

2017 Property Tax-Related Legislation

April, 2017

HB 26 Revenue & Taxation Modifications

Retrospective to Jan 1, 2017

Amends the definition of locally assessed new growth to **exclude** a change in assessed value occurring due to the assessment of property under the Farmland Assessment Act or Urban Farming Assessment Act. This change in assessed value is considered reappraisal.

HB 47 Property Tax Assessment Appeal Amendments

Effective May 9, 2017

Establishes the time periods for filing an appeal under the Farmland Assessment Act and the Urban Farming Assessment Act. If the county assessor determines that the application is incomplete, the county shall notify the owner of the incomplete application. The applicant has 30 days from the day on which the county provides notice to complete the application; if the application has not been completed within the 30-day time period, the application is considered denied. The owner of the land may appeal the determination or denial to the county board of equalization within 45 days of the determination or denial.

HB 64 Property Tax Relief Amendments

Retrospective to Jan 1, 2017

Amends the definition of “claimant” for purposes of property tax relief to include a surviving spouse regardless of the age of a surviving spouse or the deceased spouse if: the surviving spouse meets all other requirements of Title 59, Chapter 2, Part 12; the surviving spouse was part of the same household as the deceased spouse at the time of death; and the surviving spouse is unmarried at the time the claim is filed.

HB 70 Common Area Assessment Amendments

Effective May 9, 2017

In assessing the fair market value of property that is a common area or facility, under Title 57, Chapters 8 or 8a, the county assessor is to consider the following factors relating to the property and neighboring property affecting the fair market value of the property being assessed: (a) value that transfers to neighboring property because the property is a common area or facility; (b) practical and legal restrictions on the development potential because the property is a common area or facility; (c) the absence of neighboring property similarly situated as a common area or facility to provide a basis for comparing values between properties; and (d) any other factor causing the fair market value to be affected because the property is a common area or facility.

HB 114 Local School Entity Amendments

Effective May 9, 2017

Makes technical changes to the Minimum School Program Act (Title 53A, Chapter 17a) to simplify and clarify references to local school boards, charter school governing boards and local education agencies. It defines a “local education board” to mean a local school board or charter school governing board.

HB 117 Legal Notice Amendments

Effective May 9, 2017

Adds the following additional criteria for a publication to be considered a newspaper of general circulation for the purpose of legal notice. A “newspaper of general circulation” means a newspaper that (a) has been eligible for mailing under a US Postal Service periodicals permit for at least 12 months; or (b) publishes at least 12 issues in a year and is composed of at least 25%

content that the newspaper receives no compensation to publish and is of local or general interest.

HB 229 Amendments Relating to Local Districts

Effective March 25, 2017

Modifies provisions relating to local districts that provide fire protection, paramedic and emergency services or law enforcement services. It modifies provisions relating to the withdrawal of a municipality from a local district providing the above-listed services and eliminates the requirement for voter approval of the creation of a local district providing the above-listed services.

HB 258 Veterans Tax Amendments

This legislation takes effect on January 1, 2019, if the amendment to the Utah Constitution (HJR 7) is approved by a majority of those voting on it at the next regular general election. It allows a member of an active component of the US Armed Forces or a reserve component of the US Armed Forces who completes at least 200 days, regardless of whether consecutive, in any continuous 365-day period of active duty military service outside the state to be eligible for a property tax exemption. The 200 days of active military service must have been completed in the year before an individual applies for the exemption and the 200 days must not have previously been counted as qualifying active duty military service for the exemption. It modifies the application requirements for claiming the qualifying active duty military service exemption to include a statement listing the dates on which the qualifying active duty military service began and ended.

HB 324 Local Budget Hearing Notice Amendments

Effective May 9, 2017

Requires a local government with a publically viewable website to post a notice or a link to a notice of a local budget hearing on the homepage of its website beginning at least seven days before the hearing and remaining until the hearing takes place.

HB 415 Incorporation Filing Amendments

Effective May 9, 2017

Modifies the process by which a town is incorporated. It reorders the requirements that individuals must meet to file a town incorporation petition; requires the sponsors of the petition to file an application with the lieutenant governor and conduct a public hearing before collecting signatures for the petition. It requires that at least 50% of the voting-eligible population within a proposed town be registered voters.

HB 448 Community Reinvestment

Effective May 9, 2017

Authorizes a community reinvestment agency to amend a community reinvestment project area that is subject to an interlocal agreement for the purpose of acquiring property within the community reinvestment project area by eminent domain.

HJR 7 Proposal to Amend Utah Constitution – Active Military Property Tax Exemption

(Effective January 1, 2019 contingent upon voter approval at the next regular general election) Proposes to amend the Utah Constitution to modify the time within which a military member shall complete active duty military service to be eligible for a property tax exemption from 200 days in a calendar year to 200 days in any continuous 365-day period.

SB 1 Public Education Base Budget Amendments

Effective July 1, 2017

Requires each school district to impose a minimum basic tax rate that generates \$399,041,300 (up from \$392,266,800) and sets the preliminary estimate for the minimum basic tax rate at .001596 (previously .001695) for fiscal year 2017-18.

SB 17 Tax Commission Amendments

Effective May 9, 2017

Provides that any substantive changes in numbered Tax Commission publications must be open to public comment in a public meeting; authorizes the Tax Commission to hold a meeting that is not open to the public to provide internal guidance to employees on the interpretation and application of laws administered by the Tax Commission; requires the Tax Commission to provide annual reports to the Revenue and Taxation Interim Committee regarding the guidance it provides to employees in meetings not open to the public; and repeals the provisions created by this legislation on May 9, 2019.

SB 93 Property Assessment Notice Amendments

Effective January 1, 2018

When a municipality or local district certifies unpaid costs and expenses, the county treasurer is to provide notice, on or before August 1, to the owner of the property for which the municipality/local district has incurred the unpaid costs and expenses. The county treasurer is to include on the notice: (1) the amount of unpaid costs and expenses that a municipality/local district has certified on or before July 15 of the current year; (2) contact information, including a phone number for the property owner to contact the municipality/local district to obtain more information; (3) notification that if the amount is not paid in full by September 15 of the current year, any unpaid amount will be included on the next "Property Valuation Notice" and failure to pay the amount will result in a lien on the property.

SB 94 Local District Revisions

Effective January 1, 2018

Requires an appointed local district board of trustee member to report to the entity legislative body that appointed them in a public meeting of a property tax levy that exceeds the certified property tax rate. If the legislative entity does not have a scheduled meeting within 40 days after the legislative entity receives a request to hear the report, the legislative entity is to schedule a meeting for that purpose. The report on a property tax increase at a public meeting is to include specified information. An appointed member of the board of trustees of a water conservancy district have similar requirements when exceeding the certified property tax rate.

SB 150 Local Government Bond Amendments

Effective May 9, 2017

Addresses the order in which a governing body must state the property tax cost of a bond on a ballot proposition and voter information pamphlet.

SB 157 Changes to Property Tax

Retrospective to January 1, 2017

Provides a method for determining the fair market value of centrally assessed aircraft. USTC is to use the Airliner Pricing Guide or the Aircraft Bluebook Price Digest if the aircraft is not listed in the Airliner Pricing Guide; provides that if neither of these exist or neither reasonably reflects the FMV of the aircraft, USTC may use another pricing guide to determine FMV; requires that the FMV of an aircraft is to include a fleet adjustment and if the pricing guide does not include a fleet adjustment, USTC is to make a fleet adjustment by reducing the aircraft pricing guide value of each aircraft in the fleet by .5% for each aircraft over three aircraft up to a maximum 20%

reduction; and allows USTC to use an alternative method for valuation if it has clear and convincing evidence that the aircraft values reflected in the pricing guide do not reasonably reflect FMV and cannot identify an alternative pricing guide from which to determine aircraft FMV.