

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; 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



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 ENACTS:

31 **59-2-927**, Utah Code Annotated 1953



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

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

35 **59-2-306. Statements by taxpayers -- Power of assessors respecting statements.**

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

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

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

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

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

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

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

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

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

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

59 district, or other taxing district in which it is located or taxable; ~~and~~

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

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

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

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

72 **59-2-919.1. Notice of property valuation and tax changes.**

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

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

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

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

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

82 (b) be on a form that is:

83 (i) approved by the commission; and

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

85 (c) contain for each property:

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

87 (ii) the taxable value of the property;

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

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

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

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

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

97 and

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

99 (vi) the following, stated separately:

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

101 (B) the multicounty assessing and collecting levy described in Subsection

102 59-2-1602(2);

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

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

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

108 (vii) the tax impact on the property;

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

110 (ix) property tax information pertaining to:

111 (A) taxpayer relief;

112 (B) options for payment of taxes;

113 (C) collection procedures; and

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

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

116 (xi) the last property review date of the property as described in Subsection

117 59-2-303.1(1)(c); and

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

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

120 Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall

121 state, in addition to the information required by Subsection (2):

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

123 (b) the difference between the dollar amount of the taxpayer's tax liability if the

124 proposed increase is approved and the dollar amount of the taxpayer's tax liability under the

125 current rate, placed in close proximity to the information described in Subsection (2)(c)(viii);

126 and

127 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under

128 the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability

129 under the current tax rate.

130 ~~[(4) If a change to state law increases a tax rate stated on a notice described in~~

131 ~~Subsection (1), the notice described in Subsection (1) shall state in addition to the information~~

132 ~~required by Subsections (2) and (3):]~~

133 ~~[(a) the difference between the dollar amount of the taxpayer's tax liability under the~~

134 ~~current tax rate and the dollar amount of the taxpayer's tax liability before the change to state~~

135 ~~law became effective; and]~~

136 ~~[(b) the percentage increase that the dollar amount of the taxpayer's tax liability under~~

137 ~~the current tax rate represents as compared to the dollar amount of the taxpayer's tax liability~~

138 ~~under the tax rate before the change to state law becomes effective.]~~

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

140 (a) the difference between:

141 (i) the dollar amount of the taxpayer's liability for the combined basic rate as defined in

142 Section [53F-2-301.5](#); and

143 (ii) the dollar amount that the taxpayer's liability for the combined basic rate as defined

144 in Section [53F-2-301.5](#) would have been if the combined basic rate were equal to the sum of

145 the minimum basic tax rate and the WPU value rate, as those terms are defined in Section

146 [53F-2-301.5](#); and

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

148 amount described in Subsection (4)(a)(ii).

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

150 (a) the difference between:

151 (i) the dollar amount of the taxpayer's liability for the rate imposed under Subsection

152 [59-2-1602\(2\)\(b\)\(i\)](#); and

153 (ii) the dollar amount of the taxpayer's liability if the rate imposed under Subsection

154 [59-2-1602\(2\)\(b\)\(i\)](#) were the certified revenue levy; and

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

156 amount described in Subsection (5)(a)(ii).

157 ~~[(5)]~~ (6) (a) Subject to the other provisions of this Subsection ~~[(5)]~~ (6), a county auditor

158 may, at the county auditor's discretion, provide the notice required by this section to a taxpayer

159 by electronic means if a taxpayer makes an election, according to procedures determined by the

160 county auditor, to receive the notice by electronic means.

161 (b) (i) If a notice required by this section is sent by electronic means, a county auditor

162 shall attempt to verify whether a taxpayer receives the notice.

163 (ii) If receipt of the notice sent by electronic means cannot be verified 14 days or more

164 before the county board of equalization meets and the taxing entity holds a public hearing on a

165 proposed increase in the certified tax rate, the notice required by this section shall also be sent

166 by mail as provided in Subsection (2).

167 (c) A taxpayer may revoke an election to receive the notice required by this section by

168 electronic means if the taxpayer provides written notice to the county auditor on or before April

169 30.

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

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

172 before the due date for paying the tax; or

173 (ii) does not alter the requirement that a taxpayer appealing the valuation or the

174 equalization of the taxpayer's real property submit the application for appeal within the time

175 period provided in Subsection [59-2-1004\(3\)](#).

176 (e) A county auditor shall provide the notice required by this section as provided in

177 Subsection (2), until a taxpayer makes a new election in accordance with this Subsection ~~[(5)]~~

178 (6), if:

179 (i) the taxpayer revokes an election in accordance with Subsection ~~[(5)]~~ (6)(c) to

180 receive the notice required by this section by electronic means; or

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

182 (f) A person is considered to be a taxpayer for purposes of this Subsection ~~[(5)]~~ (6)

183 regardless of whether the property that is the subject of the notice required by this section is
184 exempt from taxation.

185 Section 3. Section **59-2-927** is enacted to read:

186 **59-2-927. Required training for taxing entity elected officials.**

187 (1) As used in this section:

188 (a) "Certified revenue levy" means the same as that term is defined in Section
189 59-2-924.

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

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

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

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

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

202 (4) This section does not create a private right of action or any basis to challenge the
203 imposition of a property tax levy.

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

205 **59-2-1115. Exemption of certain tangible personal property.**

206 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

242 (b) Notwithstanding Section 59-2-306 and subject to Subsection ~~[(5)]~~ (6), for a
243 calendar year in which a taxpayer qualifies for an exemption described in Subsection (2)(b)
244 after the calendar year described in Subsection (4)(a), a signed statement described in Section

245 59-2-306 with respect to the taxable tangible personal property that is exempt under Subsection
246 (2)(b) may only require the taxpayer to certify, under penalty of perjury, that the taxpayer
247 qualifies for the exemption under Subsection (2)(b).

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

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

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

258 (b) The county assessor shall:

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

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

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

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

267 ~~[(5)]~~ (6) A signed statement with respect to qualifying exempt primary residential
268 rental personal property is as provided in Section 59-2-103.5.

269 ~~[(6)]~~ (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
270 Act, the commission may make rules to administer this section and provide for uniform
271 implementation.

272 Section 5. **Retrospective operation.**

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