

TELECOMMUNICATIONS TAX AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Adam Robertson

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 14 voting for 0 voting against 5 absent

General Description:

This bill modifies property tax assessment provisions related to a telecommunications service provider.

Highlighted Provisions:

This bill:

- ▶ defines "public utility" and "telecommunications service provider";
- ▶ provides that the State Tax Commission may not assess property owned by a telecommunications service provider;
- ▶ creates a process for the Multicounty Appraisal Trust to value personal property of a telecommunications service provider before forwarding the information to county assessors for assessment; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:



28 AMENDS:

29 **59-2-102**, as last amended by Laws of Utah 2021, Chapter 314

30 **59-2-201**, as last amended by Laws of Utah 2017, Chapter 425

31 **59-2-306**, as last amended by Laws of Utah 2010, Chapter 131

32 **59-2-307**, as last amended by Laws of Utah 2021, Chapter 389

33 **59-2-308**, as enacted by Laws of Utah 1987, Chapter 4

34 **59-2-1005**, as last amended by Laws of Utah 2010, Chapter 131

35 ENACTS:

36 **59-2-306.5**, Utah Code Annotated 1953



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

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

40 **59-2-102. Definitions.**

41 As used in this chapter:

42 (1) (a) "Acquisition cost" means any cost required to put an item of tangible personal
43 property into service.

44 (b) "Acquisition cost" includes:

45 (i) the purchase price of a new or used item;

46 (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating,
47 skidding, or any other applicable cost of shipping;

48 (iii) the cost of installation, engineering, rigging, erection, or assembly, including
49 foundations, pilings, utility connections, or similar costs; and

50 (iv) sales and use taxes.

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

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

58 (4) "Air contract service" means an air carrier operation available only to customers

59 that engage the services of the carrier through a contractual agreement and excess capacity on
60 any trip and is not available to the public at large.

61 (5) "Aircraft" means the same as that term is defined in Section [72-10-102](#).

62 (6) (a) Except as provided in Subsection (6)(b), "airline" means an air carrier that:

63 (i) operates:

64 (A) on an interstate route; and

65 (B) on a scheduled basis; and

66 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a
67 regularly scheduled route.

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

69 (i) air charter service; or

70 (ii) air contract service.

71 (7) "Assessment roll" or "assessment book" means a permanent record of the
72 assessment of property as assessed by the county assessor and the commission and may be
73 maintained manually or as a computerized file as a consolidated record or as multiple records
74 by type, classification, or categories.

75 (8) "Base parcel" means a parcel of property that was legally:

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

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

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

79 (9) (a) "Certified revenue levy" means a property tax levy that provides an amount of
80 ad valorem property tax revenue equal to the sum of:

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

84 (ii) the product of:

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

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

88 (b) For purposes of this Subsection (9), "ad valorem property tax revenue" does not
89 include property tax revenue received by a taxing entity from personal property that is:

90 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and
91 (ii) semiconductor manufacturing equipment.

92 (c) For purposes of calculating the certified revenue levy described in this Subsection
93 (9), the commission shall use:

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

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

97 (iii) the taxable year end value of personal property assessed by a county assessor
98 contained on the prior year's assessment roll.

99 (10) "County-assessed commercial vehicle" means:

100 (a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section
101 [41-1a-301](#) and is not operated interstate to transport the vehicle owner's goods or property in
102 furtherance of the owner's commercial enterprise;

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

105 (c) vehicles that are:

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

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

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

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

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

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

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

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

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

121 (i) \$5,000; or
122 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the
123 previous fiscal year.

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

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

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

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

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

135 (13)(a) "Fair market value" means the amount at which property would change hands
136 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell
137 and both having reasonable knowledge of the relevant facts.

138 (b) For purposes of taxation, "fair market value" shall be determined using the current
139 zoning laws applicable to the property in question, except in cases where there is a reasonable
140 probability of a change in the zoning laws affecting that property in the tax year in question and
141 the change would have an appreciable influence upon the value.

142 (14) "Geothermal fluid" means water in any form at temperatures greater than 120
143 degrees centigrade naturally present in a geothermal system.

144 (15) "Geothermal resource" means:

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

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

149 (16) (a) "Goodwill" means:

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

- 152 (ii) the ability of a business to:
- 153 (A) generate income that exceeds a normal rate of return on assets and that results from
- 154 a factor described in Subsection (16)(b); or
- 155 (B) obtain an economic or competitive advantage resulting from a factor described in
- 156 Subsection (16)(b).
- 157 (b) The following factors apply to Subsection (16)(a)(ii):
- 158 (i) superior management skills;
- 159 (ii) reputation;
- 160 (iii) customer relationships;
- 161 (iv) patronage; or
- 162 (v) a factor similar to Subsections (16)(b)(i) through (iv).
- 163 (c) "Goodwill" does not include:
- 164 (i) the intangible property described in Subsection (19)(a) or (b);
- 165 (ii) locational attributes of real property, including:
- 166 (A) zoning;
- 167 (B) location;
- 168 (C) view;
- 169 (D) a geographic feature;
- 170 (E) an easement;
- 171 (F) a covenant;
- 172 (G) proximity to raw materials;
- 173 (H) the condition of surrounding property; or
- 174 (I) proximity to markets;
- 175 (iii) value attributable to the identification of an improvement to real property,
- 176 including:
- 177 (A) reputation of the designer, builder, or architect of the improvement;
- 178 (B) a name given to, or associated with, the improvement; or
- 179 (C) the historic significance of an improvement; or
- 180 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 181 of the existing tangible property in place working together as a unit.
- 182 (17) "Governing body" means:

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

188 Act:

- 189 (i) the legislative body of the county or municipality that created the special service
- 190 district, to the extent that the county or municipal legislative body has not delegated authority
- 191 to an administrative control board established under Section 17D-1-301; or
- 192 (ii) the administrative control board, to the extent that the county or municipal
- 193 legislative body has delegated authority to an administrative control board established under
- 194 Section 17D-1-301; or
- 195 (e) for a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure
- 196 District Act, the public infrastructure district's board of trustees.

197 (18) (a) Except as provided in Subsection (18)(c), "improvement" means a building,

198 structure, fixture, fence, or other item that is permanently attached to land, regardless of

199 whether the title has been acquired to the land, if:

- 200 (i) (A) attachment to land is essential to the operation or use of the item; and
- 201 (B) the manner of attachment to land suggests that the item will remain attached to the
- 202 land in the same place over the useful life of the item; or
- 203 (ii) removal of the item would:
- 204 (A) cause substantial damage to the item; or
- 205 (B) require substantial alteration or repair of a structure to which the item is attached.

206 (b) "Improvement" includes:

- 207 (i) an accessory to an item described in Subsection (18)(a) if the accessory is:
- 208 (A) essential to the operation of the item described in Subsection (18)(a); and
- 209 (B) installed solely to serve the operation of the item described in Subsection (18)(a);

210 and

211 (ii) an item described in Subsection (18)(a) that is temporarily detached from the land

212 for repairs and remains located on the land.

213 (c) "Improvement" does not include:

- 214 (i) an item considered to be personal property pursuant to rules made in accordance
- 215 with Section 59-2-107;
- 216 (ii) a moveable item that is attached to land for stability only or for an obvious
- 217 temporary purpose;
- 218 (iii) (A) manufacturing equipment and machinery; or
- 219 (B) essential accessories to manufacturing equipment and machinery;
- 220 (iv) an item attached to the land in a manner that facilitates removal without substantial
- 221 damage to the land or the item; or
- 222 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that
- 223 transportable factory-built housing unit is considered to be personal property under Section
- 224 59-2-1503.
- 225 (19) "Intangible property" means:
- 226 (a) property that is capable of private ownership separate from tangible property,
- 227 including:
 - 228 (i) money;
 - 229 (ii) credits;
 - 230 (iii) bonds;
 - 231 (iv) stocks;
 - 232 (v) representative property;
 - 233 (vi) franchises;
 - 234 (vii) licenses;
 - 235 (viii) trade names;
 - 236 (ix) copyrights; and
 - 237 (x) patents;
- 238 (b) a low-income housing tax credit;
- 239 (c) goodwill; or
- 240 (d) a renewable energy tax credit or incentive, including:
 - 241 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
 - 242 Code;
 - 243 (ii) a federal energy credit for qualified renewable electricity production facilities under
 - 244 Section 48, Internal Revenue Code;

- 245 (iii) a federal grant for a renewable energy property under American Recovery and
246 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
- 247 (iv) a tax credit under Subsection 59-7-614(5).
- 248 (20) "Livestock" means:
- 249 (a) a domestic animal;
- 250 (b) a fish;
- 251 (c) a fur-bearing animal;
- 252 (d) a honeybee; or
- 253 (e) poultry.
- 254 (21) "Low-income housing tax credit" means:
- 255 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
- 256 or
- 257 (b) a low-income housing tax credit under Section 59-7-607 or Section 59-10-1010.
- 258 (22) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 259 (23) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
260 valuable mineral.
- 261 (24) "Mining" means the process of producing, extracting, leaching, evaporating, or
262 otherwise removing a mineral from a mine.
- 263 (25) (a) "Mobile flight equipment" means tangible personal property that is owned or
264 operated by an air charter service, air contract service, or airline and:
- 265 (i) is capable of flight or is attached to an aircraft that is capable of flight; or
- 266 (ii) is contained in an aircraft that is capable of flight if the tangible personal property
267 is intended to be used:
- 268 (A) during multiple flights;
- 269 (B) during a takeoff, flight, or landing; and
- 270 (C) as a service provided by an air charter service, air contract service, or airline.
- 271 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare
272 engine that is rotated at regular intervals with an engine that is attached to the aircraft.
- 273 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
274 commission may make rules defining the term "regular intervals."
- 275 (26) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,

276 sand, rock, gravel, and all carboniferous materials.

277 (27) "Part-year residential property" means property that is not residential property on
278 January 1 of a calendar year but becomes residential property after January 1 of the calendar
279 year.

280 (28) "Personal property" includes:

281 (a) every class of property as defined in Subsection (29) that is the subject of
282 ownership and is not real estate or an improvement;

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

286 (c) bridges and ferries;

287 (d) livestock; and

288 (e) outdoor advertising structures as defined in Section 72-7-502.

289 (29) (a) "Property" means property that is subject to assessment and taxation according
290 to its value.

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

292 (30) (a) "Public utility" means:

293 [~~(a) for purposes of this chapter,~~] (i) the operating property of a railroad, gas
294 corporation, oil or gas transportation or pipeline company, coal slurry pipeline company,
295 electrical corporation, [~~telephone corporation,~~] sewerage corporation, or heat corporation where
296 the company performs the service for, or delivers the commodity to, the public generally or
297 companies serving the public generally, or in the case of a gas corporation or an electrical
298 corporation, where the gas or electricity is sold or furnished to any member or consumers
299 within the state for domestic, commercial, or industrial use; and

300 [~~(b)~~] (ii) the operating property of any entity or person defined under Section 54-2-1
301 except water corporations.

302 (b) "Public utility" does not include the operating property of a telecommunications
303 service provider.

304 (31) (a) Subject to Subsection (31)(b), "qualifying exempt primary residential rental
305 personal property" means household furnishings, furniture, and equipment that:

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

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

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

311 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
312 commission may by rule define the term "dwelling unit" for purposes of this Subsection (31)
313 and Subsection (34).

314 (32) "Real estate" or "real property" includes:

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

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

319 (c) improvements.

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

323 (b) For purposes of determining if a relationship described in Subsection 267(b),
324 Internal Revenue Code, exists, the ownership of stock shall be determined using the ownership
325 rules in Subsection 267(c), Internal Revenue Code.

326 (34) (a) "Residential property," for purposes of the reductions and adjustments under
327 this chapter, means any property used for residential purposes as a primary residence.

328 (b) "Residential property" includes:

329 (i) except as provided in Subsection (34)(b)(ii), includes household furnishings,
330 furniture, and equipment if the household furnishings, furniture, and equipment are:

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

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

335 (ii) if the county assessor determines that the property will be used for residential
336 purposes as a primary residence:

337 (A) property under construction; or

- 338 (B) unoccupied property.
- 339 (c) "Residential property" does not include property used for transient residential use.
- 340 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 341 commission may by rule define the term "dwelling unit" for purposes of Subsection (31) and
- 342 this Subsection (34).
- 343 (35) "Split estate mineral rights owner" means a person that:
- 344 (a) has a legal right to extract a mineral from property;
- 345 (b) does not hold more than a 25% interest in:
- 346 (i) the land surface rights of the property where the wellhead is located; or
- 347 (ii) an entity with an ownership interest in the land surface rights of the property where
- 348 the wellhead is located;
- 349 (c) is not an entity in which the owner of the land surface rights of the property where
- 350 the wellhead is located holds more than a 25% interest; and
- 351 (d) does not have a relationship with an owner of the land surface rights of the property
- 352 where the wellhead is located.
- 353 (36) (a) "State-assessed commercial vehicle" means:
- 354 (i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate to
- 355 transport passengers, freight, merchandise, or other property for hire; or
- 356 (ii) any commercial vehicle, trailer, or semitrailer that operates interstate and transports
- 357 the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.
- 358 (b) "State-assessed commercial vehicle" does not include vehicles used for hire that are
- 359 specified in Subsection (10)(c) as county-assessed commercial vehicles.
- 360 (37) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of
- 361 a base parcel.
- 362 (38) "Tax area" means a geographic area created by the overlapping boundaries of one
- 363 or more taxing entities.
- 364 (39) "Taxable value" means fair market value less any applicable reduction allowed for
- 365 residential property under Section [59-2-103](#).
- 366 (40) "Taxing entity" means any county, city, town, school district, special taxing
- 367 district, local district under Title 17B, Limited Purpose Local Government Entities - Local
- 368 Districts, or other political subdivision of the state with the authority to levy a tax on property.

369 (41) (a) "Tax roll" means a permanent record of the taxes charged on property, as
370 extended on the assessment roll, and may be maintained on the same record or records as the
371 assessment roll or may be maintained on a separate record properly indexed to the assessment
372 roll.

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

374 (42) "Telecommunications service provider" means the same as that term is defined in
375 Section 59-12-102.

376 Section 2. Section 59-2-201 is amended to read:

377 **59-2-201. Assessment by commission -- Determination of value of mining**
378 **property -- Determination of value of aircraft -- Notification of assessment -- Local**
379 **assessment of property assessed by the unitary method -- Commission may consult with**
380 **county.**

381 (1) (a) By May 1 of each year, the following property, unless otherwise exempt under
382 the Utah Constitution or under Part 11, Exemptions, Deferrals, and Abatements, shall be
383 assessed by the commission at 100% of fair market value, as valued on January 1, in
384 accordance with this chapter:

385 (i) except as provided in Subsection (2), all property that operates as a unit across
386 county lines, if the values must be apportioned among more than one county or state;

387 (ii) all property of public utilities;

388 (iii) all operating property of an airline, air charter service, and air contract service;

389 (iv) all geothermal fluids and geothermal resources;

390 (v) all mines and mining claims except in cases, as determined by the commission,
391 where the mining claims are used for other than mining purposes, in which case the value of
392 mining claims used for other than mining purposes shall be assessed by the assessor of the
393 county in which the mining claims are located; and

394 (vi) all machinery used in mining, all property or surface improvements upon or
395 appurtenant to mines or mining claims. For the purposes of assessment and taxation, all
396 processing plants, mills, reduction works, and smelters that are primarily used by the owner of
397 a mine or mining claim for processing, reducing, or smelting minerals taken from a mine or
398 mining claim shall be considered appurtenant to that mine or mining claim, regardless of actual
399 location.

400 (b) (i) For purposes of Subsection (1)(a)(iii), operating property of an air charter
401 service does not include an aircraft that is:

- 402 (A) used by the air charter service for air charter; and
- 403 (B) owned by a person other than the air charter service.

404 (ii) For purposes of this Subsection (1)(b):

- 405 (A) "person" means a natural person, individual, corporation, organization, or other
406 legal entity; and
- 407 (B) a person does not qualify as a person other than the air charter service as described
408 in Subsection (1)(b)(i)(B) if the person is:
 - 409 (I) a principal, owner, or member of the air charter service; or
 - 410 (II) a legal entity that has a principal, owner, or member of the air charter service as a
411 principal, owner, or member of the legal entity.

412 (2) (a) The commission may not assess property owned by a telecommunications
413 service provider.

414 (b) The commission shall assess and collect property tax on state-assessed commercial
415 vehicles at the time of original registration or annual renewal.

416 ~~[(a)]~~ (i) The commission shall assess and collect property tax annually on
417 state-assessed commercial vehicles that are registered pursuant to Section [41-1a-222](#) or
418 [41-1a-228](#).

419 ~~[(b)]~~ (ii) State-assessed commercial vehicles brought into the state that are required to
420 be registered in Utah shall, as a condition of registration, be subject to ad valorem tax unless all
421 property taxes or fees imposed by the state of origin have been paid for the current calendar
422 year.

423 ~~[(c)]~~ (iii) Real property, improvements, equipment, fixtures, or other personal property
424 in this state owned by the company shall be assessed separately by the local county assessor.

425 ~~[(d)]~~ (iv) The commission shall adjust the value of state-assessed commercial vehicles
426 as necessary to comply with 49 U.S.C. Sec. 14502, and the commission shall direct the county
427 assessor to apply the same adjustment to any personal property, real property, or improvements
428 owned by the company and used directly and exclusively in their commercial vehicle activities.

429 (3) (a) The method for determining the fair market value of productive mining property
430 is the capitalized net revenue method or any other valuation method the commission believes,

431 or the taxpayer demonstrates to the commission's satisfaction, to be reasonably determinative
432 of the fair market value of the mining property.

433 (b) The commission shall determine the rate of capitalization applicable to mines,
434 consistent with a fair rate of return expected by an investor in light of that industry's current
435 market, financial, and economic conditions.

436 (c) In no event may the fair market value of the mining property be less than the fair
437 market value of the land, improvements, and tangible personal property upon or appurtenant to
438 the mining property.

439 (4) (a) As used in this Subsection (4), "aircraft pricing guide" means a nationally
440 recognized publication that assigns value estimates for individual commercial aircraft that are:

- 441 (i) identified by year, make, and model; and
- 442 (ii) in average condition typical for the aircraft's type and vintage.

443 (b) (i) Except as provided in Subsection (4)(d), the commission shall use an aircraft
444 pricing guide, adjusted as provided in Subsection (4)(c), to determine the fair market value of
445 aircraft assessed under this part.

446 (ii) The commission shall use the Airliner Price Guide as the aircraft pricing guide,
447 except that:

448 (A) if the Airliner Price Guide is no longer published or the commission determines
449 that another aircraft pricing guide more reasonably reflects the fair market value of aircraft, the
450 commission, after consulting with the airlines operating in the state, shall select an alternative
451 aircraft pricing guide;

452 (B) if an aircraft is not listed in the Airliner Price Guide, the commission shall use the
453 Aircraft Bluebook Price Digest as the aircraft pricing guide; and

454 (C) if the Aircraft Bluebook Price Digest is no longer published or the commission
455 determines that another aircraft pricing guide more reasonably reflects the fair market value of
456 aircraft, the commission, after consulting with the airlines operating in the state, shall select an
457 alternative aircraft pricing guide.

458 (c) (i) To reflect the value of an aircraft fleet that is used as part of the operating
459 property of an airline, air charter service, or air contract service, the fair market value of the
460 aircraft shall include a fleet adjustment as provided in this Subsection (4)(c).

461 (ii) If the aircraft pricing guide provides a method for making a fleet adjustment, the

462 commission shall use the method described in the aircraft pricing guide.

463 (iii) If the aircraft pricing guide does not provide a method for making a fleet
464 adjustment, the commission shall make a fleet adjustment by reducing the aircraft pricing guide
465 value of each aircraft in the fleet by .5% for each aircraft over three aircraft up to a maximum
466 20% reduction.

467 (d) The commission may use an alternative method for valuing aircraft of an airline, air
468 charter service, or air contract service if the commission:

469 (i) has clear and convincing evidence that the aircraft values reflected in the aircraft
470 pricing guide do not reasonably reflect fair market value of the aircraft; and

471 (ii) cannot identify an alternative aircraft pricing guide from which the commission
472 may determine aircraft value.

473 (5) Immediately following the assessment, the commission shall send, by certified
474 mail, notice of the assessment to the owner or operator of the assessed property and the
475 assessor of the county in which the property is located.

476 (6) The commission may consult with a county in valuing property in accordance with
477 this part.

478 (7) The local county assessor shall separately assess property that is assessed by the
479 unitary method if the commission determines that the property:

480 (a) is not necessary to the conduct of the business; and

481 (b) does not contribute to the income of the business.

482 Section 3. Section **59-2-306** is amended to read:

483 **59-2-306. Statements by taxpayers -- Power of assessors respecting statements --**
484 **Reporting information to other counties, taxpayer.**

485 (1) (a) ~~[The]~~ Except as provided in Subsection (1)(c), the county assessor may request
486 a signed statement from any person setting forth all the real and personal property assessable by
487 the assessor [which is owned, possessed, managed, or under the control of the person] that the
488 person owns, possesses, manages, or has under the person's control at 12 noon on January 1.

489 (b) A request under Subsection (1)(a) shall include a notice of the procedure under
490 Section **59-2-1005** for appealing the value of the personal property.

491 (c) A telecommunications service provider shall file a signed statement setting forth
492 the telecommunications service provider's:

- 493 (i) real property in accordance with this section; and
494 (ii) personal property in accordance with Section 59-2-306.5.
495 (d) A telecommunications service provider shall claim an exemption for personal
496 property in accordance with Section 59-2-1115.

497 (2) (a) Except as provided in Subsection (2)(b) or (c), a person shall file a signed
498 statement described in Subsection (1) [~~shall be filed~~] on or before May 15 of the year the
499 county assessor requests the statement described in Subsection (1) [~~is requested by the county~~
500 assessor].

501 (b) For a county of the first class, a person shall file the signed statement described in
502 Subsection (1) [~~shall be filed~~] on or before the later of:

503 (i) 60 days after [~~requested by the assessor~~] the day on which the county assessor
504 requests the statement; or

505 (ii) [~~on or before~~] May 15 of the year the county assessor requests the statement
506 described in Subsection (1) [~~is requested by the county assessor~~] if, by resolution, the county
507 legislative body of that county adopts the deadline described in Subsection (2)(a).

508 (c) If a county assessor requests a signed statement described in Subsection (1) on or
509 after March 16, the person shall file the signed statement within 60 days after [~~requested by the~~
510 assessor] the day on which the county assessor requests the signed statement.

511 (3) The signed statement shall include the following:

512 (a) all property belonging to, claimed by, or in the possession, control, or management
513 of the person, any firm of which the person is a member, or any corporation of which the
514 person is president, secretary, cashier, or managing agent;

515 (b) the county in which the property is located or in which [~~it~~] the property is taxable;
516 and, if taxable in the county in which the signed statement was made, also the city, town,
517 school district, road district, or other taxing district in which [~~it~~] the property is located or
518 taxable; and

519 (c) all lands in parcels or subdivisions not exceeding 640 acres each, the sections and
520 fractional sections of all tracts of land containing more than 640 acres [~~which~~] that have been
521 sectionized by the United States Government, and the improvements on those lands.

522 (4) Every county assessor may subpoena and examine any person in any county in
523 relation to any signed statement but may not require that person to appear in any county other

524 than the county in which the subpoena is served.

525 (5) (a) Except as provided in Subsection (5)(b), if the signed statement discloses
526 property in any other county, the county assessor shall file the signed statement and send a copy
527 to the county assessor of each county in which the property is located.

528 (b) If the signed statement discloses personal property of a telecommunications service
529 provider, the county assessor shall notify the telecommunications service provider of the
530 requirement to file a signed statement in accordance with Section [59-2-306.5](#).

531 Section 4. Section **59-2-306.5** is enacted to read:

532 **59-2-306.5. Valuation of personal property of telecommunications service**
533 **provider -- Reporting information to counties.**

534 (1) As used in this section, "Multicounty Appraisal Trust" means the same as that term
535 is defined in Section [59-2-1601](#).

536 (2) A telecommunications service provider shall provide to the Multicounty Appraisal
537 Trust a signed statement setting forth all of the personal property that the telecommunications
538 service provider owns, possesses, manages, or has under the telecommunications service
539 provider's control in the state.

540 (3) The signed statement shall:

541 (a) itemize each item of personal property that the telecommunications service provider
542 owns, possesses, manages, or has under the telecommunications service provider's control:

543 (i) by county; and

544 (ii) for the tax year that began on January 1; and

545 (b) be submitted:

546 (i) annually on or before May 15; and

547 (ii) electronically in a form approved by the commission.

548 (4) (a) The Multicounty Appraisal Trust shall value each item of personal property of a
549 telecommunications service provider according to the personal property valuation guides and
550 schedules established by the commission.

551 (b) A telecommunications service provider may appeal the valuation of personal
552 property in accordance with Section [59-2-1005](#).

553 (5) The Multicounty Appraisal Trust shall forward to each county information about
554 the total value of personal property of each telecommunications service provider within the

555 county.

556 (6) If a signed statement filed in accordance with this section discloses real property,
557 the Multicounty Appraisal Trust shall send a copy of the signed statement to the county in
558 which the property is located.

559 Section 5. Section **59-2-307** is amended to read:

560 **59-2-307. Refusal by taxpayer to file signed statement -- Estimation of Value --**
561 **Penalty.**

562 (1) (a) Each person ~~[who]~~ that fails to file the signed statement required by Section
563 59-2-306 or Section 59-2-306.5, fails to file the signed statement with respect to name and
564 place of residence, or fails to appear and testify when requested by the assessor, shall pay a
565 penalty equal to 10% of the estimated tax due, but not less than \$25 for each failure to file a
566 signed and completed statement.

567 (b) The Multicounty Appraisal Trust shall notify the county assessor of a
568 telecommunications service provider's failure to file the signed statement.

569 ~~[(b)] (c) [Each]~~ The assessor shall collect each penalty under Subsection (1)(a) ~~[shall~~
570 ~~be collected]~~ in the manner provided by Sections 59-2-1302 and 59-2-1303, except as
571 otherwise provided for in this section, or by a judicial proceeding brought in the name of the
572 assessor.

573 ~~[(c) All money recovered by any assessor under this section shall be paid into the~~
574 ~~county treasury.]~~

575 (d) The assessor shall pay all money recovered under this section into the county
576 treasury.

577 (2) ~~[(a)]~~ Upon a showing of reasonable cause, a county may waive or reduce a penalty
578 imposed under Subsection (1)(a).

579 ~~[(b)] (a) (i)~~ Except as provided in Subsection (2)(b)(ii), a county assessor may impose a
580 penalty under Subsection (1)(a) [may be imposed] on or after May 16 of the year the county
581 assessor requests the statement described in Section 59-2-306 [is requested by the county
582 assessor] or is due under Section 59-2-306.5.

583 (ii) A county assessor may not impose a penalty under Subsection (1)(a) ~~[may not be~~
584 ~~imposed]~~ until 30 days after the postmark date of mailing of a subsequent notice if the signed
585 statement described in Section 59-2-306 is requested:

- 586 (A) on or after March 16; or
587 (B) by a county assessor of a county of the first class.
588 (3) (a) If an owner neglects or refuses to file a signed statement requested by an
589 assessor as required under Section [59-2-306](#):
590 (i) the assessor shall:
591 (A) make a record of the failure to file; and
592 (B) make an estimate of the value of the property of the owner based on known facts
593 and circumstances; and
594 (ii) the assessor of a county of the first class:
595 (A) shall make a subsequent request by mail for the signed statement, informing the
596 owner of the consequences of not filing a signed statement; and
597 (B) may impose a fee for the actual and necessary expenses of the mailing under
598 Subsection (3)(a)(ii)(A).
599 (b) (i) If a telecommunications service provider neglects or refuses to file a signed
600 statement in accordance with Section [59-2-306.5](#), the Multicounty Appraisal Trust shall make:
601 (A) a record of the failure to file;
602 (B) a request by mail for the signed statement, informing the telecommunications
603 service provider of the consequences of not filing a signed statement; and
604 (C) an estimate of the value of the personal property of the telecommunications
605 service provider based on known facts and circumstances.
606 (ii) The Multicounty Appraisal Trust may impose a fee for the actual and necessary
607 expenses of the mailing under Subsection (3)(b)(i)(B).
608 (c) A county board of equalization or the commission may not reduce the value fixed
609 by the assessor in accordance with Subsection (3)(a)(i) or the Multicounty Appraisal Trust in
610 accordance with Subsection (3)(b)(i).
611 ~~[(b) The value fixed by the assessor in accordance with Subsection (3)(a)(i) may not be~~
612 ~~reduced by the county board of equalization or by the commission.]~~
613 ~~[(4) If the signed statement discloses property in any other county, the assessor shall~~
614 ~~file the signed statement and send a copy to the assessor of each county in which the property is~~
615 ~~located.]~~
616 Section 6. Section **59-2-308** is amended to read:

617 **59-2-308. Assessment in name of representative -- Assessment of property of**
 618 **decedents -- Assessment of property in litigation -- Assessment of personal property**
 619 **valued by Multicounty Appraisal Trust.**

620 (1) If a person is assessed as agent, trustee, bailee, guardian, executor, or administrator,
 621 ~~[the]~~ a county shall:

622 (a) add the representative designation ~~[shall be added]~~ to the name~~[-];~~ and ~~[the~~
 623 ~~assessment entered]~~

624 (b) enter the assessment separately from the individual assessment.

625 (2) ~~[The]~~ A county may assess the undistributed or unpartitioned property of a
 626 deceased ~~[person may be assessed]~~ individual to an heir, guardian, executor, or administrator,
 627 and the payment of taxes binds all the parties in interest.

628 (3) Property in litigation, which is in the possession of a court or receiver, shall be
 629 assessed to the court clerk or receiver, and the taxes shall be paid under the direction of the
 630 court.

631 (4) A county shall add the valuation the Multicounty Appraisal Trust gives to personal
 632 property of a telecommunications service provider to the valuation of any real property of the
 633 telecommunications service provider within the county before making an assessment in
 634 accordance with this part.

635 Section 7. Section **59-2-1005** is amended to read:

636 **59-2-1005. Procedures for appeal of personal property valuation -- Time for**
 637 **appeal -- Hearing -- Decision -- Appeal to commission.**

638 (1)(a) A taxpayer owning personal property assessed by a county assessor under
 639 Section **59-2-301** may make an appeal relating to the value of the personal property by filing an
 640 application with the county legislative body no later than:

641 (i) the expiration of the time allowed under Section **59-2-306** for filing a signed
 642 statement, if the county assessor requests a signed statement under Section **59-2-306** or the
 643 expiration of the time allowed under Section **59-2-306.5** if the taxpayer is a
 644 telecommunications service provider; or

645 (ii) 60 days after the mailing of the tax notice, for each other taxpayer.

646 (b) A county legislative body shall:

647 (i) after giving reasonable notice, hear an appeal filed under Subsection (1)(a); and

648 (ii) render a written decision on the appeal within 60 days after receiving the appeal.

649 (c) If the taxpayer is dissatisfied with a county legislative body decision under
650 Subsection (1)(b), the taxpayer may file an appeal with the commission in accordance with
651 Section [59-2-1006](#).

652 (2) A taxpayer owning personal property subject to a fee in lieu of tax or a uniform tax
653 under Article XIII, Section 2 of the Utah Constitution that is based on the value of the property
654 may appeal the basis of the value by filing an appeal with the commission within 30 days after
655 the mailing of the tax notice.

656 Section 8. **Effective date.**

657 This bill takes effect on January 1, 2023.