

Real Property Billing and Collecting

Standards of Practice

12

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Section XII.I

General Information

Purpose

These standards establish guidelines for county officials to bill and collect real property taxes. Other standards discuss billing and collecting for personal property and the motor vehicle uniform fees. These standards are intended as a management tool to promote equitable administration of Utah law and rule.

These standards intend to establish a uniform tax collection process by combining the provisions of the Utah State Constitution, the Utah Code Annotated, and accepted practices. By doing so, the standards should assist county officials in the equitable and uniform taxation of real property. These standards should further promote the effective and efficient collection of property taxes.

Legislative Authority

Art. XIII, § 5 of the Utah State Constitution provides that “the Legislature . . . “may by statute authorize political subdivisions of the state to assess and collect taxes for their own purposes.”

Art. XIII, § 2 of the Utah State Constitution provides that “...all tangible property in the state, that is not exempt . . . shall be assessed at a uniform and equal rate in proportion to its fair market value, to be ascertained as provided by law and taxed at a uniform and equal rate.”

Through these constitutional Articles, the Utah State Legislature has enacted statutes enabling counties to bill and collect real property taxes. Title 59 of the Utah Code Annotated sets forth statutes relating to revenue and taxation. Within that title, the main body of law concerning the billing and collection of locally assessed real property taxes is found in Chapter 2, Part 13. Further relevant statutes include:

§§ 10-7-30, 10-8-17, 10-8-19, 10-11-4, 11-42-502, 11-42-502.1, 11-42a-303, 17B-1-902 and 17B-2a-1007 – Describes political subdivision liens that may be certified to the county treasurer and listed as a tax notice charge on the tax notice.

§§ 10-9a-603 and 17-27a-603 – Advises that an owner provides a tax clearance to a city or county legislative body before approving a plat.

§ 45-1-101 – Lists legal notice public hearing requirements. These must be satisfied when notifying the public of a tax sale.

§ 45-1-201 – Defines a newspaper of general circulation, necessary for delinquency notice requirements.

§ 53F-2-703 – Governs the charter school levy which must be listed separately on the Tax Notice.

§ 59-2-303.1 – Governs mandatory cyclical appraisals (five-year cycle). Taxpayers must be notified on their tax notice if their property is up for detailed review.

§ 59-4-101 – Describes the calculation and administration of privilege tax.

§ 59-4-102 – Property subject to privilege tax cannot be seized if delinquent. This § provides an alternate method to handle such delinquencies through the district court.

R884-24P-36 – Lists additional requirements for real property tax notices.

Definitions

Erroneous or illegal Assessments: Jurisdictional defects, not errors of judgment. These would include those assessments of taxes clearly not allowed under the law. For example, the assessment of 10 head of cattle is illegal, as livestock is exempt from taxation.

Newspaper of General Circulation: A paper that has at least 200 subscribers in Utah, has been published for at least 18 months, is eligible for a periodicals permit or publishes at least 12 issues a year and is no more than 75% advertising. (§ 45-1-201)

Omissions, Errors, and Defects: Clerical mistakes in the assessment roll that could have been determined at the time the assessment roll was created.

Political Subdivision Lien: A lien that may be placed on real property for failure to pay a direct charge. These liens must be expressly authorized by statute to be listed on the tax notice. See *Tax Notice Charge*. (§ 59-2-1317)

Tax Notice Charge: A charge listed on the tax notice as the result of a political subdivision lien, with the same priority as property taxes and subject to the same collection and tax sale procedures. (§ 59-2-1317)

Tax Sale Interest Purchaser: An owner of an undivided interest in a parcel of tax sale property that bid for and purchased the undivided interest at a tax sale, if the undivided interest of the property equals 49% or less. (§ 59-2-1351.7)

Tax Sale Property: A parcel of real property that was sold in part as an undivided interest at a tax sale. (§ 59-2-1351.7)

Undivided Interest: An interest in a property that is not distinct from the interest of one or more other persons as to the time during which the interest is possessory or as to the portion of the property to which the interest attaches, e.g. joint tenants. (Glossary for Property Appraisal and Assessment, 2nd Ed., IAAO, 2013, p. 176)

Section XII.II

Billing Real Property Taxes

Standard 12.1 Steps Prior to Billing

12.1.0 Calculating Taxes

The auditor calculates the amount of real property taxes by multiplying the taxable values on the assessment roll by the tax rates established for the current year. The taxes are then entered on the assessment roll. (§ 59-2-304)

12.1.1 Transfer of Assessment Roll

The county auditor delivers the assessment roll to the county treasurer before November 1. (§ 59-2-326)

Though the latest delivery date is November 1, the State Tax Commission suggests that delivery occur with time to allow the treasurer to prepare tax notices to send before November 1 (see the [Assessment Roll Standards of Practice](#)).

Standard 12.2 Delivery of Tax Notices

12.2.0 Treasurer's Duty

The treasurer will deliver a tax notice to each owner of real property or leave it at the taxpayer's residence or usual place of business. (§ 59-2-1317)

12.2.1 Sending Deadline

The real property tax notice shall be sent by November 1. (§ 59-2-1317). However, it is advantageous to the county and property owners to send the notice before November 1 to allow adequate time to pay and avoid delinquencies.

Standard 12.3 Real Property Tax Notice Form

12.3.0 Information on Tax Notice

The real property tax notice should contain, at a minimum, the following information:

- Name and address of owner;
- Property identification number;
- Property address, where applicable;
- Fair market value of the property, with any adjustment for residential exemption expressed in terms of taxable value;
- Classification of property (see [Standard 12.3.1 "Classification of Property"](#));
- For land that qualifies under the Farmland Assessment Act (FAA), the fair market value of the land, in addition to the value of the land for agricultural use as determined by the Commission (see [Farmland Assessment Act Standards of Practice](#));
- The charter school levy;
- The state basic;

- Itemized nominal tax rate information for each taxing entity and total tax rate;
- Amount of taxes to be paid to each taxing entity and other purposes;
- Total amount of tax levied and due for the current year;
- If applicable, tax relief for taxpayers eligible for blind, veteran, or indigent abatement or the circuit breaker, which shall be shown as credits to total taxes levied;
- That the property may be subject to a detailed review in the next year;
- “Prior taxes are delinquent on this parcel,” if the parcel has delinquent taxes from a prior year;
- Taxes levied only on a certain kind or class of property for a special purpose or purposes, to be set out separately;
- If personal property taxes have been attached, these should be on the tax notice separately;
- Any tax notice charges resulting from a political subdivision lien;
- If the notice includes assessment area charges, a statement that due to potentially ongoing assessment area charges, costs, penalties, and interest, payment of a tax notice not pay off the full amount due or release the underlying lien;
- If applicable, a property tax penalty imposed by a public infrastructure district;
- Time and place taxes may be paid;
- Date the taxes will be delinquent;
- Penalty provided by law, if the taxes are not paid before the delinquency date; and
- Payment options and collection procedures. (§§ 53F-2-703, 59-2-505, 59-2303.1, 59-2-1317 and R884-24P-36)

12.3.1 Classification of Property

The tax notice must identify the “kind” of property being taxed. This means that the land and improvements for each kind of property may be listed as one amount, but that the various types of property should be separated. (§ 59-2-1317)

Example

If a 2-acre parcel of property with a house and a barn is valued at \$160,000, the tax notice may reflect the two kinds of property as:

| | |
|--|------------------|
| <i>Residential=</i> | <i>\$150,000</i> |
| <i>Non-residential (or agricultural) =</i> | <i>\$10,000</i> |
| <i>Total=</i> | <i>\$160,000</i> |

Land assessed under the Farmland Assessment Act should also be listed separately, showing both the market value and the value for agricultural use.

12.3.2 Tax Notice Charges

By September 15 of each year, political subdivisions may certify unpaid direct charges to the county treasurer to be listed on the tax notice as a tax notice charge. These may include:

- Water charges from a city, irrigation district or water conservancy district;

- Costs of property removal from city seizure and sale/foreclosure;
- Assessment area or energy assessment area amounts;
- Repairs for roads arising from damage caused by railroad companies; and
- Local district fees (if these are certified with the county treasurer before July 15, an August 1st notice is required).

Before listing any direct charges arising from a political subdivision lien on the tax notice, ensure its inclusion is expressly authorized by statute. (§§ 59-2-1317, 10-7-30, 10-8-17, 10-8-19, 10-11-4, 11-42-502, 11-42-502.1, 11-42a-303, 17B-1-902 and 17B-2a-1007).

It is advisable entities also record a notice of lien with the county recorder. Political subdivision liens do not attach to property if the title is conveyed and recorded to a bona fide purchaser before the political subdivision lien is recoded, or the tax notice with tax notice charges listed is mailed. (§ 11-58-103)

Standard 12.4 Billing Privilege Tax

12.4.0 Privilege Tax

A privilege tax is collected on real or personal property which is owned by an exempt entity, such as a governmental agency, but is used in a commercial venture for profit (see the [Exemptions Standards of Practice](#)).

12.4.1 Calculating Privilege Tax

A privilege tax is the same amount that the ad valorem property tax would be if the possessor or user was the owner of the property. Any payment made in lieu of taxes on federally owned property is credited against the privilege tax imposed on the beneficial use of the property. (§ 59-4-101)

12.4.2 Tax Notice

The privilege tax shall be billed with the same tax notice used for taxes assessed on ad valorem property (see [Standard 12.3.0 "Information on Tax Notice"](#)). The privilege tax shall be collected and distributed at the same time and in the same manner as those taxes assessed on *ad valorem* property. (§ 59-4-101)

12.4.3 Failure to pay the Privilege Tax

A privilege tax due and unpaid constitutes a debt to the county. If the tax is unpaid, or partially paid after the date of delinquency, the county auditor shall issue a warrant in the name of the county directed to the clerk of the district court for that county. The clerk shall enter the warrant in the judgment docket, in the column for judgment debtors. The warrant has the force and effect of a judgment rendered by a district court. (§ 59-4-102)

12.4.4 Calculating Privilege Tax for Owners of State Land

Owners of land purchased from the state are subject to privilege tax on the amount of the purchase price which remains outstanding after subtracting amounts paid for those lands under a contract of sale. (§ 59-4-101)

Section XII.III

Changing Assessed Value

Standard 12.5 Erroneous or Illegal Assessments

12.5.0 Taxpayer's Demand for Reduction

If an assessment is erroneous or illegal as defined above, the taxpayer may have the erroneous or illegal portion reduced by making a demand in writing to the county governing body. Though the county shall not require that the demand consist of a formal claim, the taxpayer's demand must identify the taxes and amount that are erroneous or illegal.

The county governing body decides if evidence shows that a property has been erroneously or illegally assessed and it may order that the assessment be reduced. (§ 59-2-1321)

12.5.1 Reduction or Refund

If the assessment is erroneous or illegal, the county governing body may direct the county treasurer to allow the taxes on that part of the property erroneously or illegally assessed to be deducted before payment of taxes.

If taxes have been erroneously or illegally collected, the county governing body may direct the tax to be refunded by the county treasurer. The statutes do not appear to require the county to compensate the taxpayer for interest on the refunded amounts for any period the county retained the erroneous or illegal amounts or for expenses incurred in demanding the reduction. Interest may be computed and refunded from the date of demand. The county shall be reimbursed by any taxing entity which had received a portion of the money refunded to a taxpayer in the dollar amount that taxing entity had received. (§ 59-2-1321)

12.5.2 Denial of Demand

If the county governing body denies the taxpayer's demand, the Utah Supreme Court has held that the taxpayer has the right to bring an action to recover the tax, and if successful, recover legal interest from the date of the demand. (*Neilson et. al. v. Sanpete County* 123 Pac. 334 UT 1912). The Tax Commission has no jurisdiction to review a county's actions regarding a claim of illegal or erroneous assessment actions.

Standard 12.6 Property Assessed More Than Once

12.6.0 Before Payment

If the county treasurer determines that any property has been assessed more than once for the same year, the treasurer shall collect only the tax justly due and report the fact, under signed statement, to the county auditor. The county governing body should authorize any abatement of tax. (§ 59-2-1322)

The report to the county auditor should contain the following information:

- Parcel number(s) of property assessed more than once;
- Name(s) and address(es) of property owner(s);
- Year the property was assessed more than once;
- Amount of tax reduction;

- Amount of assessment retained and the taxes collected;
- Date; and
- Statements and signatures.

12.6.1 After Payment

If taxes have been paid more than once on a single property, the treasurer shall refund the taxpayer in the same manner as provided in [Standard 12.5.2 “Reduction or Refund”](#). The refund should be authorized in writing by the county governing body.

Additionally, the treasurer shall prepare a report, under signed statement, similar to the one in [Standard 12.6.0 “Before Payment”](#). The only difference will be that “the amount refunded” will be substituted for “the amount the tax was reduced.” The report is also given to the county auditor.

Standard 12.7 Payment under Protest

12.7.0 Unlawfully Collected

Any taxpayer may claim all or a portion of a tax bill to be “unlawful”, and pay that portion under protest. (§ 59-2-1327). If the tax or tax notice charge is clearly illegal, it is recoverable under the provisions for illegal and erroneous assessment. County officials can correct these questions of fact without the judicial process. (§ 59-2-1321)

Payment under protest applies where taxes or tax notice charges are of questionable legality. For example, the county applies a law correctly and the taxpayer claims the law under which the tax or tax notice charge was assessed is unconstitutional, as enacted by the legislature. Alternatively, The county has made a mistake in applying a law, and the determination of the county’s misapplication can only be decided by judicial process. (§ 59-2-1321)

12.7.1 Consequences of Paying Taxes Under Protest

Any taxpayer can pay taxes or tax notice charges under protest to the county treasurer. By doing so, the taxpayer acquires the right to file an action in district court for the taxes thought to be unlawful. A taxpayer paying under protest is not required to take any other steps (such as seeking an administrative remedy), as a condition precedent to bringing an action.

A suit or a demand to reduce an erroneous and illegal assessment may be filed even if the taxes or tax notice charges are not paid under protest. However, paying under protest does not revoke the right to file a demand to reduce the tax or tax notice charge. (§ 59-2-1321)

A taxpayer can pay under protest even if an administrative appeal to the county BOE has been filed. And, if filing deadlines allow, a taxpayer can file an administrative appeal after payment has been made under protest.

A taxpayer who files an administrative appeal is not automatically considered to have paid under protest. To be considered as having paid under protest, the taxpayer must perform this act separately.

12.7.2 Process to Pay Under Protest

The taxpayer should notify the county treasurer at the time of payment, either orally or in writing that the tax or tax notice charge is paid under protest. At the same time, the taxpayer should “lay a foundation” for the eventual court action by indicating in writing why the tax or tax notice charge is unlawful and what portion it (if known), is under protest.

12.7.3 Treasurer Documentation of Protest

When a taxpayer pays under protest, the treasurer should document the protest, either by marking the account on the tax roll as “paid under protest” or by keeping a separate record of accounts paid under protest.

It is suggested that the treasurer also give a taxpayer paying under protest a receipt showing:

- Date the protest was made;
- Amount of tax or tax notice charge paid under protest and deemed unlawful; and
- Notice that a 6-month statute of limitations exists for filing an action in district court after paying taxes under protest.

12.7.4 Successful Action

If it is determined in any action that any portion of a tax or tax notice charge paid under protest was unlawfully collected, a judgment will allow the taxpayer to recover the taxes or tax notice charges plus interest as provided by law, together with the costs of the action. (§ 59-2-1328)

12.7.5 Consequences to Taxing Entities

Those taxing entities having received a portion of the unlawful taxes or tax notice charges shall repay them to the county. These taxing entities shall also pay the county a corresponding portion of any “interest as provided by law” that is awarded. The statute also requires all taxing entities entitled to a portion of the unlawful taxes or tax notice charges (had they been lawful) to pay the county a portion of the “costs of the case” in proportion to the amount of the unlawful amount they would have received. (§ 59-2-1328)

Standard 12.8 Tax Commission and Board of Equalization Decisions

12.8.0 Administrative Appeals

Through the appeals process, the State Tax Commission or the BOE may establish that all or a portion of taxes are in error. (§ 59-2-1330)

See also the [Board of Equalization Standards of Practice](#).

12.8.1 Refund of Illegal Taxes

Those portions of taxes or tax notice charge representing the incorrect assessment will be refunded to the taxpayer, along with interest equal to the rate earned by the county on the refunded taxes. (§ 59-2-1330)

12.8.2 Reimbursement by Taxing Entities

The taxing entities must reimburse the county as described in [Standard 12.7.5 “Consequences to Taxing Entities”](#).

Standard 12.9 Errors or Omissions in Assessment Roll

12.9.0 Time Allowed for Correction

Omissions, errors, or defects in the assessment roll may be supplied or corrected by the assessor at any time prior to the sale for delinquent taxes or tax notice charges, with approval from the county legislative body. (§ 59-2-1333)

Before the auditor has finalized the assessment roll, the assessor may file an appeal for any reason to the county governing body through the BOE. See [the Board of Equalization Standards of Practice](#).

12.9.1 Procedure

An action to correct should be filed whenever the assessor discovers an error, omission, or defect. If the board of equalization is in session, the assessor should appeal to the board to correct the assessment.

If the board is not in session, the assessor must submit the correction to the county legislative body. The county legislative body will decide if there is cause to have a hearing, and if so, conduct the hearing, and make any needed tax adjustments.

12.9.2 Consequences of Reduction

If an error, omission or defect to the assessment roll is corrected by the county legislative body and taxes are reduced, the taxpayer will be refunded and the county reimbursed, as necessary. See [Standard 12.5.2 "Reduction or Refund"](#).

Section XII.IV

Collecting Real Property Taxes

Standard 12.10 Collection Process

12.10.0 Recording a Payment

The treasurer should mark the date and the amount of the payment of any real property tax or tax notice charge in the tax roll opposite the property identification number. (§ 59-2-1318)

12.10.1 Form of Payment

All taxes shall be paid in cash, unless the county treasurer adopts rules otherwise. (§ 59-2-1319). Cash includes check or credit card as provided by county ordinance, but may not include foreign currency.

Standard 12.11 Receipts

12.11.0 Taxpayer Request for Receipt

The treasurer is not required to send out a receipt acknowledging payment of real property taxes or tax notice charges. (§ 59-2-1317). However upon request, the treasurer shall give a receipt to the person paying the taxes. The receipt should specify the amount of taxes or tax notice charges due, the property identification number, the amount of the assessment, and the aggregate amount of taxes paid. (§ 59-2-1319)

12.11.1 Payment of Undivided Interest

Payments must be accepted on the real property taxes or tax notice charges of an undivided interest in real estate, so that an owner may protect his share of the property interest from tax or political subdivision lien. For these payments, the statutes direct the treasurer to issue a receipt showing the undivided interest on which taxes or tax notice charges were paid. (§ 59-2-1323)

12.11.2 Duplicate Payments

If a duplicate tax payment has been made on a property, the treasurer should not make an unsolicited refund. Both parties making payment may be maintaining a legal interest. However, if more than one person insists on paying a tax, the treasurer is under no obligation to accept the duplicate payment.

Standard 12.12 Installment Payments

12.12.0 Before Taxes are Delinquent

Before the date of delinquency, the treasurer may accept and credit payments on account against taxes or tax notice charges coming due during the current year. These payments may be made either before or after the levies are made. Payments should be in amounts of not less than \$10 or for the full amount of the unpaid tax or tax notice charge. (§ 59-2-1331)

12.12.1 Recording Partial Payments

A partial payment and its date of payment should be recorded in the tax roll. If the tax roll has not been prepared as of the date of payment, the payment should be recorded in a separate record and entered on the tax roll as soon as it is available.

12.12.2 Effect on Tax Notices

If a payment has been made before preparing tax notices, the tax notice should reflect that payment.

Standard 12.13 Delinquency

12.13.0 Date of Delinquency

Taxes or tax notice charges not paid or postmarked by November 30 following the date of levy are delinquent. If November 30 falls on a weekend or holiday, the next working day becomes the final payment date. The delinquency date may also be extended. See [Standard 12.16.0 "Requirement for Extension"](#). (§ 59-2-1331)

12.13.1 Preparing the Delinquency List

After the date of delinquency, the treasurer may not post any delinquent payments that are received until the delinquency list is prepared. (§ 59-1-1331). All accounts not paid in full at the time the delinquency list is prepared are placed on the delinquency list. If an account has been paid with a check that is returned for insufficient funds, that account is placed on the delinquency list as if payment were never received.

12.13.2 Information on Delinquency List

The delinquency list should contain the following information about each delinquent account:

- Name of the delinquent taxpayer (if delinquent taxpayer is a business entity, the name of the business entity);
- A description or the property identification number of the delinquent property;
- The amount of delinquent taxes or tax notice charges due (not including penalties);
- Statement that a penalty shall be imposed; and
- Statement that interest accrues as of January 1 following date of delinquency unless the delinquent taxes and tax notice charges, and penalty are paid on or before January 31. (§ 59-2-1332.5)

Standard 12.14 Penalty

12.14.0 Amount of Penalty

All delinquent taxes and tax notice charges for each separately assessed parcel are subject to a penalty of 2.5% of the amount of delinquency or \$10, whichever is greater. However, if all delinquent taxes, tax notice charges and the penalty are paid on or before January 31 immediately following the delinquency date, the penalty is reduced to 1% or \$10 whichever is greater. After the delinquency list has been determined, the penalty is assessed and posted to each delinquent parcel. (§ 59-2-1331)

12.14.1 Attached Personal Property Taxes

Personal property taxes have a separate delinquency for failure to file a signed statement, rather than failure to pay (although in most cases the due date to file a signed statement and pay taxes are the same). For this reason, penalties on personal property after attachment should be tracked separately. See the [Personal Property Billing and Collecting Standards of Practice](#) for more information.

Standard 12.15 Interest Charges

12.15.0 Period Interest Accrues

If delinquent taxes, tax notice charges and penalty are paid before January 31 following the delinquency date, no interest will be charged. If paid after January 31, interest must be charged on a per annum basis beginning January 1 following the delinquency date. Interest then accrues until the date of payment. (§ 59-2-1331)

12.15.1 Interest Rate

The interest rate applied to delinquent real property taxes, tax notice charges and penalty is the sum of 6% plus the federal funds rate target (FFRT) established by the Federal Open Market Committee that exists on January 1 immediately following the date of delinquency. The interest rate may not be less than 7% or more than 10%. (§ 59-2-1331)

This interest rate is used to determine interest on that specific year's taxes, tax notice charges and penalty until they are paid. No matter how many years a particular year's taxes, tax notice charges and penalty remain delinquent, the interest rate on those amounts will never change. (§ 59-1-1331)

Real property taxes that became delinquent in 2018 will have an interest rate of 8.45%.

12.15.2 Interest Rate on Subsequent Year's Taxes

If the following year taxes and tax notice charges become delinquent, they are charged interest based on the new FFRT, but the first year maintains the rate set in its respective year.

Remember that real property delinquent taxes and tax notice charges are charged interest on the rate set on January 1 immediately following delinquency. See [Appendix 12A](#) for an example on how interest is applied.

12.15.3 Attached Personal Property Taxes

Personal property taxes bear interest from the date of delinquency. This is when the signed statement is due; either May 15, or 60 days after the signed statement is requested in a first class county. (§§ 59-2-306 and 59-2-1302). When these taxes are attached to real property, the interest that accrued prior to November 30, the real property tax due date, must also be included.

If a taxpayer submits a payment prior to November 30, the amount of interest listed on the Tax Notice may be more than the amount owed. Any extra interest paid on attached personal property taxes should be refunded to the taxpayer or credited to other amounts still owing.

Delinquent personal property taxes bear interest from the date of delinquency day of payment. (§ 59-2-1302)

For the real property itself, interest is not charged if delinquent taxes, tax notice charges and penalties are paid before January 31 immediately following the delinquency date of November 30. Otherwise, interest accrues from January 1 immediately following delinquency date (see [§ 12.15.0 "Period Interest Accrues"](#)).

When personal property is attached to real property, it still bears interest from the initial date of delinquency earlier in the year. However, real property will not accrue interest until the following January 1 (if not paid by January 31). For example, if the personal property became delinquent on May 16 in one year and it was attached to the real property of the owner - which subsequently became delinquent itself on December 1 - the interest on the personal property would accrue from May 16 for the personal property, and from January 1 for the real property (if not paid by January 31 immediately following the delinquency).

Interest on real and personal property taxes should be treated separately, even when attached. See [Appendix 12B, Delinquent Taxes Penalties and Interest Table](#), and [Standard 11 “Personal Property Billing and Collecting”](#).

Standard 12.16 Extending the Delinquency Date

12.16.0 Requirements for Extension

The county governing body may extend the deadline for delinquent taxes from November 30 to noon on December 30. To do this, the county governing body must publish a notice of the proclamation concerning the extension in a newspaper of general circulation in the county. It must be published in at least two issues before November 1 of the year in which the taxes and tax notice charges are to be paid. (§ 59-2-1332)

12.16.1 Consequences of Extension

If the county legislative body extends the date when taxes become delinquent the notice of delinquency in the payment of property taxes and tax notice charges is to be provided on or before January 10th.

If the delinquency date is extended, the date for selling of property to the county for delinquent taxes is to be extended 30 days from the dates provided by law. (§ 59-2-1332.5)

Standard 12.17 Notification of Delinquency

12.17.0 Effect of Payment before Delinquency List is Published

If a delinquent real property taxpayer pays the full amount of taxes, tax notice charges and penalty due before notification of delinquency, that taxpayer’s name may be removed from the delinquency list.

If a payment is made for less than the full amount due for taxes, tax notice charges and penalty, the payment should first be applied to the penalty, with any remainder to the taxes and tax notice charge due. If the amount of taxes due has been reduced by the payment, the delinquency list should be adjusted accordingly.

12.17.1 Notification of Delinquency Requirements

On or before December 31 of each year, unless the date of delinquency has been extended (see [Standard 12.16 “Extending the Delinquency Date”](#)), the county treasurer, shall provide notice of delinquency by sending a notice to each delinquent taxpayer that includes:

- Statement that delinquent taxes and tax notice charges are due;
- Amount of delinquent taxes and tax notice charges due, not including penalties;
- Name of the delinquent taxpayer, if known, or if the delinquent taxpayer is a business entity, the name of the business entity;
- Description of the delinquent property, or property identification number;
- Statement that a penalty is to be imposed; and
- Statement that interest accrues as of January 1 following the date of the delinquency unless the taxes, tax notice charges and penalty are paid on or before January 31.

The county must make available to the public by electronic means or publication in a newspaper of general circulation, a list of delinquencies that includes the following information:

- Name of the delinquent taxpayer, if delinquent taxpayer is a business entity, the name of the business entity;
- A description or the property identification number of the delinquent property;
- The amount of delinquent taxes tax notice charge due (not including penalties); and
- Statement that a penalty shall be imposed.

Statement that interest accrues as of January 1 following date of delinquency unless the delinquent taxes, tax notice charges and penalty are paid on or before January 31. (§§ 45-1-201 and 59-2-1332.5)

12.17.2 Other Notices of Delinquency

In addition to the notice of delinquency in the payment of property taxes and tax notice charges as outlined in the above standard, a county treasurer may mail a notice that property taxes and tax notice charges are delinquent to an owner of record or any other interested party at their request.

This notice may be mailed at any time the county treasurer deems appropriate. In addition to the information required on the required notice of delinquency, this additional notice may include any information the county treasurer finds useful to the owner of record in determining amounts owed in delinquent taxes, tax notice charges, penalties, interest and any other matter that may concern the property. (§ 59-2-1332.5)

12.17.3 Republication of the Delinquency List

If the published delinquency list contains an omission, error, or defect, the list may be republished as amended or notice of the correction may be given in a supplementary publication. Any republication shall be made in the same manner as the original and shall be published for not less than one week. (§ 59-2-1334)

12.17.4 Privilege Tax Delinquency

If a property subject to the privilege tax becomes delinquent, interest, penalties, and costs may be charged to the delinquent account. (§ 59-4-101). However, the property may not be attached, encumbered, or sold by the county. Instead, the county auditor must file a warrant in the name of the county in district court to obtain a judgment for the amounts due the county. (§ 59-4-102)

12.17.5 Sale of Undivided Interest

As more than one person may own an undivided interest in a property, one portion of the taxes and tax notice charges may be paid and the other portion becomes delinquent.

Standard 12.18 Taxes on Parcels that are Segregated or Combined During the Calendar Year

12.18.0 Tax Clearance before Plat Approval

Before a city, town, or county legislative body may approve a plat, the owner of the land shall provide the legislative body with a tax clearance indicating that all taxes, interest, and penalties owing on the land have been paid. (§ 10-9a-603 and § 17-27a-603). Once a plat is signed, the county recorder must record the document. City, town or county legislative bodies should ensure taxes are cleared before plat is signed.

12.18.1 Legal Description Specific Payments on Parcels Segregated or Combined During the Calendar Year

New parcels created after January 1 of the current year are given a separate legal descriptions with a link to ownership records, tax maps and assessment records by the county recorder. This link is the parcel identification number. The identifier refers to the land, not the owner.

County treasurers may accept a “legal description specific” payment for any of the newly created parcels, through November 30th, for current or prior year taxes. This payment is a “legal description specific” payment and is considered as a partial payment to be applied to the original parcel, which was taxed as of January 1.

A “legal description specific” payment for current year and/or prior year taxes and tax notice charges allows owners of segregated properties to clear their specific parcel of property taxes due.

12.18.2 Procedure for Calculating and Applying Legal Description Specific Tax Payments

The county recorder assigns a unique legal description and parcel identification number to each newly created parcel.

The county treasurer may assign a portion of the taxes and tax notice charges (delinquent or current year) to each newly created parcel. This may require consultation with the county assessor’s office to determine a reasonable distribution. They may accept property tax payments on each newly created parcel. The treasurer lists the legal description and credits the amount paid to the original parcel, noting it as a “legal description specific” partial payment. Only those newly created parcels that remain unpaid are considered delinquent in the following year. (§§ 59-2-1323 and 1349)

The county treasurer may accept and credit an account against taxes becoming due during the current year, at any time before or after the tax rates are adopted, but not after the date of delinquency, either a:

- Payments in amounts of not less than \$10; or
- The full amount of the unpaid tax. (§ 59-2-1331)

12.18.3 Notice of Delinquency to Owners of Newly Created Parcels

Newly created parcels which become taxable after January 1st, assume any unpaid taxes and tax notice charges from the original parcel if “legal description specific” payments are not made. The tax lien follows the land. The treasurer shall stamp on the tax notice or tax bill, the following: “Prior taxes or tax notice charges are delinquent on this parcel.” (§ 59-2-1317)

Section XII.V

Tax Sale

Standard 12.19 Official Tax Sale Records

12.19.0 Treasurer Creates Record of Delinquent Taxes

The treasurer shall make a record of the taxes and tax notice charges on delinquent property in the same order as the property appears on the assessment rolls. (§ 59-2-1338)

12.19.1 Format of Record of Delinquent Taxes

The record shall include the following:

- The name of the person to whom the property is assessed;
- The description of the delinquent parcel and a reference to the parcel, serial, or account number under which the property was listed in the assessment roll;
- The amount of delinquent taxes, tax notice charges, penalties, and administrative costs;
- Space to enter the date of redemption and by whom the property is redeemed; and
- Space to enter delinquent taxes and tax notice charges in subsequent years, along with accompanying interest, penalties, and costs, against each parcel which remains unredeemed. (§ 59-2-1338)

12.19.2 Completion Date for Record of Delinquent Taxes

On or before March 15, the treasurer shall complete the official record of delinquent taxes and tax notice charges, and attach the treasurer's certificate to it. The record shall be maintained in the treasurer's office.. See sample form [PT-120, "Treasurers Certificate to Record of Delinquent Taxes"](#). (§ 59-2-1339)

12.19.3 Upkeep of Tax Sale Records

Any subsequent delinquent taxes, tax notice charges and payments on a property shall be entered in the space provided in the official record for that property. (§ 59-2-1339)

Property against which a property tax delinquency exists shall be assessed in subsequent years for taxes and tax notice charges in the same manner as if no delinquency existed.

Standard 12.20 Redemption

12.20.0 When Property is Redeemable

Once property is delinquent, that property may be redeemed any time prior to the tax sale. This means the owner (or anyone else) may redeem the property up to and including the day of the sale. The amount of interest to be paid is the amount of interest that has accrued up until the date of redemption. (§ 59-2-1331). Interest stops accruing at redemption; however, redemption requires that all delinquent taxes, tax notice charges, interest, penalties and administrative costs be paid. Although partial payments may be made, redemption does not occur until the delinquent amounts owing have been paid in full. If there is no redemption, interest stops accruing at the tax sale. (§ 59-2-1346)

Even if the property owner buys the property at the tax sale, a redemption certificate, not a tax title, is issued. The taxpayer is returned to the same pre-sale status he occupied and has not improved his position in relation to other lien holders.

12.20.1 Delinquent Property Redemption

Any person on behalf of the owner can redeem delinquent property by the payment of all taxes, tax notice charges, penalties, interest and administrative costs. Property title will not change and all prior liens are unaffected. (§ 59-2-1346)

12.20.2 Partial Payments

Prior to the tax sale, the treasurer shall accept and credit payments made on account for the redemption of delinquent property. Payments must be made in amounts of not less than \$10, except for the final payment, which may be in any amount. (§ 59-2-1346)

12.20.3 Redeemed Property

If any property is redeemed, the county treasurer then makes a proper entry in the record of delinquent taxes and issues a certificate of redemption. The certificate of redemption can be recorded in the recorder's office without acknowledgment, e.g. a notarized signature. (§ 59-2-1348)

12.20.4 Audit of Redemptions

The county auditor shall audit the treasurer's tax sale records at least once a year. The treasurer shall account for all moneys paid on account as a partial payment towards redemption and for payments resulting in full redemption. (§ 59-2-1345)

12.20.5 Redemption by Co-Owners

If two or more persons own an undivided interest in delinquent property, any owner may redeem his portion of the property by paying that portion of the taxes, tax notice charges, penalties, interest, and administrative costs that his interest bears to the whole. (§ 59-2-1349)

12.20.6 All Payments to Redeem Delinquent Property

At any time prior to the expiration of the period of redemption the county treasurer shall accept and credit on account for the redemption of property, payments in amounts of not less than \$10, except for the final payment, which may be in any amount. For the purpose of computing the amount required for redemption and for the purpose of distributing the payments received on account, all payments shall be applied in the following order:

- Against the interest and administrative costs accrued on the delinquent tax for the last year included in the delinquent account at the time of payment;
- Against the penalty charged on the delinquent tax for the last year included in the delinquent account at the time of payment;
- Against the delinquent tax for the last year included in the delinquent account at the time of payment;
- against the interest and administrative costs accrued on the delinquent tax for the next to last year included in the delinquent account at the time of payment; and
- So on until the full amount of the delinquent taxes, tax notice charges, penalties, administrative costs, and interest on the unpaid balances are paid within the period of redemption. (§ 59-2-1346)

12.20.7 Apportionment of Redemption or Assignment money

If a sum less than the full amount of the taxes, interest, penalty, and costs is accepted in settlement, the proceeds accepted in settlement shall be first applied to the original and subsequent taxes, and the remainder to interest, penalties and costs. (§ 59-2-1366)

Standard 12.21 Tax Sale List

12.21.0 Property to Include on the List

If any property is not redeemed by March 15 following the lapse of four years from the date when the property tax and tax notice charges became delinquent, the treasurer shall add that property to the tax sale list. (§ 59-2-1343). The treasurer shall file the list with the county auditor as soon after March 15 as possible.

12.21.1 Information on List

The tax sale list, as presented to the auditor, should contain the following information on each listed property:

- Name and address of the owner;
- Parcel number of the property; and
- Amount of tax, tax notice charges, interest and penalty due and owing.

12.21.2 Updating the List after Filing

Between March 15 and the date of the tax sale, the treasurer shall transmit daily a report to the county auditor on any payment made the previous day on property listed on the tax sale list.

These daily reports shall include in separate columns the following data:

- Number of the redemption certificate or the receipt issued on account for redemption;
- Amount received for taxes, tax notice charges, penalties, and administrative costs accrued to the date of the last entry in the tax sale record; and
- Amount received as interest accrued. (§ 59-2-1345)

12.21.3 Listing Properties Subject to Federal Tax Liens

Before properties with federal tax liens can be sold at the tax sale a notice of the sale should be submitted to the IRS. Consent to sell the property free of the federal lien may also be obtained from the Internal Revenue Service in certain circumstances. (26 USC 7425)

12.21.4 Notice of Sale to Internal Revenue Service

A notice of sale to the IRS must be given, in writing, by registered or certified mail or by personal service, not less than 25 days before the sale.

The notice must contain the following information:

Name and address of person submitting the notice.

- A copy of each "Notice of Federal Tax Lien," Form 668, affecting the property to be sold.
- A detailed description, including location, of the property affected by the notice.
- The date, time, place, and terms of the sale of the property.

- The approximate amount of the taxes, penalty, and interest due, and a description of any other costs that will be charged against the property. (26 USC 7425)

12.21.5 Obtaining Consent to Sell Property Free of Federal Lien

If the IRS consents, property subject to federal liens may be sold free of those liens at the tax sale. To obtain that consent, an application in triplicate must be submitted and contain the following information:

- The same information that is required for a notice of sale to the IRS;
- The reasons the consent is desired;
- A statement showing that adequate protection is given to the federal lien; and
- A declaration that the information supplied in the application is made under penalties of perjury.

The IRS may consent if adequate protection is afforded to the federal lien. Adequate protection of the lien may be demonstrated if one of the following is present:

- The taxpayer has no equity in the property;
- The taxpayer's interest in the property is assigned to the IRS;
- The proceeds in excess of prior encumbrances are assigned to the IRS;
- The sale divests the taxpayer of all rights, title, and interest in the property, and the proceeds are to be held as a fund subject to the United States liens and claims in the same manner and priority as the liens and claims were held on the discharged property; or
- Other circumstances acceptable to the IRS.

[IRS Pub. 786](#) contains information, procedures and forms necessary to prepare a notice of sale and obtain IRS consent.

12.21.6 Federal Redemption of Property Sold at Tax Sale

The IRS has 120 days from the date of the sale to investigate and redeem the property, even if consent has been obtained to sell the property. (26 USC 7425)

Standard 12.22 Advertising the Tax Sale

12.22.0 Date of Tax Sale

The county auditor will select a date in May or June for the tax sale. (§ 59-2-1351)

12.22.1 Notice in Newspaper

Notice of the tax sale shall be published four times in a newspaper having general circulation in the county, once in each of four successive weeks immediately preceding the date of the sale. (§ 59-2-1351)

12.22.2 Posting in Public Places

If no newspaper is published in the county, the notice shall be posted in five public places in the county, as determined by the auditor, at least 25 but no more than 30 days prior to the date of the sale and remain posted until the sale has occurred. (§ 59-2-1351). The county courthouse should be one of the five public places to post the notice.

12.22.3 Mail Notice to Owner and Lienholder

Notice of the tax sale shall also be sent by certified mail to the last known recorded owner and recorded lien holders, as of the preceding March 15, at the last-known address. (§ 59-2-1351)

12.22.4 Form of Tax Sale Notice

The notice should be in substantially the form described in § 59-2-1351 (3). See sample form [PT-121, "Notice of Tax Sale"](#)

Standard 12.23 Properties Not to Sell At Tax Sale

12.23.0 Irregular or Erroneous Assessment

Before the tax sale, if the auditor discovers that a property was subject to an irregular or erroneous assessment, the auditor may not sell the property. Instead, the county governing body shall cause the tax records to reflect the correction in the next succeeding year on the basis of the value and rates of the year for which it was erroneously assessed. (§ 59-2-1350)

12.23.1 Defective Title

In cases where the description of the property is so defective as to convey no title, the real estate may not be offered for sale. (§ 59-2-1351.1)

Standard 12.24 Tax Sale

12.24.0 Conducting the Tax Sale

At the time specified in the sale notice, the auditor shall offer for sale at the designated location all unredeemed properties on the tax sale list. The auditor shall sell all real estate for which an acceptable bid is made.

The auditor may post at the place of the sale a copy of the published list of real estate to be offered and conduct the sale by reference to the list. (§ 59-2-1351.1)

For matters not addressed by statute, Commission rule or these Standards, the county governing body shall enact ordinances to establish tax sale procedures. These procedures should protect the financial interest of the delinquent property owner and meet the collection requirements of local government. (§ 59-2-1351.1)

12.24.1 Tax Sale Ordinance

For matters not addressed by statute, rule or these standards, the county governing body shall enact ordinances to establish tax sale procedures. These procedures should protect the financial interest of the delinquent property owner and meet the collection requirements of local government. (§ 59-2-1351.1)

However, rule does require each county to establish a minimum written ordinance for real property tax sale procedures. It shall be displayed in a public place and available to all interested parties. The tax sale ordinance should include the following information:

- Bidder registration procedures;
- Redemption rights and procedures;
- Prohibition of collusive bidding;
- Conflict of interest prohibitions and disclosure requirements;

- Criteria for accepting or rejecting bids;
- Sale ratification procedures;
- Criteria for granting bidder preference;
- Procedures for recording tax deeds;
- Payment methods and procedures;
- Procedures for contesting bids and sales;
- Criteria for striking properties to the county;
- Procedures for disclosing properties withdrawn from sale for reasons besides redemption; and
- Disclaimers by the county with respect to sale procedures and actions. (R884-24P-55)

12.24.2 Bidding Down the Property

The county may accept a bid for less than the entire parcel as long as the bid is for the full amount of taxes, tax notice charges, penalties, interest and administrative costs.

Example

Assume the delinquent parcel was 80 foot frontage and 100 feet deep. For this type of bidding, the first bid is typically for the full delinquency cost for the entire parcel. The second bid would be for the full costs for something less than the full parcel, say "less the South 10 foot frontage" (purchasing a parcel 70 feet by 100 feet). The third bid would be for the full cost for an even smaller parcel, say "less the South 30 foot frontage" (purchasing a parcel 50 feet by 100 feet). When the bidding is completed, the successful bidder would have purchased the smallest acceptable portion of the property, paying only the delinquency costs (taxes, penalties, interest and administrative costs). The balance of the parcel not purchased at tax sale is considered to be redeemed, remaining in the name of the owner.

In "bidding down" the property, the auditor must not allow the remainder (the portion to remain in the name of the owner), to be landlocked or otherwise unreasonably diminish the owner's property value. In the example of the 80 by 100 foot parcel, a bid for the entire parcel less the rear 30 feet, would be a rejected bid since the remaining rear 30 by 100 feet would be landlocked allowing the property owner no clear access.

Prior to the sale, the auditor may wish to review all properties to be sold to determine the most appropriate side from which to bid down the parcels. During this review, the auditor could also determine if there are properties which might be better served by bidding for the entire parcel. (§ 59-2-1351.1)

12.24.3 Partial Interest Tax Sale

Upon a subsequent sale of property bought at a tax sale, the tax sale interest purchaser is limited to an amount equal to the greater of:

- The amount paid for the undivided interest in the tax sale property at the tax sale plus 12% interest; or
- The tax sale interest purchaser's pro rata share of the sale price of the tax sale property based on the percentage of the undivided interest held in the tax sale property. (§ 59-2-1351.7)

A tax sales interest purchaser may not object to a subsequent sale of tax sale property if the tax sale interest purchaser receives this amount of money.

12.24.4 Bidding up the Price

As an alternative, the auditor may sell the entire delinquent parcel for the highest price. The minimum bid must be for the delinquent taxes, tax notice charges, penalties, interest and administrative costs. As an example where this bidding procedure might be appropriate, assume that the delinquent parcel was a 5 foot by 100 foot strip between two subdivision building lots. It would do little good to “bid down” the property, leaving an even smaller piece as a remainder. The entire parcel should be bid for the highest price possible. (§ 59-2-1351.1)

12.24.5 Option to Accept No Bid

The county governing body may decide that none of the bids are acceptable. (§ 59-2-1351.1)

12.24.6 Rescission of Bid

Once the sale of a particular parcel is closed, the successful purchaser may not unilaterally rescind the bid. The county may enforce the terms of the bid by obtaining a judgment against the purchaser in the amount of the bid, interest and attorney fees. (§ 59-2-1351.1)

Standard 12.25 Issuing Deeds after Tax Sale

12.25.0 Auditor Conveys Deeds

The auditor executes deeds conveying in fee simple all property sold at the public sale to the purchaser. The auditor attests the transfer of title with the auditor’s seal. (§ 59-2-1351.1)

12.25.1 Contents of Deeds

The auditor will ensure that deeds transferring title to properties sold at the tax sale show the following:

- The total amount of all the delinquent taxes, tax notice charges, penalties, interest, and administrative costs which were paid for the execution and delivery of the deed;
- The year for which the property was assessed and become delinquent and the year the property was subject to tax sale;
- A full description of the property; and
- The grantee’s (buyer’s) name. (§ 59-2-1351.1)

See sample form [PT-122, “Tax Deed”](#)

12.25.2 Recording the Deed

The county auditor will deliver a copy of all deeds prepared for properties sold at the tax sale to the county recorder. The county recorder will record all copies of deeds delivered by the auditor. The fee for the recording shall be included in the administrative costs of the sale. (§ 59-2-1351.1)

12.25.3 Record of Tax Deeds

The county auditor shall make and keep on file a record of all tax deeds issued. (§ 59-2-1364). The acknowledgment of all deeds shall be taken by the county recorder, or other county official authorized to take acknowledgments, free of charge.

Standard 12.26 Property Not Sold at the Tax Sale

12.26.0 Striking Property Off to County

If any property is offered at the tax sale and not purchased, the county auditor shall:

- Publicly strike the property off to the county;
- Make an endorsement opposite each of the entries in the tax sale record;
- Sign the record.

At this point, the fee simple title to the property vests in the county. (§ 59-2-1351.3)

12.26.1 Tax Sale Record

After the above steps are completed, the auditor shall deposit the tax sale record with the county recorder. The tax sale record becomes part of the official records and is considered to have been recorded by the recorder, who makes the necessary entries in the index, abstract record, and plat book showing the conveyance of all property so sold and conveyed to the county. (§ 59-2-1351.3)

12.26.2 Selling Property Struck Off to the County

The property struck off to the county can be sold for a price and terms determined by the county governing body. If the property is sold on terms, the purchaser's equity portion is taxable like other non-exempt real property, although the title remains in the name of the county. The county clerk is to issue the deed of conveyance.

Money received from the sale shall first be applied to the cost of administering and supervising the property. Remaining money shall be distributed to the various tax entities in proportion to their interests in the taxes and tax notice charges. Any excess money shall be treated as unclaimed property. (§ 59-2-1351.5)

12.26.3 Renting or Leasing Property Struck Off to the County

For property struck off to the county at the final sale, the county executive may, with the approval of the county governing body, at any time after the sale, rent or lease the property for a price and upon terms determined by the county governing body for farming, grazing, mining, or drilling purposes.

Rent or lease money received shall first be applied to the cost of administering and supervising the property. Remaining money shall be distributed to the various tax entities in proportion to their interests in the taxes and tax notice charges. Any excess money shall be treated as unclaimed property. (§ 59-2-1351.5)

Standard 12.27 Foreclosure

12.27.0 Use of Foreclosure

If the county claims a lien on real property for delinquent taxes or tax notice charges which have not been paid for four years, the county may foreclose the lien by an action in the district court of the county in which the real estate is located. (§ 59-2-1353)

12.27.1 Parties to Foreclosure

All persons owning, having, or claiming an interest in or lien upon the real estate or any part of the real estate may be joined as defendants. While the statute does not require rejoinder of all

persons with an interest in or lien upon real estate, as a practical matter, rejoinder of all parties is required. (§ 59-2-1353)

12.27.2 Notice of Intention to Foreclose

Before the commencement of any foreclosure action, 30 days written notice of intention to foreclose shall be sent to the owner, if known, at the address shown on the last assessment roll of the county in which the real estate is located. If the address of the owner does not appear on the assessment roll, the notice shall be sent to the owner at the general delivery at the post office in the city, town, or precinct where the real estate is located. Service of the notice is complete when deposited in the US Mail. (§ 59-2-1354)

12.27.3 Foreclosure Trial

The foreclosure action will be tried and determined as actions to foreclose mortgage liens. The court will determine the amount of taxes, interest, penalties, and administrative costs on each parcel of property which has been separately assessed, and will enter its decree determining the rights, and priority of liens, of all parties to the action. The court will also direct the sheriff to advertise and sell, as in the case of sales on execution, each parcel of property, or so much as may be necessary for the payment of the total amount of the taxes and tax notice charges due, with interest, penalties, and costs. The decree will also provide:

- For a fixed period of time before the sale may occur in which the payment of the amounts decreed due may be paid, but the period will not exceed 30 days from the entry of the decree.
- That any of the parties to the action may become purchasers at the sale.
- That if less than an entire parcel of property is sold, it will not be sold as to:
 - Convey a strip of property around the entire perimeter of the parcel,
 - Convey a strip of the parcel what would prevent access to the remainder of the parcel by the redemptive owner, or
 - Otherwise diminish the value of the remainder, as determined by the county executive. (§ 59-2-1355)

12.27.4 Certificate of Sale

After a foreclosure sale is made, the sheriff will give the purchaser a certificate of sale as in the case of sales upon execution and file a duplicate of the certificate with the county recorder and auditor. (§ 59-2-1356)

12.27.5 County Right to Purchase and Sell Certificate

If the county has purchased the property, the certificate of sale may be sold and assigned by it to any person upon payment of a sum not less than the amount for which it was sold to the county, together with interest. The assignee acquires all the rights of the county in the property. (§ 59-2-1356)

12.27.6 Redemption after Foreclosure

Any person with an interest in real estate sold at foreclosure to pay delinquent property taxes has the same right to redeem the real estate from the sale, within the same time and upon the same terms as if the sale had been made upon execution. (§ 59-2-1357)

Under Rule 69C of the Utah Rule of Civil Procedure, property bought at a foreclosure sale may be redeemed from the purchaser within six months after the sale on paying the amount of his purchase with 6% interest plus certain enumerated expenses.

12.27.7 Deed after Redemption Period Expires

If no redemption is made within the time provided, the sheriff will execute and deliver to the purchaser a deed conveying to the purchaser the rights, title, and interest of all of the parties, but subject to the lien of any general or special taxes or tax notice charges which may have been levied on the property and not satisfied by the foreclosure. (§ 59-2-1355)

Standard 12.28 Taxpayer Bankruptcy

12.28.0 Characteristics of Bankruptcy

If a real property owner declares bankruptcy, collection of delinquent taxes may become complex. Complexity arises because the rules for various bankruptcy chapters are different and because delinquent taxes may be treated in a different manner than the interest that has accrued on those taxes. It would be prudent to consult with the county attorney when collecting taxes after a bankruptcy has been declared.

12.28.1 General Steps

If a delinquent real property owner has declared bankruptcy, the treasurer may follow these general steps:

- Flag the account to stop all collection proceedings;
- File a claim with the bankruptcy court for all delinquent amounts due the county (see [B-410 "Federal Bankruptcy Proof of Claim"](#) form);
- Send a copy of the "Proof of Claim" and any pleadings to the county attorney and allow the attorney to respond to any debtor / creditor motions;
- As taxes subsequent to the bankruptcy filing are assessed, file a secured administrative claim with the bankruptcy court for the amount due and send a notice to the taxpayer;
- If the subsequent tax is not paid by the taxpayer, do not proceed with any other collection efforts in regards to that subsequent tax; and
- Do not place the property on the listing for final tax sale until the bankruptcy is resolved.

Appendix 12A

Delinquent Taxes Interest Calculation

Taxpayer's real property taxes from 2016, 2017, and 2018, are delinquent. This assumes taxes were not paid by January 31 following delinquency. The amount of taxes assessed in each year and the FFRT on January 1 in each of these years are as follows:

- 2016: \$1500 tax due, 0.5% FFRT (7% interest rate set January 1, 2017)
- 2017: \$1600 tax due, 0.5% FFRT (7% interest rate set January 1, 2018)
- 2018: \$1700 tax due, 1.25% FFRT (7.25% interest rate set January 1, 2019)

Please note that the tax due includes penalties for real property delinquency. Interest will be computed for the entire calendar year. Interest in each year is calculated as follows:

| 2016 | Due |
|---------------------------------------|------------------|
| Total 2016 interest \$1500.00 at 7% = | \$105.00 |
| | \$1605.00 |
| Total Interest: | \$105.00 |
| Total Delinquency due: | \$1605.00 |

| 2017 | Due |
|---------------------------------------|------------------|
| Total 2016 interest \$1500.00 at 7% = | \$210.00 |
| | \$1710.00 |
| Total 2017 interest \$1600.00 at 7% = | \$112.00 |
| | \$1712.00 |
| Total Interest: | \$322.00 |
| Total Delinquency due: | \$3432.00 |

| 2018 | Due |
|--|------------------|
| Total 2016 interest \$1500.00 at 7% = | \$315.00 |
| | \$1815.00 |
| Total 2017 interest \$1600.00 at 7% = | \$224.00 |
| | \$1824.00 |
| Total 2018 interest \$1700.00 at 7.25% = | \$123.25 |
| | \$1823.25 |
| Total Interest: | \$662.25 |
| Total Delinquency due: | \$5462.25 |

Appendix 12B

Delinquent Taxes Interest and Penalties Table

Other tax types or fees may appear on the tax notice that could carry different penalties and interest than those listed here. Consult the Code if new types of delinquencies are certified to the treasurer's office.

| Property Type | Delinquency Date | Date Interest Accrues | Interest | Interest: Pre-Jan 31 Payment | Penalty | Penalty: Pre Jan 31 Payment |
|-------------------------------------|---|---|---|------------------------------|---|---|
| Real Property | Dec. 1 ¹ | From following Jan. 1 ¹ | FFRT set on Jan. 1 AFTER delinquency (>7%, <10%) ¹ | 0% ¹ | Greater of 2.5% of tax due or \$10 ¹ | Greater of 1% of tax due or \$10 ¹ |
| Personal Property | Upon assessment (usually May 15 when signed statement is due) ² | From date of delinquency ^{3,7} | FFRT set on Jan.1 BEFORE delinquency (>7%, <10%) ^{3,7} | | Greater of 10% of tax due or \$25 ⁴ | |
| Transitory Personal Property | After 90 days presence in the state (if not reported to county assessor) ⁵ | | | | 50% of tax due ⁶ | |
| Rollback Taxes | 30 days after mailing of rollback notice ⁷ | | | | Greater of 2% of rollback tax due for final year or \$10 ⁷ | |

¹ § 59-2-1331

² §§ 59-2-1302 and 59-2-306

³ § 59-2-1302

⁴ § 59-2-307, upon failure to file a signed statement

⁵ § 59-2-402 and R884-24P-65

⁶ § 59-2-402

⁷ § 59-2-506