

**Senator Lincoln Fillmore** proposes the following substitute bill:

**PROPERTY TAX REFUND AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: Susan Pulsipher

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to property tax refunds.

**Highlighted Provisions:**

This bill:

- ▶ requires a county, following an appeal to the county's board of equalization, to issue any warranted property tax refund to the taxpayer that paid the property taxes; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**59-2-1004**, as last amended by Laws of Utah 2022, Chapter 168

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

Section 1. Section **59-2-1004** is amended to read:

**59-2-1004. Appeal to county board of equalization -- Real property -- Time**



26 **period for appeal -- Public hearing requirements -- Decision of board -- Extensions**  
27 **approved by commission -- Appeal to commission.**

28 (1) As used in this section:

29 (a) "Final assessed value" means:

30 (i) for real property for which the taxpayer appealed the valuation or equalization to the  
31 county board of equalization in accordance with this section, the value given to the real  
32 property by the county board of equalization, including a value based on a stipulation of the  
33 parties;

34 (ii) for real property for which the taxpayer or a county assessor appealed the valuation  
35 or equalization to the commission in accordance with Section 59-2-1006, the value given to the  
36 real property by:

37 (A) the commission, if the commission has issued a decision in the appeal or the  
38 parties have entered a stipulation; or

39 (B) a county board of equalization, if the commission has not yet issued a decision in  
40 the appeal and the parties have not entered a stipulation; or

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

44 (b) "Inflation adjusted value" means the value of the real property that is the subject of  
45 the appeal as calculated by changing the final assessed value for the previous taxable year for  
46 the real property by the median property value change.

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

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

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

52 (d) "Property value change" means the percentage change in the fair market value of  
53 real property on or after January 1 of the previous year and before January 1 of the current year.

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

55 (i) for which:

56 (A) the taxpayer or a county assessor appealed the valuation or equalization for the

57 previous taxable year to the county board of equalization in accordance with this section or the  
58 commission in accordance with Section 59-2-1006;

59 (B) the appeal described in Subsection (1)(e)(i)(A), resulted in a final assessed value  
60 that was lower than the assessed value; and

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

63 (ii) that, on or after January 1 of the previous taxable year and before January 1 of the  
64 current taxable year, has not had a qualifying change.

65 (f) "Qualifying change" means one of the following changes to real property that  
66 occurs on or after January 1 of the previous taxable year and before January 1 of the current  
67 taxable year:

68 (i) a physical improvement if, solely as a result of the physical improvement, the fair  
69 market value of the physical improvement equals or exceeds the greater of 10% of fair market  
70 value of the real property or \$20,000;

71 (ii) a zoning change, if the fair market value of the real property increases solely as a  
72 result of the zoning change; or

73 (iii) a change in the legal description of the real property, if the fair market value of the  
74 real property increases solely as a result of the change in the legal description of the real  
75 property.

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

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

80 (ii) making an application by telephone or other electronic means within the time  
81 period described in Subsection (3) if the county legislative body passes a resolution under  
82 Subsection [~~(9)~~] (10) authorizing a taxpayer to make an application by telephone or other  
83 electronic means.

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

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

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

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

91 (c) (i) (A) The county assessor shall notify the county board of equalization of a  
92 qualified real property's inflation adjusted value within 15 business days after the date on which  
93 the county assessor receives notice that a taxpayer filed an appeal with the county board of  
94 equalization.

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

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

101 (B) A person may appeal a determination of whether, on or after January 1 of the  
102 previous taxable year and before January 1 of the current taxable year, real property had a  
103 qualifying change.

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

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

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

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

114 (4) (a) Except as provided in Subsection (4)(b), the taxpayer shall include in the  
115 application under Subsection (2)(a):

116 (i) the taxpayer's estimate of the fair market value of the property and any evidence that  
117 may indicate that the assessed valuation of the taxpayer's property is improperly equalized with  
118 the assessed valuation of comparable properties; and

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

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

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

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

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

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

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

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

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

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

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

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

144 (6) (a) Except as provided in Subsection [~~(6)(c)~~] (6)(b), at least five days before the day  
145 on which the county board of equalization holds a public hearing on an appeal:

146 (i) the county assessor shall provide the taxpayer any evidence the county assessor  
147 relies upon in support of the county assessor's valuation; and

148 (ii) the taxpayer shall provide the county assessor any evidence not previously provided  
149 to the county assessor that the taxpayer relies upon in support of the taxpayer's appeal.

150 (b) (i) The deadline described in Subsection (6)(a) does not apply to evidence that is  
151 commercial information as defined in Section 59-1-404, if:

152 (A) for the purpose of complying with Section 59-1-404, the county assessor requires  
153 that the taxpayer execute a nondisclosure agreement before the county assessor discloses the  
154 evidence; and

155 (B) the taxpayer fails to execute the nondisclosure agreement before the deadline  
156 described in Subsection (6)(a).

157 (ii) The county assessor shall disclose evidence described in Subsection (6)(b)(i) as  
158 soon as practicable after the county assessor receives the executed nondisclosure agreement.

159 (iii) The county assessor shall provide the taxpayer a copy of the nondisclosure  
160 agreement with reasonable time for the taxpayer to review and execute the agreement before  
161 the deadline described in Subsection (6)(a) expires.

162 (c) If at the public hearing, a party presents evidence not previously provided to the  
163 other party, the county board of equalization shall allow the other party to respond to the  
164 evidence in writing within 10 days after the day on which the public hearing occurs.

165 (d) (i) A county board of equalization may adopt rules governing the deadlines  
166 described in this Subsection (6), if the rules are no less stringent than the provisions of this  
167 Subsection (6).

168 (ii) A county board of equalization's rule that complies with Subsection (6)(d)(i)  
169 controls over the provisions of this subsection.

170 (7) (a) The county board of equalization shall meet and hold public hearings as  
171 described in Section 59-2-1001.

172 (b) (i) For purposes of this Subsection (7)(b), "significant adjustment" means a  
173 proposed adjustment to the valuation of real property that:

174 (A) is to be made by a county board of equalization; and

175 (B) would result in a valuation that differs from the original assessed value by at least  
176 20% and \$1,000,000.

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

179 (A) list the significant adjustment as a separate item on the agenda of the public  
180 hearing at which the county board of equalization is going to consider the significant

181 adjustment; and

182 (B) for purposes of the agenda described in Subsection (7)(b)(ii)(A), provide a  
183 description of the property for which the county board of equalization is considering a  
184 significant adjustment.

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

188 (d) The commission may approve the extension of a time period provided for in  
189 Subsection (7)(c) for a county board of equalization to make a decision on an appeal.

190 (e) Unless the commission approves the extension of a time period under Subsection  
191 (7)(d), if a county board of equalization fails to make a decision on an appeal within the time  
192 period described in Subsection (7)(c), the county legislative body shall:

193 (i) list the appeal, by property owner and parcel number, on the agenda for the next  
194 meeting the county legislative body holds after the expiration of the time period described in  
195 Subsection (7)(c); and

196 (ii) hear the appeal at the meeting described in Subsection (7)(e)(i).

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

198 (i) a determination of the valuation of the property based on fair market value; and

199 (ii) a conclusion that the fair market value is properly equalized with the assessed value  
200 of comparable properties.

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

203 (h) (i) If the fair market value of the property that is the subject of the appeal deviates  
204 plus or minus 5% from the assessed value of comparable properties, the county board of  
205 equalization shall adjust the valuation of the appealed property to reflect a value equalized with  
206 the assessed value of comparable properties.

207 (ii) Subject to Sections [59-2-301.1](#), [59-2-301.2](#), [59-2-301.3](#), and [59-2-301.4](#), equalized  
208 value established under Subsection (7)(h)(i) shall be the assessed value for property tax  
209 purposes until the county assessor is able to evaluate and equalize the assessed value of all  
210 comparable properties to bring all comparable properties into conformity with full fair market  
211 value.

212 (8) (a) If the decision of the county board of equalization warrants a refund of any  
213 amount of property taxes paid for the tax year for the real property that is the subject of the  
214 appeal, the county shall issue the refund directly to the taxpayer that paid the property taxes, or  
215 an officer or agent of that taxpayer as identified in the information provided under Subsection  
216 (8)(b), regardless of whether the taxpayer is the owner of record of the real property at the time  
217 the decision is rendered.

218 (b) A taxpayer entitled to a refund under this section that is not the owner of record of  
219 the real property subject to the appeal shall, within 10 calendar days after the day on which the  
220 decision of the county board of equalization is rendered, provide the following information to  
221 the county board of equalization:

222 (i) a statement that the taxpayer is entitled to receive the refund under Subsection  
223 (8)(a);

224 (ii) the name of the taxpayer, or an officer or agent of that taxpayer, entitled to receive  
225 the refund;

226 (iii) the mailing address of the taxpayer, or an officer or agent of that taxpayer, to  
227 which the taxpayer requests the refund to be sent; and

228 (iv) any other information requested by the county board of equalization.

229 ~~[(8)]~~ (9) If any taxpayer is dissatisfied with the decision of the county board of  
230 equalization, the taxpayer may file an appeal with the commission as described in Section  
231 [59-2-1006](#).

232 ~~[(9)]~~ (10) A county legislative body may pass a resolution authorizing taxpayers owing  
233 taxes on property assessed by that county to file property tax appeals applications under this  
234 section by telephone or other electronic means.

235 Section 2. **Effective date.**

236 This bill takes effect on May 1, 2024.