226 **59-2-1332. Extension of date of delinquency.**

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

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

- 233 (i) in a newspaper of general circulation in the county in at least two issues before
234 November 1 of the year in which the taxes are to be paid; and
- 235 (ii) in accordance with Section 45-1-101 for two weeks before November 1.

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

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

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

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

- 244 (a) except as provided in Subsection (4), on or before December 31 of each calendar

245 year; and

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

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

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

249 (A) to each delinquent taxpayer; and

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

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

252 taxes:

253 (A) by electronic means; and

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

255 (b) publishing a list of delinquencies in the payment of property taxes:

256 (i) in one issue of a newspaper having general circulation in the county;

257 (ii) that lists each delinquency in alphabetical order by:

258 (A) the last name of the delinquent taxpayer; or

259 (B) if the delinquent taxpayer is a business entity, the name of the business entity; and

260 (iii) that includes the information required by Subsection (3)(b).

261 (3) (a) A written notice of delinquency in the payment of property taxes described in

262 Subsection (2)(a)(i) shall include:

263 (i) a statement that delinquent taxes are due;

264 (ii) the amount of delinquent taxes due, not including any penalties imposed in

265 accordance with this chapter;

266 (iii) (A) the name of the delinquent taxpayer; or

267 (B) if the delinquent taxpayer is a business entity, the name of the business entity;

268 (iv) (A) a description of the delinquent property; or

269 (B) the property identification number of the delinquent property;

270 (v) a statement that a penalty shall be imposed in accordance with this chapter; and

271 (vi) a statement that interest accrues as of January 1 following the date of the

272 delinquency unless on or before January 31 the following are paid:

273 (A) the delinquent taxes; and

274 (B) the penalty.

275 (b) The list of delinquencies described in Subsection (2)(a)(ii) or (2)(b) shall include:

- 276 (i) the amount of delinquent taxes due, not including any penalties imposed in
277 accordance with this chapter;
- 278 (ii) (A) the name of the delinquent taxpayer; or
279 (B) if the delinquent taxpayer is a business entity, the name of the business entity;
- 280 (iii) (A) a description of the delinquent property; or
281 (B) the property identification number of the delinquent property;
- 282 (iv) a statement that a penalty shall be imposed in accordance with this chapter; and
283 (v) a statement that interest accrues as of January 1 following the date of the
284 delinquency unless on or before January 31 the following are paid:
- 285 (A) the delinquent taxes; and
286 (B) the penalty.
- 287 (4) Notwithstanding Subsection (1)(a), if the county legislative body extends the [~~date~~
288 ~~when taxes become delinquent~~] property tax due date under Subsection 59-2-1332(1), the
289 notice of delinquency in the payment of property taxes shall be provided on or before January
290 10.
- 291 (5) (a) In addition to the notice of delinquency in the payment of property taxes
292 required by Subsection (1), a county treasurer may in accordance with this Subsection (5) mail
293 a notice that property taxes are delinquent:
- 294 (i) to:
295 (A) a delinquent taxpayer;
296 (B) an owner of record of the delinquent property;
297 (C) any other interested party that requests notice; or
298 (D) a combination of Subsections (5)(a)(i)(A) through (C); and
299 (ii) at any time that the county treasurer considers appropriate.
- 300 (b) A notice mailed in accordance with this Subsection (5):
301 (i) shall include the information required by Subsection (3)(a); and
302 (ii) may include any information that the county treasurer finds is useful to the owner
303 of record of the delinquent property in determining:
304 (A) the status of taxes owed on the delinquent property;
305 (B) any penalty that is owed on the delinquent property;
306 (C) any interest charged under Section 59-2-1331 on the delinquent property; or

- 307 (D) any related matters concerning the delinquent property.
308 (6) As used in this section, "business entity" means:
309 (a) an association;
310 (b) a corporation;
311 (c) a limited liability company;
312 (d) a partnership;
313 (e) a trust; or
314 (f) a business entity similar to Subsections (6)(a) through (e).

Legislative Review Note
as of 1-9-15 9:26 AM

Office of Legislative Research and General Counsel