

SB0061S01 compared with SB0061

~~text~~ shows text that was in SB0061 but was deleted in SB0061S01.

inserted text shows text that was not in SB0061 but was inserted into SB0061S01.

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Senator Wayne A. Harper proposes the following substitute bill:

DELINQUENT PROPERTY TAX COLLECTION AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: ~~_____~~ Steve Eliason

LONG TITLE

General Description:

This bill modifies ~~the Accounts Receivable Collection part~~ provisions related to collection of delinquent property tax.

Highlighted Provisions:

This bill:

- ▶ provides ~~that~~ when the state, a governmental entity, or a local agency acting on behalf of a political subdivision may ~~not~~ collect a delinquent property tax from the debtor's overpayment or refund of income tax ~~;~~ and
- ▶ provides the order in which a debtor's income tax overpayment or refund shall be credited against a delinquent property tax.

Money Appropriated in this Bill:

None

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Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

[59-2-1346, as last amended by Laws of Utah 2018, Chapters 197 and 281](#)

63A-3-302, as last amended by Laws of Utah 2021, Chapter 49

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

[Section 1. Section 59-2-1346 is amended to read:](#)

59-2-1346. Redemption -- Time allowed.

(1) Property may be redeemed on behalf of the record owner by any person at any time before the tax sale which shall be held in May or June as provided in Section 59-2-1351 following the lapse of four years from the date the property tax or tax notice charges became delinquent.

(2) A person may redeem property by paying to the county treasurer all delinquent taxes, tax notice charges, interest, penalties, and administrative costs that have accrued on the property.

(3) (a) Subject to Subsection (3)(d), a person may redeem a subdivided lot by paying the county treasurer the subdivided lot's proportional share of the delinquent taxes, tax notice charges, interest, penalties, and administrative costs accrued on the base parcel, calculated in accordance with Subsection (3)(b).

(b) The county treasurer shall calculate the amount described in Subsection (3)(a) by comparing:

(i) the amount of the value of the base parcel as described in Subsection (3)(b)(ii) that is attributable to the property that comprises the subdivided lot as the property existed on January 1 of the year in which the delinquent property taxes on the base parcel were assessed or tax notice charges on the base parcel were listed; and

(ii) the value of the base parcel as it existed on January 1 of the year in which the delinquent property taxes on the base parcel were assessed or tax notice charges on the base parcel were listed.

(c) If the county treasurer does not have sufficient information to calculate the amount

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described in Subsection (3)(b)(i), upon request from the county treasurer, the county assessor shall provide the county treasurer any information necessary to calculate the amount described in Subsection (3)(b)(i).

(d) A person may redeem a subdivided lot under this Subsection (3) only if the record owner of the subdivided lot is a bona fide purchaser.

(4) (a) At any time before the expiration of the period of redemption, the county treasurer shall accept and credit on account for the redemption of property, payments in amounts of not less than \$10, except for the final payment, which may be in any amount.

(b) For the purpose of computing the amount required for redemption and for the purpose of distributing the payments received on account, all payments, except payments described in Subsection (4)(c), shall be applied in the following order:

(i) against the interest and administrative costs accrued on the delinquent tax for the last year included in the delinquent account at the time of payment;

(ii) against the penalty charged on the delinquent tax for the last year included in the delinquent account at the time of payment;

(iii) against the delinquent tax for the last year included in the delinquent account at the time of payment;

(iv) against the interest and administrative costs accrued on the delinquent tax for the next to last year included in the delinquent account at the time of payment; and

(v) so on until the full amount of the delinquent taxes, tax notice charges, penalties, administrative costs, and interest on the unpaid balances are paid within the period of redemption.

(c) For a payment received through a levy on an income tax overpayment or refund in accordance with Title 63A, Chapter 3, Part 3, Accounts Receivable Collection, the payment shall be applied in the following order:

(i) against the penalty charged on the delinquent tax for the earliest year included in the delinquent account at the time of payment;

(ii) against the interest and administrative costs accrued on the delinquent tax for the earliest year included in the delinquent account at the time of payment;

(iii) against the delinquent tax for the earliest year included in the delinquent account at the time of payment;

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(iv) against the penalty charged on the delinquent tax for the next earliest year included in the delinquent account at the time of payment; and

(v) so on until:

(A) the full amount of the delinquent taxes, tax notice charges, penalties, administrative costs, and interest on the unpaid balances are paid; or

(B) the amount of the income tax overpayment or refund is exhausted.

Section ~~{1}~~2. Section 63A-3-302 is amended to read:

63A-3-302. Unpaid accounts receivable -- Political subdivision agreement with local agency.

(1) (a) Except as provided in [~~Subsection~~] Subsections (1)(b) and (c), if any account receivable at any point has been unpaid for 90 days or more, any agency or other authority of the state, or any political subdivision responsible for collection of the account may proceed under this part to collect the delinquent amount.

(b) A governmental entity within the state that is a health care provider may not proceed under this part when the account receivable is for a medical material or service and the debtor:

- (i) has made a payment arrangement with the health care provider; and
- (ii) is current on payments under the payment arrangement.

(c) The state, a governmental entity within the state, or a local agency acting on behalf of a political subdivision within the state may ~~{not}~~ proceed under this part ~~{when the}~~ on an account receivable that is for a property tax imposed under Title 59, Chapter 2, Property Tax Act, only if the account receivable is three or more years delinquent.

(2) (a) A political subdivision may enter into an agreement with a local agency under which the local agency, for a reasonable fee that the political subdivision and local agency agree upon, prepares and submits the political subdivision's accounts receivable for collection as provided in this part.

(b) Notwithstanding an agreement under Subsection (2)(a), a participating political subdivision shall:

(i) establish an agreement with the division for submitting delinquent accounts receivable under this part; and

(ii) with respect to the accounts receivable that the participating political subdivision

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submits through a local agency for collection under this part:

(A) receive and respond to an administrative hearing requested under Section 63A-3-305; and

(B) administer an adjudicative proceeding required under Section 63A-3-306.