

SB0200S01 compared with SB0200

~~{deleted text}~~ shows text that was in SB0200 but was deleted in SB0200S01.

inserted text shows text that was not in SB0200 but was inserted into SB0200S01.

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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: _____

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;

~~{ } →~~ directs the State Tax Commission to provide a mandatory training to certain taxing entity elected officials;

- ~~{ }~~ ▶ 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;

SB0200S01 compared with SB0200

- ▶ 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:

AMENDS:

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

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

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

~~{ENACTS:~~

~~†~~ ~~{59-2-927}~~**59-2-1346**, as last amended by Laws of Utah ~~{Code Annotated 1953}~~2018,
Chapters 197 and 281

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

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

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

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

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

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

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

- (i) 60 days after requested by the assessor; or
- (ii) on or before May 15 of the year the statement described in Subsection (1) is

SB0200S01 compared with SB0200

requested by the county assessor if, by resolution, the county legislative body of that county adopts the deadline described in Subsection (2)(a).

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

(3) The signed statement shall include the following:

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

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

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

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

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

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

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

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

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

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

SB0200S01 compared with SB0200

(i) the county board of equalization meets; and
(ii) the taxing entity holds a public hearing on the proposed increase in the certified tax rate;

(b) be on a form that is:

(i) approved by the commission; and

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

(c) contain for each property:

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

(ii) the taxable value of the property;

(iii) (A) the deadline for the taxpayer to make an application to appeal the valuation or equalization of the property under Section 59-2-1004; or

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

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

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

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

and

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

(vi) the following, stated separately:

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

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

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

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

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

(vii) the tax impact on the property;

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

SB0200S01 compared with SB0200

(ix) property tax information pertaining to:

(A) taxpayer relief;

(B) options for payment of taxes;

(C) collection procedures; and

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

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

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

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

(3) If a taxing entity that is subject to the notice and hearing requirements of Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall state, in addition to the information required by Subsection (2):

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

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

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

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

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

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

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

(a) the difference between:

SB0200S01 compared with SB0200

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

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

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

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

(a) the difference between:

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

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

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

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

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

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

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

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

(i) does not relieve a taxpayer of the duty to pay a tax due under this chapter on or

SB0200S01 compared with SB0200

before the due date for paying the tax; or

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

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

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

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

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

Section 3. Section ~~{59-2-927}~~ 59-2-1115 is ~~{enacted}~~ amended to read:

~~{~~ 59-2-927. Required training for taxing entity elected officials.

~~_____~~ (1) As used in this section:

~~_____~~ (a) "Certified revenue levy" means the same as that term is defined in Section 59-2-924.

~~_____~~ (b) "Local elected official" means an individual who:

~~_____~~ (i) is elected to an office within a taxing entity; and

~~_____~~ (ii) as a duty of the office, may vote on a proposal to levy a tax rate that exceeds the taxing entity's certified revenue levy, regardless of whether the vote is the final vote required to impose the levy.

~~_____~~ (2) The commission shall develop and conduct a training for local elected officials that explains the state's property tax system with an emphasis on calculating the certified revenue levy, the effect of imposing a levy that exceeds the certified revenue levy, and other information relevant to a local elected official's decision to impose a property tax levy.

~~_____~~ (3) Beginning in 2023, within three months after the day on which a local elected official assumes office after an election, the local elected official shall complete the training described in this section.

~~_____~~ (4) This section does not create a private right of action or any basis to challenge the

SB0200S01 compared with SB0200

~~imposition of a property tax levy.~~

~~Section 4. Section 59-2-1115 is amended to read:~~

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

(1) As used in this section:

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

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

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

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

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

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

(C) a manufactured home as defined in Section 41-1a-102.

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

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

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

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

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

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

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

SB0200S01 compared with SB0200

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

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

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

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

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

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

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

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

(b) The county assessor shall:

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

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

(A) in accordance with Subsection (4)(c), the taxpayer is not required to file a signed statement for each continuing consecutive year for which the taxpayer qualifies for the exemption; and

SB0200S01 compared with SB0200

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

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

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

Section 4. 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 described in Subsection (3)(b)(i), upon request from the county treasurer, the county assessor

SB0200S01 compared with SB0200

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 shall be applied]~~ the county treasurer shall apply all payments in the following order:

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

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

(iii) against the delinquent tax for the ~~[last]~~ earliest 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]~~ second earliest 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.

Section 5. **Retrospective operation.**

The changes to Section 59-2-919.1 have retrospective operation to January 1, 2022.