

**Senator Wayne A. Harper** proposes the following substitute bill:

**REVISIONS TO PROPERTY TAX**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to property tax.

**Highlighted Provisions:**

This bill:

- ▶ requires a business to include the business's NAICS code when filing a signed statement related to the business's taxable personal property;
- ▶ modifies the contents of a property tax notice;
- ▶ requires a county assessor to notify a taxpayer when the taxpayer qualifies for an exemption to the signed statement requirement related to the taxpayer's business personal property;
- ▶ modifies the manner in which a county treasurer applies a partial payment on a delinquent account for the redemption of property; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**



26 AMENDS:

27 **59-2-306**, as last amended by Laws of Utah 2010, Chapter 131

28 **59-2-919.1**, as last amended by Laws of Utah 2020, Chapter 78

29 **59-2-1115**, as last amended by Laws of Utah 2021, Chapter 388

30 **59-2-1346**, as last amended by Laws of Utah 2018, Chapters 197 and 281

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

33 Section 1. Section **59-2-306** is amended to read:

34 **59-2-306. Statements by taxpayers -- Power of assessors respecting statements.**

35 (1) (a) The county assessor may request a signed statement from any person setting  
36 forth all the real and personal property assessable by the assessor which is owned, possessed,  
37 managed, or under the control of the person at 12 noon on January 1.

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

40 (2) (a) Except as provided in Subsection (2)(b) or (c), a signed statement described in  
41 Subsection (1) shall be filed on or before May 15 of the year the statement described in  
42 Subsection (1) is requested by the county assessor.

43 (b) For a county of the first class, the signed statement described in Subsection (1) shall  
44 be filed on the later of:

45 (i) 60 days after requested by the assessor; or

46 (ii) on or before May 15 of the year the statement described in Subsection (1) is  
47 requested by the county assessor if, by resolution, the county legislative body of that county  
48 adopts the deadline described in Subsection (2)(a).

49 (c) If a county assessor requests a signed statement described in Subsection (1) on or  
50 after March 16, the person shall file the signed statement within 60 days after requested by the  
51 assessor.

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

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

56 (b) the county in which the property is located or in which it is taxable; and, if taxable

57 in the county in which the signed statement was made, also the city, town, school district, road  
58 district, or other taxing district in which it is located or taxable; [~~and~~]

59 (c) all lands in parcels or subdivisions not exceeding 640 acres each, the sections and  
60 fractional sections of all tracts of land containing more than 640 acres which have been  
61 sectionized by the United States [~~Government~~] government, and the improvements on those  
62 lands[-]; and

63 (d) for a person who owns taxable tangible personal property as defined in Section  
64 59-2-1115, the person's NAICS code, as classified under the current North American Industry  
65 Classification System of the federal Executive Office of the President, Office of Management  
66 and Budget.

67 (4) Every assessor may subpoena and examine any person in any county in relation to  
68 any signed statement but may not require that person to appear in any county other than the  
69 county in which the subpoena is served.

70 Section 2. Section **59-2-919.1** is amended to read:

71 **59-2-919.1. Notice of property valuation and tax changes.**

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

75 (2) The notice described in Subsection (1) shall:

76 (a) except as provided in Subsection [~~(5)~~] (6), be sent to all owners of real property by  
77 mail 10 or more days before the day on which:

78 (i) the county board of equalization meets; and

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

81 (b) be on a form that is:

82 (i) approved by the commission; and

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

84 (c) contain for each property:

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

86 (ii) the taxable value of the property;

87 (iii) (A) the deadline for the taxpayer to make an application to appeal the valuation or

88 equalization of the property under Section 59-2-1004; or

89 (B) for property assessed by the commission, the deadline for the taxpayer to apply to  
90 the commission for a hearing on an objection to the valuation or equalization of the property  
91 under Section 59-2-1007;

92 (iv) for a property assessed by the commission, a statement that the taxpayer may not  
93 appeal the valuation or equalization of the property to the county board of equalization;

94 (v) itemized tax information for all applicable taxing entities, including:

95 (A) the dollar amount of the taxpayer's tax liability for the property in the prior year;

96 and

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

98 (vi) the following, stated separately:

99 (A) the charter school levy described in Section 53F-2-703;

100 (B) the multicounty assessing and collecting levy described in Subsection  
101 59-2-1602(2);

102 (C) the county assessing and collecting levy described in Subsection 59-2-1602(4);

103 (D) for a fiscal year that begins before July 1, 2023, the combined basic rate as defined  
104 in Section 53F-2-301.5; and

105 (E) for a fiscal year that begins on or after July 1, 2023, the combined basic rate as  
106 defined in Section 53F-2-301;

107 (vii) the tax impact on the property;

108 (viii) the time and place of the required public hearing for each entity;

109 (ix) property tax information pertaining to:

110 (A) taxpayer relief;

111 (B) options for payment of taxes;

112 (C) collection procedures; and

113 (D) the residential exemption described in Section 59-2-103;

114 (x) information specifically authorized to be included on the notice under this chapter;

115 (xi) the last property review date of the property as described in Subsection  
116 59-2-303.1(1)(c); and

117 (xii) other property tax information approved by the commission.

118 (3) If a taxing entity that is subject to the notice and hearing requirements of

119 Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall  
 120 state, in addition to the information required by Subsection (2):

121 (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;

122 (b) the difference between the dollar amount of the taxpayer's tax liability if the  
 123 proposed increase is approved and the dollar amount of the taxpayer's tax liability under the  
 124 current rate, placed in close proximity to the information described in Subsection (2)(c)(viii);  
 125 and

126 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under  
 127 the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability  
 128 under the current tax rate.

129 ~~[(4) If a change to state law increases a tax rate stated on a notice described in  
 130 Subsection (1), the notice described in Subsection (1) shall state in addition to the information  
 131 required by Subsections (2) and (3):]~~

132 ~~[(a) the difference between the dollar amount of the taxpayer's tax liability under the  
 133 current tax rate and the dollar amount of the taxpayer's tax liability before the change to state  
 134 law became effective; and]~~

135 ~~[(b) the percentage increase that the dollar amount of the taxpayer's tax liability under  
 136 the current tax rate represents as compared to the dollar amount of the taxpayer's tax liability  
 137 under the tax rate before the change to state law becomes effective.]~~

138 (4) For tax year 2022, the notice described in Subsection (1) shall state:

139 (a) the difference between:

140 (i) the dollar amount of the taxpayer's liability for the combined basic rate as defined in  
 141 Section 53F-2-301.5; and

142 (ii) the dollar amount that the taxpayer's liability for the combined basic rate as defined  
 143 in Section 53F-2-301.5 would have been if the combined basic rate were equal to the sum of  
 144 the minimum basic tax rate and the WPU value rate, as those terms are defined in Section  
 145 53F-2-301.5; and

146 (b) the percentage change between the amount described in Subsection (4)(a)(i) and the  
 147 amount described in Subsection (4)(a)(ii).

148 (5) For tax years 2022 through 2025, the notice described in Subsection (1) shall state:

149 (a) the difference between:

150 (i) the dollar amount of the taxpayer's liability for the rate imposed under Subsection  
151 59-2-1602(2)(b)(i); and

152 (ii) the dollar amount of the taxpayer's liability if the rate imposed under Subsection  
153 59-2-1602(2)(b)(i) were the certified revenue levy; and

154 (b) the percentage change between the amount described in Subsection (5)(a)(i) and the  
155 amount described in Subsection (5)(a)(ii).

156 ~~[(5)]~~ (6) (a) Subject to the other provisions of this Subsection ~~[(5)]~~ (6), a county auditor  
157 may, at the county auditor's discretion, provide the notice required by this section to a taxpayer  
158 by electronic means if a taxpayer makes an election, according to procedures determined by the  
159 county auditor, to receive the notice by electronic means.

160 (b) (i) If a notice required by this section is sent by electronic means, a county auditor  
161 shall attempt to verify whether a taxpayer receives the notice.

162 (ii) If receipt of the notice sent by electronic means cannot be verified 14 days or more  
163 before the county board of equalization meets and the taxing entity holds a public hearing on a  
164 proposed increase in the certified tax rate, the notice required by this section shall also be sent  
165 by mail as provided in Subsection (2).

166 (c) A taxpayer may revoke an election to receive the notice required by this section by  
167 electronic means if the taxpayer provides written notice to the county auditor on or before April  
168 30.

169 (d) An election or a revocation of an election under this Subsection ~~[(5)]~~ (6):

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

172 (ii) does not alter the requirement that a taxpayer appealing the valuation or the  
173 equalization of the taxpayer's real property submit the application for appeal within the time  
174 period provided in Subsection 59-2-1004(3).

175 (e) A county auditor shall provide the notice required by this section as provided in  
176 Subsection (2), until a taxpayer makes a new election in accordance with this Subsection ~~[(5)]~~  
177 (6), if:

178 (i) the taxpayer revokes an election in accordance with Subsection ~~[(5)]~~ (6)(c) to  
179 receive the notice required by this section by electronic means; or

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

181 (f) A person is considered to be a taxpayer for purposes of this Subsection [~~(5)~~] (6)  
182 regardless of whether the property that is the subject of the notice required by this section is  
183 exempt from taxation.

184 Section 3. Section **59-2-1115** is amended to read:

185 **59-2-1115. Exemption of certain tangible personal property.**

186 (1) As used in this section:

187 (a) (i) "Item of taxable tangible personal property" does not include an improvement to  
188 real property or a part that will become an improvement.

189 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
190 commission may make rules defining the term "item of taxable tangible personal property."

191 (b) (i) "Taxable tangible personal property" means tangible personal property that is  
192 subject to taxation under this chapter.

193 (ii) "Taxable tangible personal property" does not include:

194 (A) tangible personal property required by law to be registered with the state before it  
195 is used on a public highway, public waterway, or public land or in the air;

196 (B) a mobile home as defined in Section [41-1a-102](#); or

197 (C) a manufactured home as defined in Section [41-1a-102](#).

198 (2) (a) In accordance with Utah Constitution, Article XIII, Section 3, Subsection  
199 (2)(a)(vi), which provides that the Legislature may by statute exempt tangible personal property  
200 that, if subject to property tax, would generate an inconsequential amount of revenue, the  
201 Legislature exempts the tangible personal property described in this Subsection (2).

202 (b) The taxable tangible personal property of a taxpayer is exempt from taxation if the  
203 taxable tangible personal property has a total aggregate taxable value per county of \$25,000 or  
204 less.

205 (c) For an item of taxable tangible personal property that is not exempt under  
206 Subsection (2)(b), the item is exempt from taxation if:

207 (i) the item is owned by a business and is not critical to the actual business operation of  
208 the business; and

209 (ii) the acquisition cost of the item is less than \$500.

210 (3) (a) For a calendar year beginning on or after January 1, 2023, the commission shall  
211 increase the dollar amount described in Subsection (2)(b):

212 (i) by a percentage equal to the percentage difference between the consumer price  
213 index for the preceding calendar year and the consumer price index for calendar year 2021; and

214 (ii) up to the nearest \$100 increment.

215 (b) For purposes of this Subsection (3), the commission shall calculate the consumer  
216 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

217 (c) If the percentage difference under Subsection (3)(a)(i) is zero or a negative  
218 percentage, the consumer price index increase for the year is zero.

219 (4) (a) For the first calendar year in which a taxpayer qualifies for an exemption  
220 described in Subsection (2)(b), a county assessor may require the taxpayer to file a signed  
221 statement described in Section 59-2-306.

222 (b) Notwithstanding Section 59-2-306 and subject to Subsection [~~(5)~~] (6), for a  
223 calendar year in which a taxpayer qualifies for an exemption described in Subsection (2)(b)  
224 after the calendar year described in Subsection (4)(a), a signed statement described in Section  
225 59-2-306 with respect to the taxable tangible personal property that is exempt under Subsection  
226 (2)(b) may only require the taxpayer to certify, under penalty of perjury, that the taxpayer  
227 qualifies for the exemption under Subsection (2)(b).

228 (c) If a taxpayer qualifies for an exemption described in Subsection (2)(b) for five  
229 consecutive years and files a signed statement for each of those years in accordance with  
230 Section 59-2-306 and Subsection (4)(b), a county assessor may not require the taxpayer to file a  
231 signed statement for each continuing consecutive year for which the taxpayer qualifies for the  
232 exemption.

233 (d) If a taxpayer qualifies for an exemption described in Subsection (2)(c) for an item  
234 of tangible taxable personal property, a county assessor may not require the taxpayer to include  
235 the item on a signed statement described in Section 59-2-306.

236 (5) (a) Beginning in 2023, a county assessor shall send a notice to a taxpayer who  
237 becomes eligible for the exemption described in Subsection (2)(b).

238 (b) The county assessor shall:

239 (i) send the notice during the calendar year in which the taxpayer becomes eligible for  
240 the exemption and before the deadline to file a signed statement; and

241 (ii) in the notice, inform the taxpayer that:

242 (A) in accordance with Subsection (4)(c), the taxpayer is not required to file a signed



243 statement for each continuing consecutive year for which the taxpayer qualifies for the  
244 exemption; and

245 (B) the taxpayer shall notify the county assessor if the taxpayer's taxable tangible  
246 personal property exceeds the total aggregate taxable value described in Subsection (2)(b).

247 [~~5~~] (6) A signed statement with respect to qualifying exempt primary residential  
248 rental personal property is as provided in Section 59-2-103.5.

249 [~~6~~] (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
250 Act, the commission may make rules to administer this section and provide for uniform  
251 implementation.

252 Section 4. Section 59-2-1346 is amended to read:

253 **59-2-1346. Redemption -- Time allowed.**

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

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

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

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

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

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

274 (c) If the county treasurer does not have sufficient information to calculate the amount  
275 described in Subsection (3)(b)(i), upon request from the county treasurer, the county assessor  
276 shall provide the county treasurer any information necessary to calculate the amount described  
277 in Subsection (3)(b)(i).

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

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

283 (b) For the purpose of computing the amount required for redemption and for the  
284 purpose of distributing the payments received on account, ~~[all payments shall be applied]~~ the  
285 county treasurer shall apply all payments in the following order:

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

288 (ii) against the penalty charged on the delinquent tax for the ~~[last]~~ earliest year included  
289 in the delinquent account at the time of payment;

290 (iii) against the delinquent tax for the ~~[last]~~ earliest year included in the delinquent  
291 account at the time of payment;

292 (iv) against the interest and administrative costs accrued on the delinquent tax for the  
293 ~~[next to last]~~ second earliest year included in the delinquent account at the time of payment;

294 and

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

298 Section 5. **Retrospective operation.**

299 The changes to Section [59-2-919.1](#) have retrospective operation to January 1, 2022.