

**Representative Mark A. Strong** proposes the following substitute bill:

**PROPERTY TAX ASSESSMENT AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mark A. Strong**

Senate Sponsor: Ronald Winterton

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**LONG TITLE**

**General Description:**

This bill modifies county assessment provisions of the property tax code.

**Highlighted Provisions:**

This bill:

- ▶ defines the term "assessment roll" to include an "assessment book";
- ▶ defines "multi-tenant residential property";
- ▶ authorizes a county assessor to assess real property and personal property of a multi-tenant residential property using an income approach under certain circumstances;
- ▶ provides circumstances under which a county assessor may exempt an owner from the county's signed statement obligation on personal property located in a multi-tenant residential property;
- ▶ provides requirements for assessing, collecting, and reporting certain personal property located in a multi-tenant residential property using an income approach;
- ▶ provides the circumstances under which an owner shall submit a signed statement of personal property located in a multi-tenant residential property in an appeal; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**



26 None

27 **Other Special Clauses:**

28 This bill provides a special effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **59-2-102**, as last amended by Laws of Utah 2018, Chapters 415 and 456

32 **59-2-1004**, as last amended by Laws of Utah 2019, Chapters 16 and 136

33 **59-2-1006**, as last amended by Laws of Utah 2019, Chapter 453

34 ENACTS:

35 **59-2-301.8**, Utah Code Annotated 1953



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

38 Section 1. Section **59-2-102** is amended to read:

39 **59-2-102. Definitions.**

40 As used in this chapter and title:

41 (1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
42 engaging in dispensing activities directly affecting agriculture or horticulture with an  
43 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or  
44 rotorcraft's use for agricultural and pest control purposes.

45 (2) "Air charter service" means an air carrier operation that requires the customer to  
46 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled  
47 trip.

48 (3) "Air contract service" means an air carrier operation available only to customers  
49 that engage the services of the carrier through a contractual agreement and excess capacity on  
50 any trip and is not available to the public at large.

51 (4) "Aircraft" means the same as that term is defined in Section **72-10-102**.

52 (5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

53 (i) operates:

54 (A) on an interstate route; and

55 (B) on a scheduled basis; and

56 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a

57 regularly scheduled route.

58 (b) "Airline" does not include an:

59 (i) air charter service; or

60 (ii) air contract service.

61 (6) "Assessment roll" or "assessment book" means a permanent record of the  
62 assessment of property as assessed by the county assessor and the commission and may be  
63 maintained manually or as a computerized file as a consolidated record or as multiple records  
64 by type, classification, or categories.

65 (7) "Base parcel" means a parcel of property that was legally:

66 (a) subdivided into two or more lots, parcels, or other divisions of land; or

67 (b) (i) combined with one or more other parcels of property; and

68 (ii) subdivided into two or more lots, parcels, or other divisions of land.

69 (8) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
70 ad valorem property tax revenue equal to the sum of:

71 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
72 previous year from imposing a multicounty assessing and collecting levy, as specified in  
73 Section [59-2-1602](#); and

74 (ii) the product of:

75 (A) eligible new growth, as defined in Section [59-2-924](#); and

76 (B) the multicounty assessing and collecting levy certified by the commission for the  
77 previous year.

78 (b) For purposes of this Subsection (8), "ad valorem property tax revenue" does not  
79 include property tax revenue received by a taxing entity from personal property that is:

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

81 (ii) semiconductor manufacturing equipment.

82 (c) For purposes of calculating the certified revenue levy described in this Subsection  
83 (8), the commission shall use:

84 (i) the taxable value of real property assessed by a county assessor contained on the  
85 assessment roll;

86 (ii) the taxable value of real and personal property assessed by the commission; and

87 (iii) the taxable year end value of personal property assessed by a county assessor

88 contained on the prior year's assessment roll.

89 (9) "County-assessed commercial vehicle" means:

90 (a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section  
91 [41-1a-301](#) and is not operated interstate to transport the vehicle owner's goods or property in  
92 furtherance of the owner's commercial enterprise;

93 (b) any passenger vehicle owned by a business and used by its employees for  
94 transportation as a company car or vanpool vehicle; and

95 (c) vehicles that are:

96 (i) especially constructed for towing or wrecking, and that are not otherwise used to  
97 transport goods, merchandise, or people for compensation;

98 (ii) used or licensed as taxicabs or limousines;

99 (iii) used as rental passenger cars, travel trailers, or motor homes;

100 (iv) used or licensed in this state for use as ambulances or hearses;

101 (v) especially designed and used for garbage and rubbish collection; or

102 (vi) used exclusively to transport students or their instructors to or from any private,  
103 public, or religious school or school activities.

104 (10) (a) Except as provided in Subsection (10)(b), for purposes of Section [59-2-801](#),  
105 "designated tax area" means a tax area created by the overlapping boundaries of only the  
106 following taxing entities:

107 (i) a county; and

108 (ii) a school district.

109 (b) "Designated tax area" includes a tax area created by the overlapping boundaries of  
110 the taxing entities described in Subsection (10)(a) and:

111 (i) a city or town if the boundaries of the school district under Subsection (10)(a) and  
112 the boundaries of the city or town are identical; or

113 (ii) a special service district if the boundaries of the school district under Subsection  
114 (10)(a) are located entirely within the special service district.

115 (11) "Eligible judgment" means a final and unappealable judgment or order under  
116 Section [59-2-1330](#):

117 (a) that became a final and unappealable judgment or order no more than 14 months  
118 before the day on which the notice described in Section [59-2-919.1](#) is required to be provided;

119 and

120 (b) for which a taxing entity's share of the final and unappealable judgment or order is  
121 greater than or equal to the lesser of:

122 (i) \$5,000; or

123 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
124 previous fiscal year.

125 (12) (a) "Escaped property" means any property, whether personal, land, or any  
126 improvements to the property, that is subject to taxation and is:

127 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed  
128 to the wrong taxpayer by the assessing authority;

129 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to  
130 comply with the reporting requirements of this chapter; or

131 (iii) undervalued because of errors made by the assessing authority based upon  
132 incomplete or erroneous information furnished by the taxpayer.

133 (b) "Escaped property" does not include property that is undervalued because of the use  
134 of a different valuation methodology or because of a different application of the same valuation  
135 methodology.

136 (13) "Fair market value" means the amount at which property would change hands  
137 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell  
138 and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair  
139 market value" shall be determined using the current zoning laws applicable to the property in  
140 question, except in cases where there is a reasonable probability of a change in the zoning laws  
141 affecting that property in the tax year in question and the change would have an appreciable  
142 influence upon the value.

143 (14) (a) "Farm machinery and equipment," for purposes of the exemption provided  
144 under Section [59-2-1101](#), means tractors, milking equipment and storage and cooling facilities,  
145 feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters,  
146 tillage tools, scales, combines, spreaders, sprayers, haying equipment, including balers and  
147 cubers, and any other machinery or equipment used primarily for agricultural purposes.

148 (b) "Farm machinery and equipment" does not include vehicles required to be  
149 registered with the Motor Vehicle Division or vehicles or other equipment used for business

150 purposes other than farming.

151 (15) "Geothermal fluid" means water in any form at temperatures greater than 120  
152 degrees centigrade naturally present in a geothermal system.

153 (16) "Geothermal resource" means:

154 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;  
155 and

156 (b) the energy, in whatever form, including pressure, present in, resulting from, created  
157 by, or which may be extracted from that natural heat, directly or through a material medium.

158 (17) (a) "Goodwill" means:

159 (i) acquired goodwill that is reported as goodwill on the books and records that a  
160 taxpayer maintains for financial reporting purposes; or

161 (ii) the ability of a business to:

162 (A) generate income that exceeds a normal rate of return on assets and that results from  
163 a factor described in Subsection (17)(b); or

164 (B) obtain an economic or competitive advantage resulting from a factor described in  
165 Subsection (17)(b).

166 (b) The following factors apply to Subsection (17)(a)(ii):

167 (i) superior management skills;

168 (ii) reputation;

169 (iii) customer relationships;

170 (iv) patronage; or

171 (v) a factor similar to Subsections (17)(b)(i) through (iv).

172 (c) "Goodwill" does not include:

173 (i) the intangible property described in Subsection (21)(a) or (b);

174 (ii) locational attributes of real property, including:

175 (A) zoning;

176 (B) location;

177 (C) view;

178 (D) a geographic feature;

179 (E) an easement;

180 (F) a covenant;

- 181 (G) proximity to raw materials;
- 182 (H) the condition of surrounding property; or
- 183 (I) proximity to markets;
- 184 (iii) value attributable to the identification of an improvement to real property,

185 including:

- 186 (A) reputation of the designer, builder, or architect of the improvement;
- 187 (B) a name given to, or associated with, the improvement; or
- 188 (C) the historic significance of an improvement; or
- 189 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 190 of the existing tangible property in place working together as a unit.

191 (18) "Governing body" means:

- 192 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 193 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
- 194 Local Districts, the local district's board of trustees;
- 195 (c) for a school district, the local board of education; or
- 196 (d) for a special service district under Title 17D, Chapter 1, Special Service District

197 Act:

198 (i) the legislative body of the county or municipality that created the special service  
199 district, to the extent that the county or municipal legislative body has not delegated authority  
200 to an administrative control board established under Section 17D-1-301; or

201 (ii) the administrative control board, to the extent that the county or municipal  
202 legislative body has delegated authority to an administrative control board established under  
203 Section 17D-1-301.

204 (19) (a) For purposes of Section 59-2-103:

205 (i) "household" means the association of individuals who live in the same dwelling,  
206 sharing its furnishings, facilities, accommodations, and expenses; and

207 (ii) "household" includes married individuals, who are not legally separated, that have  
208 established domiciles at separate locations within the state.

209 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
210 commission may make rules defining the term "domicile."

211 (20) (a) Except as provided in Subsection (20)(c), "improvement" means a building,

212 structure, fixture, fence, or other item that is permanently attached to land, regardless of  
213 whether the title has been acquired to the land, if:

214 (i) (A) attachment to land is essential to the operation or use of the item; and  
215 (B) the manner of attachment to land suggests that the item will remain attached to the  
216 land in the same place over the useful life of the item; or

217 (ii) removal of the item would:  
218 (A) cause substantial damage to the item; or  
219 (B) require substantial alteration or repair of a structure to which the item is attached.

220 (b) "Improvement" includes:  
221 (i) an accessory to an item described in Subsection (20)(a) if the accessory is:  
222 (A) essential to the operation of the item described in Subsection (20)(a); and  
223 (B) installed solely to serve the operation of the item described in Subsection (20)(a);

224 and  
225 (ii) an item described in Subsection (20)(a) that is temporarily detached from the land  
226 for repairs and remains located on the land.

227 (c) "Improvement" does not include:  
228 (i) an item considered to be personal property pursuant to rules made in accordance  
229 with Section 59-2-107;

230 (ii) a moveable item that is attached to land for stability only or for an obvious  
231 temporary purpose;

232 (iii) (A) manufacturing equipment and machinery; or  
233 (B) essential accessories to manufacturing equipment and machinery;  
234 (iv) an item attached to the land in a manner that facilitates removal without substantial  
235 damage to the land or the item; or

236 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that  
237 transportable factory-built housing unit is considered to be personal property under Section  
238 59-2-1503.

239 (21) "Intangible property" means:  
240 (a) property that is capable of private ownership separate from tangible property,  
241 including:

242 (i) money;



- 243 (ii) credits;
- 244 (iii) bonds;
- 245 (iv) stocks;
- 246 (v) representative property;
- 247 (vi) franchises;
- 248 (vii) licenses;
- 249 (viii) trade names;
- 250 (ix) copyrights; and
- 251 (x) patents;
- 252 (b) a low-income housing tax credit;
- 253 (c) goodwill; or
- 254 (d) a renewable energy tax credit or incentive, including:
  - 255 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
  - 256 Code;
  - 257 (ii) a federal energy credit for qualified renewable electricity production facilities under
  - 258 Section 48, Internal Revenue Code;
  - 259 (iii) a federal grant for a renewable energy property under American Recovery and
  - 260 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
  - 261 (iv) a tax credit under Subsection [59-7-614\(5\)](#).
- 262 (22) "Livestock" means:
  - 263 (a) a domestic animal;
  - 264 (b) a fish;
  - 265 (c) a fur-bearing animal;
  - 266 (d) a honeybee; or
  - 267 (e) poultry.
- 268 (23) "Low-income housing tax credit" means:
  - 269 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
  - 270 or
  - 271 (b) a low-income housing tax credit under Section [59-7-607](#) or Section [59-10-1010](#).
- 272 (24) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 273 (25) "Mine" means a natural deposit of either metalliferous or nonmetalliferous

274 valuable mineral.

275 (26) "Mining" means the process of producing, extracting, leaching, evaporating, or  
276 otherwise removing a mineral from a mine.

277 (27) (a) "Mobile flight equipment" means tangible personal property that is owned or  
278 operated by an air charter service, air contract service, or airline and:

279 (i) is capable of flight or is attached to an aircraft that is capable of flight; or

280 (ii) is contained in an aircraft that is capable of flight if the tangible personal property  
281 is intended to be used:

282 (A) during multiple flights;

283 (B) during a takeoff, flight, or landing; and

284 (C) as a service provided by an air charter service, air contract service, or airline.

285 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare  
286 engine that is rotated at regular intervals with an engine that is attached to the aircraft.

287 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
288 commission may make rules defining the term "regular intervals."

289 (28) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,  
290 sand, rock, gravel, and all carboniferous materials.

291 (29) "Part-year residential property" means property that is not residential property on  
292 January 1 of a calendar year but becomes residential property after January 1 of the calendar  
293 year.

294 (30) "Personal property" includes:

295 (a) every class of property as defined in Subsection (31) that is the subject of  
296 ownership and is not real estate or an improvement;

297 (b) any pipe laid in or affixed to land whether or not the ownership of the pipe is  
298 separate from the ownership of the underlying land, even if the pipe meets the definition of an  
299 improvement;

300 (c) bridges and ferries;

301 (d) livestock; and

302 (e) outdoor advertising structures as defined in Section [72-7-502](#).

303 (31) (a) "Property" means property that is subject to assessment and taxation according  
304 to its value.

305 (b) "Property" does not include intangible property as defined in this section.

306 (32) "Public utility" means:

307 (a) for purposes of this chapter, the operating property of a railroad, gas corporation, oil  
308 or gas transportation or pipeline company, coal slurry pipeline company, electrical corporation,  
309 telephone corporation, sewerage corporation, or heat corporation where the company performs  
310 the service for, or delivers the commodity to, the public generally or companies serving the  
311 public generally, or in the case of a gas corporation or an electrical corporation, where the gas  
312 or electricity is sold or furnished to any member or consumers within the state for domestic,  
313 commercial, or industrial use; and

314 (b) the operating property of any entity or person defined under Section 54-2-1 except  
315 water corporations.

316 (33) (a) Subject to Subsection (33)(b), "qualifying exempt primary residential rental  
317 personal property" means household furnishings, furniture, and equipment that:

318 (i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

319 (ii) are owned by the owner of the dwelling unit that is the primary residence of a  
320 tenant; and

321 (iii) after applying the residential exemption described in Section 59-2-103, are exempt  
322 from taxation under this chapter in accordance with Subsection 59-2-1115(2).

323 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
324 commission may by rule define the term "dwelling unit" for purposes of this Subsection (33)  
325 and Subsection (36).

326 (34) "Real estate" or "real property" includes:

327 (a) the possession of, claim to, ownership of, or right to the possession of land;

328 (b) all mines, minerals, and quarries in and under the land, all timber belonging to  
329 individuals or corporations growing or being on the lands of this state or the United States, and  
330 all rights and privileges appertaining to these; and

331 (c) improvements.

332 (35) (a) "Relationship with an owner of the property's land surface rights" means a  
333 relationship described in Subsection 267(b), Internal Revenue Code, except that the term 25%  
334 shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code.

335 (b) For purposes of determining if a relationship described in Subsection 267(b),

336 Internal Revenue Code, exists, the ownership of stock shall be determined using the ownership  
337 rules in Subsection 267(c), Internal Revenue Code.

338 (36) (a) Subject to Subsection (36)(b), "residential property," for purposes of the  
339 reductions and adjustments under this chapter, means any property used for residential  
340 purposes as a primary residence.

341 (b) Subject to Subsection (36)(c), "residential property":

342 (i) except as provided in Subsection (36)(b)(ii), includes household furnishings,  
343 furniture, and equipment if the household furnishings, furniture, and equipment are:

344 (A) used exclusively within a dwelling unit that is the primary residence of a tenant;  
345 and

346 (B) owned by the owner of the dwelling unit that is the primary residence of a tenant;  
347 and

348 (ii) does not include property used for transient residential use.

349 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
350 commission may by rule define the term "dwelling unit" for purposes of Subsection (33) and  
351 this Subsection (36).

352 (37) "Split estate mineral rights owner" means a person that:

353 (a) has a legal right to extract a mineral from property;

354 (b) does not hold more than a 25% interest in:

355 (i) the land surface rights of the property where the wellhead is located; or

356 (ii) an entity with an ownership interest in the land surface rights of the property where  
357 the wellhead is located;

358 (c) is not an entity in which the owner of the land surface rights of the property where  
359 the wellhead is located holds more than a 25% interest; and

360 (d) does not have a relationship with an owner of the land surface rights of the property  
361 where the wellhead is located.

362 (38) (a) "State-assessed commercial vehicle" means:

363 (i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate to  
364 transport passengers, freight, merchandise, or other property for hire; or

365 (ii) any commercial vehicle, trailer, or semitrailer that operates interstate and transports  
366 the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

367 (b) "State-assessed commercial vehicle" does not include vehicles used for hire that are  
368 specified in Subsection (9)(c) as county-assessed commercial vehicles.

369 (39) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of  
370 a base parcel.

371 (40) "Taxable value" means fair market value less any applicable reduction allowed for  
372 residential property under Section [59-2-103](#).

373 (41) "Tax area" means a geographic area created by the overlapping boundaries of one  
374 or more taxing entities.

375 (42) "Taxing entity" means any county, city, town, school district, special taxing  
376 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
377 Districts, or other political subdivision of the state with the authority to levy a tax on property.

378 (43) (a) "Tax roll" means a permanent record of the taxes charged on property, as  
379 extended on the assessment roll, and may be maintained on the same record or records as the  
380 assessment roll or may be maintained on a separate record properly indexed to the assessment  
381 roll.

382 (b) "Tax roll" includes tax books, tax lists, and other similar materials.

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

384 **59-2-301.8. Assessment of multi-tenant residential property.**

385 (1) As used in this section:

386 (a) "Multi-tenant residential property" means real and personal property where:

387 (i) the real property:

388 (A) is rented as 10 or more separate housing units;

389 (B) meets the definition of residential property; and

390 (C) qualifies for the residential exemption described in Section [59-2-103](#); and

391 (ii) the personal property is:

392 (A) located within the real property; and

393 (B) owned by the same person as the real property.

394 (b) "Multi-tenant residential property" does not include a tourist home, a hotel, a motel,  
395 or a trailer court accommodation and service that is regularly rented for fewer than 30  
396 consecutive days.

397 (2) (a) A county assessor may use an income approach to value multi-tenant residential

398 properties within the county if the county assessor finds that the income approach is a valid  
399 indicator of fair market value for the multi-tenant residential property in the county.

400 (b) A county assessor that chooses to value a multi-tenant residential property in  
401 accordance with this section shall use the same valuation method for all multi-tenant residential  
402 properties within the county.

403 (c) On or before May 1, a county assessor shall notify the commission about the  
404 county's method for valuing multi-tenant residential properties if the county assessor:

405 (i) (A) chooses to value multi-tenant residential properties in accordance with this  
406 section for the current tax year; and

407 (B) did not choose to value multi-tenant residential properties in accordance with this  
408 section for the previous tax year; or

409 (ii) (A) chose to value multi-tenant residential properties in accordance with this  
410 section for the previous tax year; and

411 (B) is not choosing to value multi-tenant residential properties in accordance with this  
412 section for the current tax year.

413 (3) (a) If a county assessor chooses to use the income approach to value multi-tenant  
414 residential properties, the county assessor may relieve the owners of any obligation to file the  
415 signed statement requested by the county under Section [59-2-306](#) for the owners' personal  
416 property located within the multi-tenant residential properties.

417 (b) On or before May 1:

418 (i) a county assessor that chooses to value multi-tenant residential properties in  
419 accordance with this section shall notify an owner that the owner is not required to file a signed  
420 statement if:

421 (A) the county requests a signed statement under Section [59-2-306](#);

422 (B) the county assessor relieves the owner of any obligation to file a signed statement  
423 in accordance with Subsection (3)(a); and

424 (C) the county assessor did not relieve the owner of the signed statement obligation for  
425 the previous tax year; or

426 (ii) a county assessor that chooses not to value multi-tenant residential properties in  
427 accordance with this section shall notify an owner of the obligation to file a signed statement if:

428 (A) the county requests a signed statement under Section [59-2-306](#); and

429 (B) the county assessor relieved the owner from filing a signed statement of personal  
 430 property for the previous tax year.

431 (4) For personal property for which an owner is relieved of the obligation to file a  
 432 signed statement under Subsection (3):

433 (a) (i) the county assessor shall assess the personal property in the same manner as real  
 434 property under Part 3, County Assessment; and

435 (ii) the county assessor or the county treasurer shall collect the tax on the personal  
 436 property in the same manner as real property under Part 13, Collection of Taxes;

437 (b) the county assessor is not required to list personal property separately in the  
 438 assessment roll; and

439 (c) the county auditor is not required to identify personal property separately on the  
 440 statement to the commission required by Section [59-2-322](#).

441 Section 3. Section **59-2-1004** is amended to read:

442 **59-2-1004. Appeal to county board of equalization -- Real property -- Time**  
 443 **period for appeal -- Public hearing requirements -- Decision of board -- Extensions**  
 444 **approved by commission -- Appeal to commission.**

445 (1) As used in this section:

446 (a) "Final assessed value" means:

447 (i) for real property for which the taxpayer appealed the valuation or equalization to the  
 448 county board of equalization in accordance with [~~Section [59-2-1004](#)~~] this section, the value  
 449 given to the real property by a county board of equalization after the appeal;

450 (ii) for real property for which the taxpayer or a county assessor appealed the valuation  
 451 or equalization to the commission in accordance with Section [59-2-1006](#), the value given to the  
 452 real property by:

453 (A) the commission, if the commission has issued a decision in the appeal; or

454 (B) a county board of equalization, if the commission has not yet issued a decision in  
 455 the appeal; or

456 (iii) for real property for which the taxpayer or a county assessor sought judicial review  
 457 of the valuation or equalization in accordance with Section [59-1-602](#) or Title 63G, Chapter 4,  
 458 Part 4, Judicial Review, the value given the real property by the commission.

459 (b) "Inflation adjusted value" means the value of the real property that is the subject of

460 the appeal as calculated by the county assessor in accordance with Subsection (2)(c).

461 (c) "Median property value change" means the midpoint of the property value changes  
462 for all real property that is:

463 (i) of the same class of real property as the qualified real property; and

464 (ii) located within the same county and within the same market area as the qualified  
465 real property.

466 (d) "Property value change" means the percentage change in the fair market value of  
467 real property between January 1 of the previous year and January 1 of the current year.

468 (e) "Qualified real property" means real property:

469 (i) for which:

470 (A) the taxpayer or a county assessor appealed the valuation or equalization for the  
471 previous taxable year to the county board of equalization in accordance with [Section

472 ~~59-2-1004~~ this section or the commission in accordance with Section 59-2-1006;

473 (B) as a result of the appeal described in Subsection (1)(e)(i)(A), a county board of  
474 equalization or the commission gave a final assessed value that was lower than the assessed  
475 value; and

476 (C) the assessed value for the current taxable year is higher than the inflation adjusted  
477 value; and

478 (ii) that, between January 1 of the previous taxable year and January 1 of the current  
479 taxable year, has not been improved or changed beyond the improvements in place on January  
480 1 of the previous taxable year.

481 (2) (a) A taxpayer dissatisfied with the valuation or the equalization of the taxpayer's  
482 real property may make an application to appeal by:

483 (i) filing the application with the county board of equalization within the time period  
484 described in Subsection (3); or

485 (ii) making an application by telephone or other electronic means within the time  
486 period described in Subsection (3) if the county legislative body passes a resolution under  
487 Subsection (8) authorizing a taxpayer to make an application by telephone or other electronic  
488 means.

489 (b) (i) The county board of equalization shall make a rule describing the contents of the  
490 application.



491 (ii) In addition to any information the county board of equalization requires, the  
492 application shall include information about:

493 (A) the burden of proof in an appeal involving qualified real property; and

494 (B) the process for the taxpayer to learn the inflation adjusted value of the qualified  
495 real property.

496 (c) (i) The county assessor shall calculate inflation adjusted value by changing the final  
497 assessed value for the previous taxable year of the real property that is the subject of the appeal  
498 by the median property value change.

499 (ii) (A) The county assessor shall notify the county board of equalization of a qualified  
500 real property's inflation adjusted value within 15 business days after the date on which the  
501 county assessor receives notice that a taxpayer filed an appeal with the county board of  
502 equalization.

503 (B) The county assessor shall notify the commission of a qualified real property's  
504 inflation adjusted value within 15 business days after the date on which the county assessor  
505 receives notice that a person dissatisfied with the decision of a county board of equalization  
506 files an appeal with the commission.

507 (iii) A person may not appeal a county assessor's calculation of inflation adjusted value  
508 but may appeal the fair market value of a qualified real property.

509 (3) (a) Except as provided in Subsection (3)(b) and for purposes of Subsection (2), a  
510 taxpayer shall make an application to appeal the valuation or the equalization of the taxpayer's  
511 real property on or before the later of:

512 (i) September 15 of the current calendar year; or

513 (ii) the last day of a 45-day period beginning on the day on which the county auditor  
514 provides the notice under Section [59-2-919.1](#).

515 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
516 commission shall make rules providing for circumstances under which the county board of  
517 equalization is required to accept an application to appeal that is filed after the time period  
518 prescribed in Subsection (3)(a).

519 (4) (a) Except as provided in Subsection (4)(b), the taxpayer shall include in the  
520 application under Subsection (2)(a)~~(f)~~:

521 (i) the taxpayer's estimate of the fair market value of the property and any evidence that

522 may indicate that the assessed valuation of the taxpayer's property is improperly equalized with  
523 the assessed valuation of comparable properties[-]; and

524 (ii) a signed statement of the personal property located in a multi-tenant residential  
525 property, as that term is defined in Section 59-2-301.8 if the taxpayer:

526 (A) appeals the value of multi-tenant residential property assessed in accordance with  
527 Section 59-2-301.8; and

528 (B) intends to contest the value of the personal property located within the multi-tenant  
529 residential property.

530 (b) (i) For an appeal involving qualified real property:

531 (A) the county board of equalization shall presume that the fair market value of the  
532 qualified real property is equal to the inflation adjusted value; and

533 (B) except as provided in Subsection (4)(b)(ii), the taxpayer may provide the  
534 information described in Subsection (4)(a).

535 (ii) If the taxpayer seeks to prove that the fair market value of the qualified real  
536 property is below the inflation adjusted value, the taxpayer shall provide the information  
537 described in Subsection (4)(a).

538 (5) In reviewing evidence submitted to a county board of equalization by or on behalf  
539 of an owner or a county assessor, the county board of equalization shall consider and weigh:

540 (a) the accuracy, reliability, and comparability of the evidence presented by the owner  
541 or the county assessor;

542 (b) if submitted, the sales price of relevant property that was under contract for sale as  
543 of the lien date but sold after the lien date;

544 (c) if submitted, the sales offering price of property that was offered for sale as of the  
545 lien date but did not sell, including considering and weighing the amount of time for which,  
546 and manner in which, the property was offered for sale; and

547 (d) if submitted, other evidence that is relevant to determining the fair market value of  
548 the property.

549 (6) (a) The county board of equalization shall meet and hold public hearings as  
550 described in Section 59-2-1001.

551 (b) (i) For purposes of this Subsection (6)(b), "significant adjustment" means a  
552 proposed adjustment to the valuation of real property that:

553 (A) is to be made by a county board of equalization; and  
554 (B) would result in a valuation that differs from the original assessed value by at least  
555 20% and \$1,000,000.

556 (ii) When a county board of equalization is going to consider a significant adjustment,  
557 the county board of equalization shall:

558 (A) list the significant adjustment as a separate item on the agenda of the public  
559 hearing at which the county board of equalization is going to consider the significant  
560 adjustment; and

561 (B) for purposes of the agenda described in Subsection (6)(b)(ii)(A), provide a  
562 description of the property for which the county board of equalization is considering a  
563 significant adjustment.

564 (c) The county board of equalization shall make a decision on each appeal filed in  
565 accordance with this section within 60 days after the day on which the taxpayer makes an  
566 application.

567 (d) The commission may approve the extension of a time period provided for in  
568 Subsection (6)(~~b~~)(c) for a county board of equalization to make a decision on an appeal.

569 (e) Unless the commission approves the extension of a time period under Subsection  
570 (6)(d), if a county board of equalization fails to make a decision on an appeal within the time  
571 period described in Subsection (6)(c), the county legislative body shall:

572 (i) list the appeal, by property owner and parcel number, on the agenda for the next  
573 meeting the county legislative body holds after the expiration of the time period described in  
574 Subsection (6)(c); and

575 (ii) hear the appeal at the meeting described in Subsection (6)(e)(i).

576 (f) The decision of the county board of equalization shall contain:

577 (i) a determination of the valuation of the property based on fair market value; and  
578 (ii) a conclusion that the fair market value is properly equalized with the assessed value  
579 of comparable properties.

580 (g) If no evidence is presented before the county board of equalization, the county  
581 board of equalization shall presume that the equalization issue has been met.

582 (h) (i) If the fair market value of the property that is the subject of the appeal deviates  
583 plus or minus 5% from the assessed value of comparable properties, the county board of

584 equalization shall adjust the valuation of the appealed property to reflect a value equalized with  
585 the assessed value of comparable properties.

586 (ii) Subject to Sections [59-2-301.1](#), [59-2-301.2](#), [59-2-301.3](#), and [59-2-301.4](#), equalized  
587 value established under Subsection (6)(h)(i) shall be the assessed value for property tax  
588 purposes until the county assessor is able to evaluate and equalize the assessed value of all  
589 comparable properties to bring all comparable properties into conformity with full fair market  
590 value.

591 (7) If any taxpayer is dissatisfied with the decision of the county board of equalization,  
592 the taxpayer may file an appeal with the commission as described in Section [59-2-1006](#).

593 (8) A county legislative body may pass a resolution authorizing taxpayers owing taxes  
594 on property assessed by that county to file property tax appeals applications under this section  
595 by telephone or other electronic means.

596 Section 4. Section **59-2-1006** is amended to read:

597 **59-2-1006. Appeal to commission -- Duties of auditor -- Decision by commission.**

598 (1) Any person dissatisfied with the decision of the county board of equalization  
599 concerning the assessment and equalization of any property, or the determination of any  
600 exemption in which the person has an interest, or a tax relief decision made under designated  
601 decision-making authority as described in Section [59-2-1101](#), may appeal that decision to the  
602 commission by:

603 (a) filing a notice of appeal specifying the grounds for the appeal with the county  
604 auditor within 30 days after the final action of the county board or entity with designated  
605 decision-making authority described in Section [59-2-1101](#)[-]; and

606 (b) if the county assessor valued the property in accordance with Section [59-2-301.8](#)  
607 and the taxpayer intends to contest the value of personal property located in a multi-tenant  
608 residential property, as that term is defined in Section [59-2-301.8](#), submitting a signed  
609 statement of the personal property with the notice of appeal.

610 (2) The auditor shall:

611 (a) file one notice with the commission;

612 (b) certify and transmit to the commission:

613 (i) the minutes of the proceedings of the county board of equalization or entity with  
614 designated decision-making authority for the matter appealed;

- 615 (ii) all documentary evidence received in that proceeding; and  
616 (iii) a transcript of any testimony taken at that proceeding that was preserved; [~~and~~]  
617 (c) if the appeal is from a hearing where an exemption was granted or denied, certify  
618 and transmit to the commission the written decision of:
- 619 (i) the board of equalization as required by Section 59-2-1102; or
  - 620 (ii) the entity with designated decision-making authority[-]; and
  - 621 (d) any signed statement submitted in accordance with Subsection (1)(b).
- 622 (3) In reviewing a decision described in Subsection (1), the commission may:
- 623 (a) admit additional evidence;
  - 624 (b) issue orders that it considers to be just and proper; and
  - 625 (c) make any correction or change in the assessment or order of the county board of  
626 equalization or entity with decision-making authority.
- 627 (4) In reviewing evidence submitted to the commission to decide an appeal under this  
628 section, the commission shall consider and weigh:
- 629 (a) the accuracy, reliability, and comparability of the evidence presented;
  - 630 (b) if submitted, the sales price of relevant property that was under contract for sale as  
631 of the lien date but sold after the lien date;
  - 632 (c) if submitted, the sales offering price of property that was offered for sale as of the  
633 lien date but did not sell, including considering and weighing the amount of time for which,  
634 and manner in which, the property was offered for sale; and
  - 635 (d) if submitted, other evidence that is relevant to determining the fair market value of  
636 the property.
- 637 (5) In reviewing a decision described in Subsection (1), the commission shall adjust  
638 property valuations to reflect a value equalized with the assessed value of other comparable  
639 properties if:
- 640 (a) the issue of equalization of property values is raised; and
  - 641 (b) the commission determines that the property that is the subject of the appeal  
642 deviates in value plus or minus 5% from the assessed value of comparable properties.
  - 643 (6) The commission shall decide all appeals taken pursuant to this section not later than  
644 March 1 of the following year for real property and within 90 days for personal property, and  
645 shall report its decision, order, or assessment to the county auditor, who shall make all changes

646 necessary to comply with the decision, order, or assessment.

647 Section 5. **Effective date.**

648 This bill takes effect on January 1, 2021.