

2009 Property Tax Legislation

April 8, 2009

HB 23 Certified Tax Rate Amendments

Effective 1/1/10

This legislation adjusts the certified tax rate downward when counties collect delinquent property taxes. It requires a taxing entity's ad valorem property tax revenue budgeted for the prior year to be decreased by the average annual amount of revenue collected from redemptions during the prior five-year period for purposes of calculating the taxing entity's certified tax rate. Also, for the 2010 calendar year, it exempts a taxing entity from TNT requirements for the amount of budgeted revenue equal to the taxing entity's five year average of redemptions from collections.

HB 28 Personal Property Tax Amendments

Effective 1/1/09

Reinstates the provision requiring county assessors to make an estimate of property value, if a taxpayer fails to file a signed statement. Allows a county assessor to impose a penalty if a taxpayer fails to file a property tax statement on or before May 15 of the year the property tax statement is requested. It requires the 1st class county assessor to mail a subsequent notice to the taxpayer before imposing a failure-to-file penalty. If the property tax signed statement was requested on or after March 16, county assessors are to mail a subsequent notice to taxpayers before imposing the failure-to-file penalty.

HB 61 Local Government Entity Changes

Effective 5/12/09

Modifies provisions relating to the process of certifying local government actions affecting the name or boundary of an entity. Generally, the process works as follows: (1) Before sending documents to the Lt. Governor, entities making a boundary change must obtain county surveyor approval regarding the accuracy of boundary plats. (2) The Lt Governor's Office serves as a clearinghouse for keeping, indexing and making available electronic copies of certificates and plats. Once a certificate of boundary change is issued, the Lt Governor returns the original plat to the entity along with the certificate and sends a copy of the certificate and plat to the following entities: Tax Commission, Automated Geographical Reference Center, county surveyor, county auditor, county attorney and county assessor and to the State Auditor under certain conditions. (3) After receiving the certificate and the original plat, the entity making the boundary change files legal documents (including the certificate), with the county recorder. (4) Within 10 days, the county recorder records the documents and certificate and forwards copies to USTC. The date of recording documents is the effective date of the boundary action for purposes of assessing property affected by the boundary action. Also, restrictions are imposed on an entity's imposition of property taxes, assessments or fees until documents related to the boundary action are recorded.

HB 67 Public Hearings on Property Tax Increases

Effective 1/1/10

New growth is excluded from the taxing entity's budgeted revenue amounts for purposes of determining the taxing entity's percentage increase listed in the TNT newspaper advertisement. It requires the county auditor to publish a list of entities going through TNT if two or more entities intend to raise property taxes. The taxing entities have until July 22 to notify the auditor; the auditor compiles the list and provides a copy to each of the affected taxing entities and publishes a copy of the list through December 31 on the county's webpage. At least two weeks before the first public hearing, the auditor is to publish the compiled list and a statement that the list is for

informational purposes only and the taxpayer should review the “Notice of Property Valuation and Tax Changes” for specific information. This list is to be published once each week for the two weeks preceding the first hearing included on the list. The list is to be provided to people attending the public hearings or to anyone requesting a copy. The county auditor determines the cost of compiling and publishing the list and charges the costs to the affected taxing entities. If a taxing entity’s public hearing information is published by the county auditor, the taxing entity is only required to run the advertisement once during the week preceding the adoption of its final budget or final tax rate.

HB 86 Division of Real Estate Related Amendments

Effective 5/12/09

For property tax purposes, this legislation requires the renewal of appraiser trainee registrations; currently the registration is non-expiring. Therefore, it will require an additional USPAP class for each appraiser trainee. It requires a fingerprint and criminal background check for new appraiser trainee applicants. It allows the Appraiser Licensing and Certification Board to write rules exempting government-related appraisal activity from USPAP requirements. Currently, a lapsed appraiser has six months to reinstate an appraisal license; this legislation extends that time to one year. Also, it allows DRE to extend the time period for the renewal of an appraiser license or certification if the applicant is involved in a disciplinary action.

HB 116 Uniform Fees on Canoes

Effective 1/1/10/

Amends the definition of “canoe”, for purposes of the uniform fee on canoes, to include a canoe with an attached outboard motor.

HB 157 Property Tax Assessment Amendments

Effective 1/1/09

Requires first, second and third class county assessors to be state licensed or state certified appraisers prior to taking office as county assessor. It requires 2nd through 6th class counties to levy an additional .000010 Multicounty Assessing and Collection Levy (exempt from TNT). It requires a contributing 2nd or 3rd class county to reduce its county additional property rate by .000005. Before determining the amount of each county's multicounty assessing and collecting allocation, the state auditor must distribute to the Multicounty Appraisal Trust revenue based on factored parcel counts and the CAMA fee rate (\$1.50). The revenue collected will be transferred from the Property Tax Valuation Agency Fund to the Multicounty Appraisal Trust to provide funding for a statewide computer assisted mass appraisal system (CAMA).

HB 164 Migratory Bird Production Areas

Effective 5/12/09

Enacts provisions relating to a migratory bird production area. Clarifies that the creation of a migratory bird production area does not impair the ability of land within the migratory bird production area to receive benefits under the Farmland Assessment Act.

HB 257 Political Subdivision Clerk Amendments

Effective 5/12/09

A “trigger report” means a report that, upon its receipt by a political subdivision of the state, triggers a responsibility on the part of the political subdivision to respond. A trigger report sent through the US postal service is considered to be filed and received on the date shown by the post office cancellation mark stamped on the envelope if the report is addressed to the county clerk, city recorder or town clerk or the clerk or comparable official for any other political subdivision of the state.

HB 378 Circuit Breaker Amendments

Effective 1/1/09

For the “Circuit Breaker” property tax relief program and only for the 2009 calendar year, this legislation amends the qualifying income limits of those homeowner claimants 66 and older and those renter claimants 65 and older who still have a dependent living at home. For taxable year 2009, it decreases the household income by \$1,000 for a dependent eligible to be claimed on the claimant's federal income tax return for purposes of qualifying for a homeowner’s or renter’s credit; the maximum household income decrease is \$1,000.

SB 56 Military Installation Development Authority Amendments

Effective 3/20/09

For property tax purposes, this legislation modifies and clarifies the status of the Military Installation Development Authority to provide that it has statewide jurisdiction and that it is a political subdivision of the state and a public corporation. It gives the authority the power to acquire an interest in property outside a project area and to exercise exclusive police power within a project area but prohibits the authority from itself providing law enforcement or fire protection services. It expands the authority’s exemption from all county/ municipal ordinances and regulations, not just those related to land use. Also, it exempts the Authority from the jurisdiction of local districts and special service districts. It requires the board to adopt a project area budget before receiving tax increment and provides that improvements become subject to property tax in the year during which the Authority issues a certificate of occupancy. It modifies a provision relating to the allowable uses of tax increment and requires some revenues to be used for municipal services within project areas. It designates the Authority's chief financial officer as a public treasurer who, as such, is required to invest certain Authority funds as provided in the State Money Management Act. It defines an "elected member" to be a member of the authority board who is a mayor or is appointed to the board and concurrently serves in an elected state, county or municipal office.

SB 65 Amendments to Property Tax Notice, Public Hearing, and Resolution Provision

Effective for fiscal-year entities on 7/1/09 and calendar-year entities on 1/1/10

This legislation repeals Section 59-2-918 and allows calendar-year entities an additional option for meeting the TNT requirements found in Section 59-2-919. Current TNT statutes require calendar-year entities to advertise twice and hold a public hearing in December when adopting budgets and to go through the same process again in August when adopting a tax rate exceeding the certified tax rate. This legislation allows a calendar-year entity to follow the current process **or** to omit the August advertisement by sending a specified notice to all registered property owners no earlier than fourteen days before the county treasurer mails the November “Property Tax Notice” of the year prior to the one in which the calendar-year entity wishes to raise its tax rate above the certified tax rate. Alternatively, they may send the specified notice with the November “Property Tax Notice”. In addition to this mailing, the calendar-year entity must place a TNT advertisement one week prior to the public hearing.

SB 73 Unincorporated Areas Amendments

Effective 5/12/09

Addresses provisions relating to unincorporated areas of counties. It modifies the process for establishing a township and the authority of a county legislative body with respect to the establishment of a township. It provides a process for withdrawing an area from a township and dissolving a township. It prohibits the filing of an annexation petition if the area proposed to be

annexed is within a proposed township. Also, it modifies the municipal annexation process with respect to a proposed annexation of an area within a township to include a process for withdrawal of the area from the township.

SB 131 Law Enforcement Service in Local Districts & Interlocal Entities Effective 5/12/09

Modifies provision relating to law enforcement services in local districts and interlocal entities. For property tax purposes, the legislation requires county and municipal legislative body approval of a property tax imposed by a police local district and requires counties and municipalities participating in a police local district to reduce their certified tax rate to offset a tax levied by the district.

SB 135 Local District Taxing Authority

Effective 5/12/09

With some exceptions, this legislation prohibits local districts that do not have elected boards from levying and collecting a property tax after January 1, 2010. Exceptions are: (1) in cases where the revenue from the property tax is already pledged for district bonds or other obligations before May 12, 2009; (2) the property tax levy is approved by service area voters or by the legislative body of the county and each municipality with territory included within the service area. The legislation provides a method for service areas to change the board of trustees so that all members are elected.

SB 157 Property Taxation & Registration of Aircraft

Effective 1/1/09

Removes from Tax Commission assessment aircraft used by an air charter service that are owned by a person other than the air charter service itself. Also, aircraft used by an air charter service and owned by a person other than the air charter service would be charged an annual registration fee of .25% (reduced from .4%) of the average wholesale value of the aircraft. These aircraft will now be locally assessed.

SB 205 Community Development & Renewal Agency Amendments Effective 3/30/09

Modifies several provisions relating to community development and renewal agencies. Some of the more important modifications are: changes the definition of "base taxable value" for a community development project area to be the agreed value specified in the resolution or interlocal agreement; authorizes a county agency to undertake urban renewal, economic development, or community development within a town; modifies the amount of tax increment to be paid for an inactive airport site; requires the applicable project to specify limits on the amount of tax increment and sales tax revenue to be paid; prohibits an agency from using tax increment to pay bonds or other obligations for financing a telecommunications facility and imposes obligations on an agency using tax increment to pay for communication infrastructure or a communication facility.

SB 208 Utah Public Notice Website Amendments

Effective 5/12/09

Beginning January 1, 2010, this legislation requires legal notices to be published in a newspaper as required by statute **and** on a website established by the collective efforts of Utah's newspapers. Beginning in 2012, first and second class counties are to publish legal notices on the website established by the collective efforts of Utah's newspapers and may publish legal notices in a newspaper as required by the statute establishing the notice requirements; other counties must publish both on the website and in the newspaper. The website may not charge a fee to post a legal notice before January 1, 2012 and may not charge more than \$10 to post the legal notice. For

property tax purposes, these requirements apply to truth-in-taxation notices, personal property seizure and sale notices, USTC's publication of the list of delinquent rail car companies and state-assessed commercial vehicles, notices for the extension of the date when taxes become delinquent, the list of property tax delinquencies and the notices of real property tax sale.

SB 210 Amendments to Property Tax

Effective 1/1/09

Provides a method for determining the fair market value of centrally-assessed aircraft. Beginning on January 1, 2009 and ending on or before December 31, 2010, the fair market value of centrally assessed aircraft, aircraft type, or mobile flight equipment is the value referenced in the "Used Price for Average Aircraft Wholesale" column of the *Airliner Price Guide* by make, model, series and year of manufacture less 20% . The value of aircraft not listed in the *Airliner Price Guide* is equal to the value references in the "Average Wholesale" column of the *Aircraft Bluebook Price Digest* by make, model, series and year of manufacture less 20%.

SB 216 Revisions to Military Installation Development Authority Act Effective 10/1/09

On private property up to 100 acres and where the project area is located within a third, fourth, fifth or sixth class county, this legislation authorizes the military to have land-use planning authority over private land. A project area may include specified private land with the consent of the land owner and which is contiguous to military land. It modifies the definitions of "development project" to develop land (not just military land) within a project area and "project area" to mean land, including military land. It extends the power of the Authority to facilitate the development of land within one or more project areas, to provide for the development of land within a project area under one or more contracts, to exercise powers and perform functions under a contract as authorized in the contract and to enter into a partnership agreement with a developer of land within a project area.