

REVISIONS TO PROPERTY TAX

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Casey Snider

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; 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

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

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

31 **59-2-306. Statements by taxpayers -- Power of assessors respecting statements.**

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

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

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

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

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

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

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

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

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

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

56 (c) all lands in parcels or subdivisions not exceeding 640 acres each, the sections and
57 fractional sections of all tracts of land containing more than 640 acres which have been

58 sectionized by the United States [~~Government~~] government, and the improvements on those
59 lands[-]; and

60 (d) for a person who owns taxable tangible personal property as defined in Section
61 59-2-1115, the person's NAICS code, as classified under the current North American Industry
62 Classification System of the federal Executive Office of the President, Office of Management
63 and Budget.

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

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

68 **59-2-919.1. Notice of property valuation and tax changes.**

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

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

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

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

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

78 (b) be on a form that is:

79 (i) approved by the commission; and

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

81 (c) contain for each property:

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

83 (ii) the taxable value of the property;

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

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

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

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

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

93 and

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

95 (vi) the following, stated separately:

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

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

98 59-2-1602(2);

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

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

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

104 (vii) the tax impact on the property;

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

106 (ix) property tax information pertaining to:

107 (A) taxpayer relief;

108 (B) options for payment of taxes;

109 (C) collection procedures; and

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

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

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

113 59-2-303.1(1)(c); and

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

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

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

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

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

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

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

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

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

136 (a) the difference between:

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

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

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

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

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

146 (a) the difference between:

147 (i) the dollar amount of the taxpayer's liability for the rate imposed under Subsection
148 [59-2-1602\(2\)\(b\)\(i\)](#); and

149 (ii) the dollar amount of the taxpayer's liability if the rate imposed under Subsection
150 [59-2-1602\(2\)\(b\)\(i\)](#) were the certified revenue levy; and

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

153 ~~[(5)]~~ (6) (a) Subject to the other provisions of this Subsection ~~[(5)]~~ (6), a county auditor
154 may, at the county auditor's discretion, provide the notice required by this section to a taxpayer
155 by electronic means if a taxpayer makes an election, according to procedures determined by the
156 county auditor, to receive the notice by electronic means.

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

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

163 (c) A taxpayer may revoke an election to receive the notice required by this section by
164 electronic means if the taxpayer provides written notice to the county auditor on or before April
165 30.

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

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

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

170 equalization of the taxpayer's real property submit the application for appeal within the time
171 period provided in Subsection 59-2-1004(3).

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

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

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

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

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

182 **59-2-1115. Exemption of certain tangible personal property.**

183 (1) As used in this section:

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

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

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

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

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

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

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

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

198 Legislature exempts the tangible personal property described in this Subsection (2).

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

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

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

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

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

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

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

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

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

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

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

225 (c) If a taxpayer qualifies for an exemption described in Subsection (2)(b) for five

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

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

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

235 (b) The county assessor shall:

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

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

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

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

244 [~~5~~] (6) A signed statement with respect to qualifying exempt primary residential
245 rental personal property is as provided in Section 59-2-103.5.

246 [~~6~~] (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
247 Act, the commission may make rules to administer this section and provide for uniform
248 implementation.

249 Section 4. **Retrospective operation.**

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