

PROPERTY TAX AND FAIR MARKET VALUE

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brian M. Greene

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the method of valuing property for purposes of the Property Tax Act.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ addresses the fair market valuation of static property.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

59-2-301.8, Utah Code Annotated 1953

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

Section 1. Section **59-2-301.8** is enacted to read:

59-2-301.8. Assessment of fair market value for static real property.

(1) As used in this section:

(a) "Average property value appreciation" means the percentage increase in the fair market value of real property that the county assessor assesses for the geographically localized



28 area in which the real property is located and has the same zoning classification in accordance
29 with this part measured from January 1 of the previous year to January 1 of the current year.

30 (b) "Average property value depreciation" means the percentage decrease in the fair
31 market value of real property that the county assessor assesses for the geographically localized
32 area in which the real property is located and has the same zoning classification in accordance
33 with this part measured from January 1 of the previous year to January 1 of the current year.

34 (c) "Geographically localized area" has the same meaning as defined by the
35 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
36 Rulemaking Act.

37 (d) "Static property" means real property that, as of January 1 of the current year:

38 (i) has not been improved since January 1 of the previous year;

39 (ii) is zoned the same as it was zoned on January 1 of the previous year; and

40 (iii) has not been leased or sold since January 1 of the previous year.

41 (2) To equalize the valuation and assessment of real property that is static property, and
42 to secure a just valuation for taxation of static property, a county assessor, in assessing the fair
43 market value of static property, shall:

44 (a) include as part of the assessment that the real property is static property; and

45 (b) determine the fair market value of the real property by considering, as a primary
46 factor, the average property value appreciation or the average property value depreciation.

47 **Section 2. Effective date.**

48 This bill takes effect on January 1, 2017.

Legislative Review Note
Office of Legislative Research and General Counsel