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PROPERTY TAX REFUND AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: _____

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

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 period for appeal -- Public hearing requirements -- Decision of board -- Extensions 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) If the decision of the county board of equalization warrants a refund of any amount
213 of property taxes paid for the tax year for the real property that is the subject of the appeal, the

214 county shall issue the refund to the taxpayer that paid the property taxes, regardless of whether
215 that taxpayer is the owner of record of the real property at the time the decision is rendered.

216 [~~8~~] (9) If any taxpayer is dissatisfied with the decision of the county board of
217 equalization, the taxpayer may file an appeal with the commission as described in Section
218 [59-2-1006](#).

219 [~~9~~] (10) A county legislative body may pass a resolution authorizing taxpayers owing
220 taxes on property assessed by that county to file property tax appeals applications under this
221 section by telephone or other electronic means.

222 Section 2. **Effective date.**

223 This bill takes effect on May 1, 2024.