

PROPERTY TAX APPEALS AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor: _____

LONG TITLE**General Description:**

This bill modifies provisions related to property tax appeals.

Highlighted Provisions:

This bill:

- ▶ authorizes counties to use certain local tax funds to pay for property tax refunds owed as a result of an objection to the assessment of property assessed by the State Tax Commission without voter approval;
- ▶ repeals certain requirements for counties to initiate an objection to the assessment of property assessed by the State Tax Commission;
- ▶ repeals provisions requiring the State Tax Commission to stay an appeal of the valuation or equalization of property pending judicial review; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17-36-54, as last amended by Laws of Utah 2014, Chapter 176

59-2-1007, as last amended by Laws of Utah 2021, Chapter 367



REPEALS:

59-1-613, as enacted by Laws of Utah 2021, Chapter 238

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

Section 1. Section **17-36-54** is amended to read:

17-36-54. Tax stability and trust fund -- Use of principal -- Determination of necessity -- Election -- Exception.

(1) ~~[H]~~ Except as provided in Subsection (2), if the legislative body of a county that has established a tax stability and trust fund under Section **17-36-51** determines that it is necessary for purposes of that county to use any portion of the principal of the fund, the county legislative body shall submit this proposition to the electorate of that county in a special election called and held in the manner provided for in Title 11, Chapter 14, Local Government Bonding Act, for the holding of bond elections.

~~[(2)]~~ (a) If the proposition is approved at the special election by a majority of the qualified electors of the county voting at the election, then that portion of the principal of the fund covered by the proposition may be transferred to the county general fund for use for purposes of that county.

(2) (a) The requirements of Subsection (1) do not apply to the use of any portion of the principal of a tax stability and trust fund established under Section **17-36-51** for payment of any refund of property taxes owed by the county as a result of an objection to the assessment of property assessed by the State Tax Commission under Section **59-2-1007**.

(b) The legislative body of a county may, by ordinance or resolution, authorize the use of any portion of the tax stability and trust fund for the purpose described in Subsection (2)(a).

Section 2. Section **59-2-1007** is amended to read:

59-2-1007. Objection to assessment by commission -- Application -- Contents of application -- Amending an application -- Information provided by the commission -- Hearings -- Appeals.

(1) (a) Subject to the other provisions of this section, if the owner of property assessed by the commission objects to the assessment, the owner may apply to the commission for a hearing on the objection on or before the later of:

(i) August 1; or

(ii) 90 days after the day on which the commission mails the notice of assessment in accordance with Section 59-2-201.

(b) The commission shall allow an owner that meets the requirements of Subsection (1)(a) to be a party at a hearing under this section.

(2) Subject to the other provisions of this section, a county that objects to the assessment of property assessed by the commission may apply to the commission for a hearing on the objection:

(a) for an assessment with respect to which the owner has applied to the commission for a hearing on the objection under Subsection (1), if the county applies to the commission to become a party to the hearing on the objection no later than 60 days after the day on which the owner applied to the commission for the hearing on the objection; or

(b) for an assessment with respect to which the owner has not applied to the commission for a hearing on the objection under Subsection (1), if the county applies to the commission for a hearing on the objection no later than 60 days after the last day on which the owner could have applied to the commission for a hearing on the objection under Subsection (1).

~~[(i) reasonably believes that the commission should have assessed the property for the current calendar year at a fair market value that is at least the lesser of an amount that is:]~~

~~[(A) 50% greater than the value at which the commission is assessing the property for the current calendar year; or]~~

~~[(B) 50% greater than the value at which the commission assessed the property for the prior calendar year; and]~~

~~[(ii) applies to the commission for a hearing on the objection no later than 60 days after the last day on which the owner could have applied to the commission for a hearing on the objection under Subsection (1).]~~

(3) Before a county may apply to the commission for a hearing under this section on an objection to an assessment, a majority of the members of the county legislative body shall approve filing an application under this section.

(4) (a) The commission shall allow a county that meets the requirements of Subsections (2) and (3) to be a party at a hearing under this section.

(b) The commission shall allow an owner to be a party at a hearing under this section

on an objection to an assessment a county files in accordance with Subsection (2)(b).

(5) An owner or a county shall include in an application under this section:

(a) a written statement~~[:] setting forth the known facts and legal basis supporting a different fair market value than the value assessed by the commission; and~~

~~[(i) setting forth the known facts and legal basis supporting a different fair market value than the value assessed by the commission; and]~~

~~[(ii) for an assessment described in Subsection (2)(b), establishing the county's reasonable belief that the commission should have assessed the property for the current calendar year at a fair market value that is at least the lesser of an amount that is:]~~

~~[(A) 50% greater than the value at which the commission is assessing the property for the current calendar year; or]~~

~~[(B) 50% greater than the value at which the commission assessed the property for the prior calendar year; and]~~

(b) the owner's or county's estimate of the fair market value of the property.

(6) (a) ~~[Except as provided in Subsection (6)(b), an]~~ An owner or a county assessor may amend an estimate on an application under this section of the fair market value of the property prior to the hearing as provided by rule.

~~[(b) A county may not amend the fair market value of property under this Subsection (6) to equal an amount that is less than the lesser of:]~~

~~[(i) the value at which the commission is assessing the property for the current calendar year plus 50%; or]~~

~~[(ii) the value at which the commission assessed the property for the prior calendar year plus 50%.]~~

~~[(c)]~~ (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules governing the procedures for amending an estimate of fair market value under this Subsection (6).

(7) In applying to the commission for a hearing on an objection under this section:

(a) a county may estimate the fair market value of the property using a valuation methodology the county considers to be appropriate, regardless of:

(i) the valuation methodology used previously in valuing the property; or

(ii) the valuation methodology an owner asserts; and

(b) an owner may estimate the fair market value of the property using a valuation methodology the owner considers to be appropriate, regardless of:

- (i) the valuation methodology used previously in valuing the property; or
- (ii) the valuation methodology a county asserts.

(8) (a) An owner who applies to the commission for a hearing in accordance with Subsection (1) shall, for the property for which the owner objects to the commission's assessment, file a copy of the application with the county auditor of each county in which the property is located.

(b) A county auditor who receives a copy of an application in accordance with Subsection (8)(a) shall provide a copy of the application to the county:

- (i) assessor;
- (ii) attorney;
- (iii) legislative body; and
- (iv) treasurer.

(9) (a) Upon request, the commission shall provide to a nonprofit organization that represents counties in the state the following information regarding an appeal filed under this section:

- (i) the name of the property owner filing the appeal;
- (ii) each year at issue in the appeal;
- (iii) the value assessed by the commission for the property that is the subject of the appeal; and
- (iv) the owner's estimate of value for the property that is the subject of the appeal as submitted under Subsection (5)(b).

(b) (i) Except as provided in Subsection (9)(b)(ii), a nonprofit organization may not disclose the information described in Subsection (9)(a)(iv).

(ii) A nonprofit organization may disclose information described in Subsection (9)(a)(iv) to an individual listed under Subsection 59-1-403(2)(a).

(10) (a) On or before November 15, the commission shall conduct a scheduling conference with all parties to a hearing under this section.

(b) At the scheduling conference under Subsection (10)(a), the commission shall establish dates for:

- (i) the completion of discovery;
- (ii) the filing of prehearing motions; and
- (iii) conducting a hearing on the objection to the assessment.

(11) (a) The commission shall issue a written decision no later than 120 days after the later of the day on which:

- (i) the commission completes the hearing under this section; or
- (ii) the parties submit all posthearing briefs.

(b) If the commission does not issue a written decision on an objection to an assessment under this section within a two-year period after the date an application under this section is filed, the objection is considered to be denied, unless the parties stipulate to a different time period for resolving the objection.

(c) A party may appeal to the district court in accordance with Section 59-1-601 within 30 days after the day on which an objection is considered to be denied.

(12) At the hearing on an objection under this section, the commission may increase, lower, or sustain the assessment if:

- (a) the commission finds an error in the assessment; or
- (b) the commission determines that increasing, lowering, or sustaining the assessment is necessary to equalize the assessment with other similarly assessed property.

(13) (a) The commission shall send notice of a commission action under Subsection (12) to a county auditor if:

- (i) the commission proposes to adjust an assessment the commission made in accordance with Section 59-2-201;
- (ii) the county's tax revenues may be affected by the commission's decision; and
- (iii) the county is not a party to the hearing under this section.

(b) The written notice described in Subsection (13)(a):

(i) may be sent by:

- (A) any form of electronic communication;
- (B) first class mail; or
- (C) private carrier; and

(ii) shall request the county to show good cause why the commission should not adjust the assessment by requesting the county to provide to the commission a written statement

183 setting forth the known facts and legal basis for not adjusting the assessment within 30 days
184 after the day on which the commission sends the written notice.

185 (c) If a county provides a written statement described in Subsection (13)(b) to the
186 commission, the commission shall:

187 (i) hold a hearing or take other appropriate action to consider the good cause the county
188 provides in the written statement; and

189 (ii) issue a written decision increasing, lowering, or sustaining the assessment.

190 (d) If a county does not provide a written statement described in Subsection (13)(b) to
191 the commission within 30 days after the day on which the commission sends the notice
192 described in Subsection (13)(a), the commission shall adjust the assessment and send a copy of
193 the commission's written decision to the county.

194 (14) Subsection (13) does not limit the rights of a county as provided in Subsections
195 (2) and (4)(a).

196 Section 3. **Repealer.**

197 This bill repeals:

198 Section **59-1-613, Judicial review -- Mandatory stay of certain commission cases.**

199 Section 4. **Effective date.**

200 This bill takes effect on May 1, 2024.