2018 Property Tax Related Legislation
March, 2018

HB 15 Community Reinvestment Agency Amendments *Effective May 8, 2018*
Agencies must describe the use of their housing allocation in the biennial review of their general plan. Allows RDAs to acquire property by gift. Public entities (including agencies themselves) may acquire property from an agency, or convey property to an agency for less than fair market value, subject to notice requirements. Taxing Entity Committees are no longer required to meet annually to review the status of a project area. The bill adds more requirements to the November 1 report.

HB 17 Community Reinvestment Agencies Revisions *Effective May 8, 2018*
Communities may enter interlocal agreements with any agency regardless of whether they have created an agency themselves. The agency must operate in the same county, or a neighboring county if that agency exercises its powers within the community.

HB 21 Changes to Property Tax *Effective May 8, 2018*
Codifies the adjustment of eligible new growth by the five year average collection rate. This adjustment was previously in rule. Extends the time period from in which a taxpayer may apply to the commission to appeal the valuation of centrally assessed property from 30 days to the later of August 1 or 90 days, and for counties from 30 to 60 days. Allows the State Tax Commission to provide information regarding an appeal to a non-profit organization representing counties in the state.

HB 66 Local Government Modifications *Effective May 8, 2018*
If the local district board of trustees has more than nine members, the number of members may be odd or even. Municipal service districts that contain a municipality now only require one board member from the county council in which the district is located, who cannot be the county mayor.

HB 130 Resource Conservation Amendments *Effective May 8, 2018*
Clarifies that a conservation district may not levy taxes, and requires them to cooperate with federal, state, and local government on watershed and flood control projects.

HB 143 Off Highway Vehicle Amendments *Effective January 1, 2019*
Increases the maximum registration fee for OHVs from $18 to $35 and provides that the maximum registration fee for a street legal ATV may not exceed $72; deletes requirement that street legal ATV shall also pay the motorcycle registration fee; creates 2 new age-based fee schedules - one for an ATV that is not street legal, and one for a street legal ATV (both schedules lead to lower age-based fee than those vehicles previously paid).

HB 168 Political Subdivision Lien Authority *Effective May 8, 2018*
Prohibits a county treasurer from including an item on the property tax notice unless it is expressly authorized by statue. A political subdivision lien that may be listed on the tax notice has the same priority, collection procedures, and delinquency rules as property tax in certain circumstances. Political subdivision liens eligible to become a tax notice charge include fees for road damage caused by a railroad company, water distribution, assessment areas, and neglected property removal.

HB 176 Temporary Replacement for County Elected Officials *Effective May 8, 2018*
Establishes a line of succession for county offices (except for the county attorney, district attorney or judges), between the time an office becomes vacant mid-term, and an interim replacement can be selected. The rules for selecting an interim and ultimate replacement remain unchanged.

HB 179 State Training and Certification Requirements *Effective May 8, 2018*
Counties and cities must comply with state training and certification requirements for their employees. This now includes making training available online unless certain exceptions apply.

HB 293 Tax Rebalancing Revisions *Retrospective to January 1, 2018*
Sets a rate floor to the minimum basic tax rate ("state basic") of 0.0016 until July 1, 2022. This will have the effect of raising more revenue for education as values increase, instead of the rate lowering to keep revenue neutral. Introduces a weighted pupil unit (WPU) value rate estimate of 0.000069 for 2018, which will be adjusted annually to collect an amount of revenue set by the legislature. The state basic estimate of 0.001498 is replaced by a new estimated rate of 0.001669.

The state will contribute to school districts the difference between the amount the district can raise with this new rate and the amount required for the minimum basic program as determined by the legislature. After 2022 the floor is removed, but at a higher floating rate than would otherwise have been the case. The maximum board local levy for all school districts is increased to 0.0025. These changes are intended to increase education funding by approximately $50 million and facilitate greater equalization across the state.

This bill also increases the homeowner credit by a specified amount annually, beginning with $14 in 2018.

SB 76 Commercial Property Tax Amendments *Effective January 1, 2019*[*]
Allows a claimant an exemption from real property tax, if property is leased exclusively to a political subdivision of the state under a triple net lease (where the tenant is responsible for the property tax) for a taxable year.

SB 101 Tax Amendments *Effective May 8, 2018*
Requires county BOEs to list significant value adjustments as a separate agenda item for a public hearing. A significant adjustment differs from the original assessed value by 20% and $1 million.

SB 111 Community Reinvestment Act Changes *Effective May 8, 2018*
Adds a site used for solid or hazardous waste to the eligible criteria when determining a blight in a survey area.

SB 114 Disposal of County Property Amendments *Effective May 8, 2018*
Allows a county to sell or lease a significant property for less than fair market value, if the property in question can generate an anticipated value (including job creation and increased tax revenues) equal or higher than the fair market value.

SB 122 Bond Elections Amendments *Effective January 1, 2019*
Limits political subdivisions from receiving more from a bond than was approved by the voters at election. A 2% overage is allowed.

SB 124 Budget Deadline Amendments *Effective January 1, 2019*
Taxing entities have until June 30 to adopt budgets, instead of June 22.

[*] If amendment to the Utah Constitution is approved by voters in the November 2018 election (see SJR 2).

SB 136 Transportation Governance Amendments *Effective May 8, 2018*
Establishes transportation reinvestment zones, where two or more political subdivisions or public agencies may effectively create an RDA to finance transport infrastructure. Defines small and large public transit districts; any district that is not the newly formed TDU is a small public transit district. Makes changes to board appointments for small districts and enacts a new board appointment process for the TDU in a separate section.

SB 169 Motor Home Statewide Fee Amendments *Effective January 1, 2019*
Motor homes will have an age based uniform fee, as opposed to a 1% value based uniform fee.

SB 221 Property Tax Abatement for Indigents *Effective May 8, 2018*
Provides an appeal process for an indigent property owner dissatisfied with a county's decision on the property owner's application for an abatement or deferral.

SB 226 Urban Farming Amendments *Effective January 1, 2019*
Counties may pass an ordinance to allow urban farming. Previously it was restricted to 1st class counties, or second class counties that are 98% urbanized. Counties that presently have qualifying taxpayers would need to pass an ordinance to allow that practice to continue.

SB 234 Utah Inland Port Authority *Effective May 8, 2018*
Creates a new authority in SLC's northwest quadrant as a political subdivision of the state. The authority will receive a property tax differential (property tax increment) to develop the area subject to conditions outlined in the bill, chiefly building infrastructure that will allow global trade to pass through the state and be serviced by business in the area. It will function similarly to MIDA or a RDA.

SB 235 Homeless Shelter Funding Amendments *Effective May 8, 2018*
Enables, and imposes limits, on a RDA offsetting a community's contribution to the Homeless Shelter Cities Mitigation Restricted Account established by the bill.

SB 240 MIDA Amendments *Effective May 8, 2018*
Private parcel owners within a MIDA project area must enter into a contract to pay the authority an annual fee equal to 1.2% of the taxable value above the base taxable value, if a certificate of occupancy has not yet been issued.

SB 244 Tax Reform Provisions *Retrospective to January 1, 2018*
Prohibits an individual who is a dependent for the purpose of the federal child tax credit 26 USC 24(h) from receiving the homeowners or renters credit.

SJR 2 Proposal to Amend the Constitution-Property Tax Exemptions *Effective January 1, 2019*[†]
Allows real property that a state or local government leases from a private owner a property tax exemption.

[†] If approved by voters in the November 2018 election.