

## HB0021S02 compared with HB0021S01

~~{deleted text}~~ shows text that was in HB0021S01 but was deleted in HB0021S02.

Inserted text shows text that was not in HB0021S01 but was inserted into HB0021S02.

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Representative Daniel McCay proposes the following substitute bill:

### CHANGES TO PROPERTY TAX

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

Senate Sponsor: Curtis S. Bramble

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#### LONG TITLE

##### General Description:

This bill modifies property tax provisions.

##### Highlighted Provisions:

This bill:

- ~~{~~ → modifies the property tax notice to include the percentage of a taxpayer's tax liability that is budgeted for delivering or providing water;
- ‡ ▶ modifies the calculation of the certified property tax rate by adjusting eligible new growth to account for collection rates over the previous five years;
- ▶ amends the time period in which a taxpayer or a county may apply to the State Tax Commission to appeal the valuation of property assessed by the commission;
- ▶ requires the commission to disclose, upon request, certain information regarding appeals to a nonprofit organization that represents counties;

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- ▶ prohibits the nonprofit organization from sharing the appeal information with exceptions; and
- ▶ makes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**59-1-404**, as last amended by Laws of Utah 2011, Chapter 289

**59-2-913**, as last amended by Laws of Utah 2016, Chapters 350 and 367

~~{ **59-2-919.1**, as last amended by Laws of Utah 2016, Chapter 98~~

{ **59-2-924**, as last amended by Laws of Utah 2017, Chapter 390

**59-2-1007**, as last amended by Laws of Utah 2015, Chapter 139

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

Section 1. Section **59-1-404** is amended to read:

**59-1-404. Definitions -- Confidentiality of commercial information obtained from a property taxpayer or derived from the commercial information -- Rulemaking authority -- Exceptions -- Written explanation -- Signature requirements -- Retention of signed explanation by employer -- Penalty.**

(1) As used in this section:

(a) "Appraiser" means an individual who holds an appraiser's certificate or license issued by the Division of Real Estate under Title 61, Chapter 2g, Real Estate Appraiser Licensing and Certification Act and includes an individual associated with an appraiser who assists the appraiser in preparing an appraisal.

(b) "Appraisal" is as defined in Section 61-2g-102.

(c) (i) "Commercial information" means:

(A) information of a commercial nature obtained from a property taxpayer regarding the property taxpayer's property; or

(B) information derived from the information described in this Subsection (1)(c)(i).

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(ii) (A) "Commercial information" does not include information regarding a property taxpayer's property if the information is intended for public use.

(B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (1)(c)(ii)(A), the commission may by rule prescribe the circumstances under which information is intended for public use.

(d) "Consultation service" is as defined in Section 61-2g-102.

(e) "Locally assessed property" means property that is assessed by a county assessor in accordance with Chapter 2, Part 3, County Assessment.

(f) "Property taxpayer" means a person that:

(i) is a property owner; or

(ii) has in effect a contract with a property owner to:

(A) make filings on behalf of the property owner;

(B) process appeals on behalf of the property owner; or

(C) pay a tax under Chapter 2, Property Tax Act, on the property owner's property.

(g) "Property taxpayer's property" means property with respect to which a property taxpayer:

(i) owns the property;

(ii) makes filings relating to the property;

(iii) processes appeals relating to the property; or

(iv) pays a tax under Chapter 2, Property Tax Act, on the property.

(h) "Protected commercial information" means commercial information that:

(i) identifies a specific property taxpayer; or

(ii) would reasonably lead to the identity of a specific property taxpayer.

(2) An individual listed under Subsection 59-1-403(1)(a) may not disclose commercial information:

(a) obtained in the course of performing any duty that the individual listed under Subsection 59-1-403(1)(a) performs under Chapter 2, Property Tax Act; or

(b) relating to an action or proceeding:

(i) with respect to a tax imposed on property in accordance with Chapter 2, Property Tax Act; and

(ii) that is filed in accordance with:

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- (A) this chapter;
- (B) Chapter 2, Property Tax Act; or
- (C) this chapter and Chapter 2, Property Tax Act.

(3) (a) Notwithstanding Subsection (2) and subject to Subsection (3)~~(b)~~(c), an individual listed under Subsection 59-1-403(1)(a) may disclose the following information:

- (i) the assessed value of property;
- (ii) the tax rate imposed on property;
- (iii) a legal description of property;
- (iv) the physical description or characteristics of property, including a street address or parcel number for the property;
- (v) the square footage or acreage of property;
- (vi) the square footage of improvements on property;
- (vii) the name of a property taxpayer;
- (viii) the mailing address of a property taxpayer;
- (ix) the amount of a property tax:
  - (A) assessed on property;
  - (B) due on property;
  - (C) collected on property;
  - (D) abated on property; or
  - (E) deferred on property;
- (x) the amount of the following relating to property taxes due on property:
  - (A) interest;
  - (B) costs; or
  - (C) other charges;
- (xi) the tax status of property, including:
  - (A) an exemption;
  - (B) a property classification;
  - (C) a bankruptcy filing; or
  - (D) whether the property is the subject of an action or proceeding under this title;
- (xii) information relating to a tax sale of property; or
- (xiii) information relating to single-family residential property.

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(b) Notwithstanding Subsection (2) and subject to Subsection (3)(c), an individual listed under Subsection 59-1-403(1)(a) shall disclose, upon request, the information described in Subsection 59-2-1007(9).

~~[(b)]~~ (c) (i) Subject to Subsection (3)~~[(b)]~~(c)(ii), a person may receive the information described in Subsection (3)(a) or (b) in written format.

(ii) The following may charge a reasonable fee to cover the actual cost of providing the information described in Subsection (3)(a) or (b) in written format:

- (A) the commission;
- (B) a county;
- (C) a city; or
- (D) a town.

(4) (a) Notwithstanding Subsection (2) and except as provided in Subsection (4)(c), an individual listed under Subsection 59-1-403(1)(a) shall disclose commercial information:

- (i) in accordance with judicial order;
- (ii) on behalf of the commission in any action or proceeding:
  - (A) under this title;

(B) under another law under which a property taxpayer is required to disclose commercial information; or

- (C) to which the commission is a party;

(iii) on behalf of any party to any action or proceeding under this title if the commercial information is directly involved in the action or proceeding; or

- (iv) if the requirements of Subsection (4)(b) are met, that is:

- (A) relevant to an action or proceeding:

- (I) filed in accordance with this title; and

- (II) involving property; or

- (B) in preparation for an action or proceeding involving property.

(b) Commercial information shall be disclosed in accordance with Subsection (4)(a)(iv):

- (i) if the commercial information is obtained from:

(A) a real estate agent if the real estate agent is not a property taxpayer of the property that is the subject of the action or proceeding;

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(B) an appraiser if the appraiser:

(I) is not a property taxpayer of the property that is the subject of the action or proceeding; and

(II) did not receive the commercial information pursuant to Subsection (8);

(C) a property manager if the property manager is not a property taxpayer of the property that is the subject of the action or proceeding; or

(D) a property taxpayer other than a property taxpayer of the property that is the subject of the action or proceeding;

(ii) regardless of whether the commercial information is disclosed in more than one action or proceeding; and

(iii) (A) if a county board of equalization conducts the action or proceeding, the county board of equalization takes action to provide that any commercial information disclosed during the action or proceeding may not be disclosed by any person conducting or participating in the action or proceeding except as specifically allowed by this section;

(B) if the commission conducts the action or proceeding, the commission enters a protective order or, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, makes rules specifying that any commercial information disclosed during the action or proceeding may not be disclosed by any person conducting or participating in the action or proceeding except as specifically allowed by this section; or

(C) if a court of competent jurisdiction conducts the action or proceeding, the court enters a protective order specifying that any commercial information disclosed during the action or proceeding may not be disclosed by any person conducting or participating in the action or proceeding except as specifically allowed by this section.

(c) Notwithstanding Subsection (4)(a), a court may require the production of, and may admit in evidence, commercial information that is specifically pertinent to the action or proceeding.

(5) Notwithstanding Subsection (2), this section does not prohibit:

(a) the following from receiving a copy of any commercial information relating to the basis for assessing a tax that is charged to a property taxpayer:

(i) the property taxpayer;

(ii) a duly authorized representative of the property taxpayer;

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- (iii) a person that has in effect a contract with the property taxpayer to:
  - (A) make filings on behalf of the property taxpayer;
  - (B) process appeals on behalf of the property taxpayer; or
  - (C) pay a tax under Chapter 2, Property Tax Act, on the property taxpayer's property;
- (iv) a property taxpayer that purchases property from another property taxpayer; or
- (v) a person that the property taxpayer designates in writing as being authorized to receive the commercial information;
- (b) the publication of statistics as long as the statistics are classified to prevent the identification of a particular property taxpayer's commercial information; or
- (c) the inspection by the attorney general or other legal representative of the state or a legal representative of a political subdivision of the state of the commercial information of a property taxpayer:
  - (i) that brings action to set aside or review a tax or property valuation based on the commercial information;
  - (ii) against which an action or proceeding is contemplated or has been instituted under this title; or
  - (iii) against which the state or a political subdivision of the state has an unsatisfied money judgment.
- (6) Notwithstanding Subsection (2), in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule establish standards authorizing an individual listed under Subsection 59-1-403(1)(a) to disclose commercial information:
  - (a) (i) in a published decision; or
  - (ii) in carrying out official duties; and
  - (b) if that individual listed under Subsection 59-1-403(1)(a) consults with the property taxpayer that provided the commercial information.
- (7) Notwithstanding Subsection (2):
  - (a) an individual listed under Subsection 59-1-403(1)(a) may share commercial information with the following:
    - (i) another individual listed in Subsection 59-1-403(1)(a)(i) or (ii); or
    - (ii) a representative, agent, clerk, or other officer or employee of a county as required to fulfill an obligation created by Chapter 2, Property Tax Act;

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(b) an individual listed under Subsection 59-1-403(1)(a) may perform the following to fulfill an obligation created by Chapter 2, Property Tax Act:

- (i) publish notice;
- (ii) provide notice; or
- (iii) file a lien; or

(c) the commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, share commercial information gathered from returns and other written statements with the federal government, any other state, any of the political subdivisions of another state, or any political subdivision of this state, if these political subdivisions or the federal government grant substantially similar privileges to this state.

(8) Notwithstanding Subsection (2):

(a) subject to the limitations in this section, an individual described in Subsection 59-1-403(1)(a) may share the following commercial information with an appraiser:

- (i) the sales price of locally assessed property and the related financing terms;
- (ii) capitalization rates and related rates and ratios related to the valuation of locally assessed property; and
- (iii) income and expense information related to the valuation of locally assessed property; and

(b) except as provided in Subsection (4), an appraiser who receives commercial information:

- (i) may disclose the commercial information:
  - (A) to an individual described in Subsection 59-1-403(1)(a);
  - (B) to an appraiser;
  - (C) in an appraisal if protected commercial information is removed to protect its confidential nature; or

(D) in performing a consultation service if protected commercial information is not disclosed; and

- (ii) may not use the commercial information:
  - (A) for a purpose other than to prepare an appraisal or perform a consultation service;

or

- (B) for a purpose intended to be, or which could reasonably be foreseen to be,



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anti-competitive to a property taxpayer.

(9) (a) The commission shall:

(i) prepare a written explanation of this section; and

(ii) make the written explanation described in Subsection (9)(a)(i) available to the public.

(b) An employer of a person described in Subsection 59-1-403(1)(a) shall:

(i) provide the written explanation described in Subsection (9)(a)(i) to each person described in Subsection 59-1-403(1)(a) who is reasonably likely to receive commercial information;

(ii) require each person who receives a written explanation in accordance with Subsection (9)(b)(i) to:

(A) read the written explanation; and

(B) sign the written explanation; and

(iii) retain each written explanation that is signed in accordance with Subsection (9)(b)(ii) for a time period:

(A) beginning on the day on which a person signs the written explanation in accordance with Subsection (9)(b)(ii); and

(B) ending six years after the day on which the employment of the person described in Subsection (9)(b)(iii)(A) by the employer terminates.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall by rule define "employer."

(10) (a) An individual described in Subsection (1)(a) or 59-1-403(1)(a), or an individual that violates a protective order or similar limitation entered pursuant to Subsection (4)(b)(iii), is guilty of a class A misdemeanor if that person:

(i) intentionally discloses commercial information in violation of this section; and

(ii) knows that the disclosure described in Subsection (10)(a)(i) is prohibited by this section.

(b) If the individual described in Subsection (10)(a) is an officer or employee of the state or a county and is convicted of violating this section, the individual shall be dismissed from office and be disqualified from holding public office in this state for a period of five years thereafter.

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(c) If the individual described in Subsection (10)(a) is an appraiser, the appraiser shall forfeit any certification or license received under Title 61, Chapter 2g, Real Estate Appraiser Licensing and Certification Act, for a period of five years.

(d) If the individual described in Subsection (10)(a) is an individual associated with an appraiser who assists the appraiser in preparing appraisals, the individual shall be prohibited from becoming licensed or certified under Title 61, Chapter 2g, Real Estate Appraiser Licensing and Certification Act, for a period of five years.

Section 2. Section **59-2-913** is amended to read:

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

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

- (a) assessed by a county assessor in accordance with Part 3, County Assessment; and
- (b) semiconductor manufacturing equipment.

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

(b) The auditor shall annually transmit the statement to the commission:

(i) before June 22; or

(ii) with the approval of the commission, on a subsequent date prior to the date required by Section 59-2-1317 for the county treasurer to provide the notice under Section 59-2-1317.

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

(3) For purposes of establishing the levy set for each of a taxing entity's applicable funds, the legislative body of the taxing entity shall calculate an amount determined by dividing the budgeted property tax revenues, specified in a budget that has been adopted and approved prior to setting the levy, by the amount calculated under Subsections 59-2-924 (4)(b)(i) through ~~[(iii)]~~ (iv).

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

(a) be determined by the commission; and

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(b) cite any applicable statutory provisions that:

(i) require a specific levy; or

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

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

Section 3. Section ~~{59-2-919.1}~~59-2-924 is amended to read:

~~{~~59-2-919.1. Notice of property valuation and tax changes.

~~———— (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or before July 22 of each year, shall notify each owner of real estate who is listed on the assessment roll.~~

~~———— (2) The notice described in Subsection (1) shall:~~

~~———— (a) except as provided in Subsection (4), be sent to all owners of real property by mail 10 or more days before the day on which:~~

~~———— (i) the county board of equalization meets; and~~

~~———— (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax rate;~~

~~———— (b) be on a form that is:~~

~~———— (i) approved by the commission; and~~

~~———— (ii) uniform in content in all counties in the state; and~~

~~———— (c) contain for each property:~~

~~———— (i) the assessor's determination of the value of the property;~~

~~———— (ii) the date the county board of equalization will meet to hear complaints on the valuation;~~

~~———— (iii) itemized tax information for all applicable taxing entities, including:~~

~~———— (A) the dollar amount of the taxpayer's tax liability for the property in the prior year; [and]~~

~~———— (B) the dollar amount of the taxpayer's tax liability under the current rate; and~~

~~———— (C) the percentage of the taxpayer's tax liability that is budgeted for delivering or providing water;~~

~~———— (iv) the tax impact on the property;~~

~~———— (v) the time and place of the required public hearing for each entity;~~

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- ~~—— (vi) property tax information pertaining to:~~
  - ~~—— (A) taxpayer relief;~~
  - ~~—— (B) options for payment of taxes; and~~
  - ~~—— (C) collection procedures;~~
- ~~—— (vii) information specifically authorized to be included on the notice under this chapter;~~
- ~~—— (viii) the last property review date of the property as described in Subsection 59-2-303.1(1)(c); and~~
- ~~—— (ix) other property tax information approved by the commission.~~
- ~~—— (3) If a taxing entity that is subject to the notice and hearing requirements of Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall state, in addition to the information required by Subsection (2):~~
  - ~~—— (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;~~
  - ~~—— (b) the difference between the dollar amount of the taxpayer's tax liability if the proposed increase is approved and the dollar amount of the taxpayer's tax liability under the current rate, placed in close proximity to the information described in Subsection (2)(c)(v); and~~
  - ~~—— (c) the percentage increase that the dollar amount of the taxpayer's tax liability under the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability under the current tax rate.~~
- ~~—— (4) (a) Subject to the other provisions of this Subsection (4), a county auditor may, at the county auditor's discretion, provide the notice required by this section to a taxpayer by electronic means if a taxpayer makes an election, according to procedures determined by the county auditor, to receive the notice by electronic means.~~
- ~~—— (b) (i) If a notice required by this section is sent by electronic means, a county auditor shall attempt to verify whether a taxpayer receives the notice.~~
- ~~—— (ii) If receipt of the notice sent by electronic means cannot be verified 14 days or more before the county board of equalization meets and the taxing entity holds a public hearing on a proposed increase in the certified tax rate, the notice required by this section shall also be sent by mail as provided in Subsection (2).~~
- ~~—— (c) A taxpayer may revoke an election to receive the notice required by this section by electronic means if the taxpayer provides written notice to the county auditor on or before April~~

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~~—— (d) An election or a revocation of an election under this Subsection (4):~~

~~—— (i) does not relieve a taxpayer of the duty to pay a tax due under this chapter on or before the due date for paying the tax; or~~

~~—— (ii) does not alter the requirement that a taxpayer appealing the valuation or the equalization of the taxpayer's real property submit the application for appeal within the time period provided in Subsection 59-2-1004(2).~~

~~—— (e) A county auditor shall provide the notice required by this section as provided in Subsection (2), until a taxpayer makes a new election in accordance with this Subsection (4), if:~~

~~—— (i) the taxpayer revokes an election in accordance with Subsection (4)(c) to receive the notice required by this section by electronic means; or~~

~~—— (ii) the county auditor finds that the taxpayer's electronic contact information is invalid.~~

~~—— (f) A person is considered to be a taxpayer for purposes of this Subsection (4) regardless of whether the property that is the subject of the notice required by this section is exempt from taxation.~~

~~—— Section 4. Section 59-2-924 is amended to read:~~

‡ **59-2-924. Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.**

(1) As used in this section:

(a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with this chapter.

(ii) "Ad valorem property tax revenue" does not include:

(A) interest;

(B) penalties;

(C) collections from redemptions; or

(D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

(b) (i) "Aggregate taxable value of all property taxed" means:

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(A) the aggregate taxable value of all real property a county assessor assesses in accordance with Part 3, County Assessment, for the current year;

(B) the aggregate taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year; and

(C) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

(ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable value of personal property that is:

(A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) contained on the prior year's tax rolls of the taxing entity.

(c) "Centrally assessed benchmark value" means an amount equal to the highest year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1, 2015, adjusted for taxable value attributable to:

(i) an annexation to a taxing entity; or

(ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property.

(d) (i) "Centrally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the centrally assessed benchmark value adjusted for prior year end incremental value from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value.

(ii) "Centrally assessed new growth" does not include a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

(e) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

(f) "Eligible new growth" means the greater of:

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- (i) zero; or
- (ii) the sum of:
  - (A) locally assessed new growth;
  - (B) centrally assessed new growth; and
  - (C) project area new growth.

(g) "Incremental value" means the same as that term is defined in Section 17C-1-102.

(h) (i) "Locally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.

(ii) "Locally assessed new growth" does not include a change in:

(A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;

(B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;

(C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or

(D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.

(i) "Project area" means the same as that term is defined in Section 17C-1-102.

(j) "Project area new growth" means an amount equal to the incremental value that is no longer provided to an agency as tax increment.

(2) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

(a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

(b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.

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(3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

- (a) the statements described in Subsections (2)(a) and (b);
- (b) an estimate of the revenue from personal property;
- (c) the certified tax rate; and
- (d) all forms necessary to submit a tax levy request.

(4) (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year by the amount calculated under Subsection (4)(b).

(b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:

(i) calculate for the taxing entity the difference between:

- (A) the aggregate taxable value of all property taxed; and
- (B) any adjustments for current year incremental value;

(ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;

(iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:

- (A) the amount calculated under Subsection (4)(b)(ii); and
- (B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and

(iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:

(A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and

(B) subtracting [~~eligible new growth~~] the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).

(5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:



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(a) except as provided in Subsection (5)(b), for a new taxing entity, the certified tax rate is zero;

(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

(i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(22); and

(c) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(i) a school levy provided for under Section 53A-16-113, 53A-17a-133, or 53A-17a-164; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

(ii) the year end taxable value of personal property:

(A) a county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the prior year's assessment roll; and

(iii) the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property.

(b) For purposes of Subsection (7)(a), taxable value does not include eligible new

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growth.

(8) (a) On or before June 22, a taxing entity shall annually adopt a tentative budget.

(b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county auditor of:

(i) the taxing entity's intent to exceed the certified tax rate; and

(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

(9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:

(i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value; and

(ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.

(c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by subtracting the total taxable value of real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

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Section ~~5~~4. Section 59-2-1007 is amended to read:

### **59-2-1007. Objection to assessment by commission -- Application -- Contents of application -- Amending an application -- Information provided by the commission -- Hearings -- Appeals.**

(1) (a) Subject to the other provisions of this section, if the owner of property assessed by the commission objects to the assessment, the owner may apply to the commission for a hearing on the objection on or before the later of:

(i) [~~June~~] August 1; or

(ii) [~~30~~] ~~16~~90 days after the [~~date~~] day on which the commission mails the notice of assessment in accordance with Section 59-2-201.

(b) The commission shall allow an owner that meets the requirements of Subsection (1)(a) to be a party at a hearing under this section.

(2) Subject to the other provisions of this section, a county that objects to the assessment of property assessed by the commission may apply to the commission for a hearing on the objection:

(a) for an assessment with respect to which the owner has applied to the commission for a hearing on the objection under Subsection (1), if the county applies to the commission to become a party to the hearing on the objection no later than 30 days after the [~~date~~] day on which the owner applied to the commission for the hearing on the objection; or

(b) for an assessment with respect to which the owner has not applied to the commission for a hearing on the objection under Subsection (1), if the county:

(i) reasonably believes that the commission should have assessed the property for the current calendar year at a fair market value that is at least the lesser of an amount that is:

(A) 50% greater than the value at which the commission is assessing the property for the current calendar year; or

(B) 50% greater than the value at which the commission assessed the property for the prior calendar year; and

(ii) applies to the commission for a hearing on the objection no later than 30 days after the last day on which the owner could have applied to the commission for a hearing on the objection under Subsection (1).

(3) Before a county may apply to the commission for a hearing under this section on an

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objection to an assessment, a majority of the members of the county legislative body shall approve filing an application under this section.

(4) (a) The commission shall allow a county that meets the requirements of Subsections (2) and (3) to be a party at a hearing under this section.

(b) The commission shall allow an owner to be a party at a hearing under this section on an objection to an assessment a county files in accordance with Subsection (2)(b).

(5) An owner or a county shall include in an application under this section:

(a) a written statement:

(i) setting forth the known facts and legal basis supporting a different fair market value than the value assessed by the commission; and

(ii) for an assessment described in Subsection (2)(b), establishing the county's reasonable belief that the commission should have assessed the property for the current calendar year at a fair market value that is at least the lesser of an amount that is:

(A) 50% greater than the value at which the commission is assessing the property for the current calendar year; or

(B) 50% greater than the value at which the commission assessed the property for the prior calendar year; and

(b) the owner's or county's estimate of the fair market value of the property.

(6) (a) Except as provided in Subsection (6)(b), an ~~[owner's or a county's]~~ owner or a county assessor may amend an estimate on an application under this section of the fair market value of the property ~~[may be amended]~~ prior to the hearing as provided by rule.

(b) A county may not amend the fair market value of property under this Subsection (6) to equal an amount that is less than the lesser of:

(i) the value at which the commission is assessing the property for the current calendar year plus 50%; or

(ii) the value at which the commission assessed the property for the prior calendar year plus 50%.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules governing the procedures for amending an estimate of fair market value under this Subsection (6).

(7) In applying to the commission for a hearing on an objection under this section:

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(a) a county may estimate the fair market value of the property using a valuation methodology the county considers to be appropriate, regardless of:

- (i) the valuation methodology used previously in valuing the property; or
- (ii) the valuation methodology an owner asserts; and

(b) an owner may estimate the fair market value of the property using a valuation methodology the owner considers to be appropriate, regardless of:

- (i) the valuation methodology used previously in valuing the property; or
- (ii) the valuation methodology a county asserts.

(8) (a) An owner who applies to the commission for a hearing in accordance with Subsection (1) shall, for the property for which the owner objects to the commission's assessment, file a copy of the application with the county auditor of each county in which the property is located.

(b) A county auditor who receives a copy of an application in accordance with Subsection (8)(a) shall provide a copy of the application to the county:

- (i) assessor;
- (ii) attorney;
- (iii) legislative body; and
- (iv) treasurer.

(9) (a) Upon request, the commission shall provide to a nonprofit organization that represents counties in the state the following information regarding an appeal filed under this section:

- (i) the name of the property owner filing the appeal;
- (ii) each year at issue in the appeal;
- (iii) the initial value assessed by the commission for the property that is the subject of the appeal; and
- (iv) the owner's proposed value for the property that is the subject of the appeal.

(b) (i) Except as provided in Subsection (9)(b)(ii), a nonprofit organization may not disclose the information described in Subsection (9)(a)(iv).

(ii) A nonprofit organization may disclose information described in Subsection (9)(a)(iv) to an individual listed under Subsection 59-1-403(1)(a).

~~(9)~~ (10) (a) On or before ~~[August 1]~~ November 15, the commission shall conduct a

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scheduling conference with all parties to a hearing under this section.

(b) At the scheduling conference under Subsection ~~[(9)]~~ (10)(a), the commission shall establish dates for:

- (i) the completion of discovery;
- (ii) the filing of prehearing motions; and
- (iii) conducting a hearing on the objection to the assessment.

~~[(10)]~~ (11) (a) The commission shall issue a written decision no later than 120 days after the later of the ~~[date]~~ day on which:

- (i) the commission completes the hearing under this section ~~[is completed]~~; or
- (ii) the parties submit all posthearing briefs ~~[are submitted]~~.

(b) If the commission does not issue a written decision on an objection to an assessment under this section within a two-year period after the date an application under this section is filed, the objection is considered to be denied, unless the parties stipulate to a different time period for resolving the objection.

(c) A party may appeal to the district court in accordance with Section 59-1-601 within 30 days after the ~~[date]~~ day on which an objection is considered to be denied.

~~[(11)]~~ (12) At the hearing on an objection under this section, the commission may increase, lower, or sustain the assessment if:

- (a) the commission finds an error in the assessment; or
- (b) the commission determines that increasing, lowering, or sustaining the assessment is necessary to equalize the assessment with other similarly assessed property.

~~[(12)]~~ (13) (a) The commission shall send notice of a commission action under Subsection ~~[(11)]~~ (12) to a county auditor if:

(i) the commission proposes to adjust an assessment the commission made in accordance with Section 59-2-201;

(ii) the county's tax revenues may be affected by the commission's decision; and

(iii) the county is not a party to the hearing under this section.

(b) The written notice described in Subsection ~~[(12)]~~ (13)(a):

- (i) may be ~~[transmitted]~~ sent by:
  - (A) any form of electronic communication;
  - (B) first class mail; or

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(C) private carrier; and

(ii) shall request the county to show good cause why the commission should not adjust the assessment by requesting the county to provide to the commission a written statement setting forth the known facts and legal basis for not adjusting the assessment within 30 days ~~[from the date of]~~ after the day on which the commission sends the written notice.

(c) If a county provides a written statement described in Subsection ~~[(12)]~~ (13)(b) to the commission, the commission shall:

(i) hold a hearing or take other appropriate action to consider the good cause the county provides in the written statement; and

(ii) issue a written decision increasing, lowering, or sustaining the assessment.

(d) If a county does not provide a written statement described in Subsection ~~[(12)]~~ (13)(b) to the commission within 30 days after the day on which the commission sends the notice described in Subsection ~~[(12)]~~ (13)(a), the commission shall adjust the assessment and send a copy of the commission's written decision to the county.

~~[(13)]~~ (14) Subsection ~~[(12)]~~ (13) does not limit the rights of a county as provided in Subsections (2) and (4)(a).

~~[(14)]~~ (15) (a) On or before the November 2018 interim meeting, the Revenue and Taxation Interim Committee shall study the process for a county to object to an assessment of property assessed by the commission.

(b) As part of the study required by Subsection ~~[(14)]~~ (15)(a), the Revenue and Taxation Interim Committee shall determine whether to draft legislation to modify the process for a county to object to an assessment of property assessed by the commission.