

PROPERTY TAX REFUND AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Susan Pulsipher

LONG TITLE

General Description:

This bill modifies provisions related to property tax refunds.

Highlighted Provisions:

This bill:

- requires a county, following an appeal to the county's board of equalization, to issue any warranted property tax refund to the taxpayer that paid the property taxes; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-1004, as last amended by Laws of Utah 2022, Chapter 168

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

Section 1. Section **59-2-1004** is amended to read:

59-2-1004 . Appeal to county board of equalization -- Real property -- Time period for appeal -- Public hearing requirements -- Decision of board -- Extensions approved by commission -- Appeal to commission.

(1) As used in this section:

(a) "Final assessed value" means:

- (i) for real property for which the taxpayer appealed the valuation or equalization to the county board of equalization in accordance with this section, the value given to the real property by the county board of equalization, including a value based

- 29 on a stipulation of the parties;
- 30 (ii) for real property for which the taxpayer or a county assessor appealed the
- 31 valuation or equalization to the commission in accordance with Section 59-2-1006,
- 32 the value given to the real property by:
- 33 (A) the commission, if the commission has issued a decision in the appeal or the
- 34 parties have entered a stipulation; or
- 35 (B) a county board of equalization, if the commission has not yet issued a decision
- 36 in the appeal and the parties have not entered a stipulation; or
- 37 (iii) for real property for which the taxpayer or a county assessor sought judicial
- 38 review of the valuation or equalization in accordance with Section 59-1-602 or
- 39 Title 63G, Chapter 4, Part 4, Judicial Review, the value given the real property by
- 40 the commission.
- 41 (b) "Inflation adjusted value" means the value of the real property that is the subject of
- 42 the appeal as calculated by changing the final assessed value for the previous taxable
- 43 year for the real property by the median property value change.
- 44 (c) "Median property value change" means the midpoint of the property value changes
- 45 for all real property that is:
- 46 (i) of the same class of real property as the qualified real property; and
- 47 (ii) located within the same county and within the same market area as the qualified
- 48 real property.
- 49 (d) "Property value change" means the percentage change in the fair market value of real
- 50 property on or after January 1 of the previous year and before January 1 of the
- 51 current year.
- 52 (e) "Qualified real property" means real property:
- 53 (i) for which:
- 54 (A) the taxpayer or a county assessor appealed the valuation or equalization for
- 55 the previous taxable year to the county board of equalization in accordance
- 56 with this section or the commission in accordance with Section 59-2-1006;
- 57 (B) the appeal described in Subsection (1)(e)(i)(A), resulted in a final assessed
- 58 value that was lower than the assessed value; and
- 59 (C) the assessed value for the current taxable year is higher than the inflation
- 60 adjusted value; and
- 61 (ii) that, on or after January 1 of the previous taxable year and before January 1 of the
- 62 current taxable year, has not had a qualifying change.

- (f) "Qualifying change" means one of the following changes to real property that occurs on or after January 1 of the previous taxable year and before January 1 of the current taxable year:
- (i) a physical improvement if, solely as a result of the physical improvement, the fair market value of the physical improvement equals or exceeds the greater of 10% of fair market value of the real property or \$20,000;
 - (ii) a zoning change, if the fair market value of the real property increases solely as a result of the zoning change; or
 - (iii) a change in the legal description of the real property, if the fair market value of the real property increases solely as a result of the change in the legal description of the real property.
- (2) (a) A taxpayer dissatisfied with the valuation or the equalization of the taxpayer's real property may make an application to appeal by:
- (i) filing the application with the county board of equalization within the time period described in Subsection (3); or
 - (ii) making an application by telephone or other electronic means within the time period described in Subsection (3) if the county legislative body passes a resolution under Subsection ~~[(9)]~~ (10) authorizing a taxpayer to make an application by telephone or other electronic means.
- (b) (i) The county board of equalization shall make a rule describing the contents of the application.
- (ii) In addition to any information the county board of equalization requires, the application shall include information about:
- (A) the burden of proof in an appeal involving qualified real property; and
 - (B) the process for the taxpayer to learn the inflation adjusted value of the qualified real property.
- (c) (i) (A) The county assessor shall notify the county board of equalization of a qualified real property's inflation adjusted value within 15 business days after the date on which the county assessor receives notice that a taxpayer filed an appeal with the county board of equalization.
- (B) The county assessor shall notify the commission of a qualified real property's inflation adjusted value within 15 business days after the date on which the county assessor receives notice that a person dissatisfied with the decision of a county board of equalization files an appeal with the commission.

(ii) (A) A person may not appeal a county assessor's calculation of inflation adjusted value but may appeal the fair market value of a qualified real property.

(B) A person may appeal a determination of whether, on or after January 1 of the previous taxable year and before January 1 of the current taxable year, real property had a qualifying change.

(3) (a) Except as provided in Subsection (3)(b) and for purposes of Subsection (2), a taxpayer shall make an application to appeal the valuation or the equalization of the taxpayer's real property on or before the later of:

(i) September 15 of the current calendar year; or

(ii) the last day of a 45-day period beginning on the day on which the county auditor provides the notice under Section 59-2-919.1.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules providing for circumstances under which the county board of equalization is required to accept an application to appeal that is filed after the time period prescribed in Subsection (3)(a).

(4) (a) Except as provided in Subsection (4)(b), the taxpayer shall include in the application under Subsection (2)(a):

(i) the taxpayer's estimate of the fair market value of the property and any evidence that may indicate that the assessed valuation of the taxpayer's property is improperly equalized with the assessed valuation of comparable properties; and

(ii) a signed statement of the personal property located in a multi-tenant residential property, as that term is defined in Section 59-2-301.8 if the taxpayer:

(A) appeals the value of multi-tenant residential property assessed in accordance with Section 59-2-301.8; and

(B) intends to contest the value of the personal property located within the multi-tenant residential property.

(b) (i) For an appeal involving qualified real property:

(A) the county board of equalization shall presume that the fair market value of the qualified real property is equal to the inflation adjusted value; and

(B) except as provided in Subsection (4)(b)(ii), the taxpayer may provide the information described in Subsection (4)(a).

(ii) If the taxpayer seeks to prove that the fair market value of the qualified real property is below the inflation adjusted value, the taxpayer shall provide the information described in Subsection (4)(a).

- 131 (5) In reviewing evidence submitted to a county board of equalization by or on behalf of an
132 owner or a county assessor, the county board of equalization shall consider and weigh:
133 (a) the accuracy, reliability, and comparability of the evidence presented by the owner or
134 the county assessor;
135 (b) if submitted, the sales price of relevant property that was under contract for sale as of
136 the lien date but sold after the lien date;
137 (c) if submitted, the sales offering price of property that was offered for sale as of the
138 lien date but did not sell, including considering and weighing the amount of time for
139 which, and manner in which, the property was offered for sale; and
140 (d) if submitted, other evidence that is relevant to determining the fair market value of
141 the property.
- 142 (6) (a) Except as provided in Subsection [(6)(c)] (6)(b), at least five days before the day
143 on which the county board of equalization holds a public hearing on an appeal:
144 (i) the county assessor shall provide the taxpayer any evidence the county assessor
145 relies upon in support of the county assessor's valuation; and
146 (ii) the taxpayer shall provide the county assessor any evidence not previously
147 provided to the county assessor that the taxpayer relies upon in support of the
148 taxpayer's appeal.
- 149 (b) (i) The deadline described in Subsection (6)(a) does not apply to evidence that is
150 commercial information as defined in Section 59-1-404, if:
151 (A) for the purpose of complying with Section 59-1-404, the county assessor
152 requires that the taxpayer execute a nondisclosure agreement before the county
153 assessor discloses the evidence; and
154 (B) the taxpayer fails to execute the nondisclosure agreement before the deadline
155 described in Subsection (6)(a).
- 156 (ii) The county assessor shall disclose evidence described in Subsection (6)(b)(i) as
157 soon as practicable after the county assessor receives the executed nondisclosure
158 agreement.
- 159 (iii) The county assessor shall provide the taxpayer a copy of the nondisclosure
160 agreement with reasonable time for the taxpayer to review and execute the
161 agreement before the deadline described in Subsection (6)(a) expires.
- 162 (c) If at the public hearing, a party presents evidence not previously provided to the
163 other party, the county board of equalization shall allow the other party to respond to
164 the evidence in writing within 10 days after the day on which the public hearing

occurs.

(d) (i) A county board of equalization may adopt rules governing the deadlines described in this Subsection (6), if the rules are no less stringent than the provisions of this Subsection (6).

(ii) A county board of equalization's rule that complies with Subsection (6)(d)(i) controls over the provisions of this subsection.

(7) (a) The county board of equalization shall meet and hold public hearings as described in Section 59-2-1001.

(b) (i) For purposes of this Subsection (7)(b), "significant adjustment" means a proposed adjustment to the valuation of real property that:

(A) is to be made by a county board of equalization; and

(B) would result in a valuation that differs from the original assessed value by at least 20% and \$1,000,000.

(ii) When a county board of equalization is going to consider a significant adjustment, the county board of equalization shall:

(A) list the significant adjustment as a separate item on the agenda of the public hearing at which the county board of equalization is going to consider the significant adjustment; and

(B) for purposes of the agenda described in Subsection (7)(b)(ii)(A), provide a description of the property for which the county board of equalization is considering a significant adjustment.

(c) The county board of equalization shall make a decision on each appeal filed in accordance with this section within 60 days after the day on which the taxpayer makes an application.

(d) The commission may approve the extension of a time period provided for in Subsection (7)(c) for a county board of equalization to make a decision on an appeal.

(e) Unless the commission approves the extension of a time period under Subsection (7)(d), if a county board of equalization fails to make a decision on an appeal within the time period described in Subsection (7)(c), the county legislative body shall:

(i) list the appeal, by property owner and parcel number, on the agenda for the next meeting the county legislative body holds after the expiration of the time period described in Subsection (7)(c); and

(ii) hear the appeal at the meeting described in Subsection (7)(e)(i).

(f) The decision of the county board of equalization shall contain:

- 199 (i) a determination of the valuation of the property based on fair market value; and
200 (ii) a conclusion that the fair market value is properly equalized with the assessed
201 value of comparable properties.

202 (g) If no evidence is presented before the county board of equalization, the county board
203 of equalization shall presume that the equalization issue has been met.

204 (h) (i) If the fair market value of the property that is the subject of the appeal deviates
205 plus or minus 5% from the assessed value of comparable properties, the county
206 board of equalization shall adjust the valuation of the appealed property to reflect
207 a value equalized with the assessed value of comparable properties.

208 (ii) Subject to Sections 59-2-301.1, 59-2-301.2, 59-2-301.3, and 59-2-301.4,
209 equalized value established under Subsection (7)(h)(i) shall be the assessed value
210 for property tax purposes until the county assessor is able to evaluate and equalize
211 the assessed value of all comparable properties to bring all comparable properties
212 into conformity with full fair market value.

213 (8) (a) If the decision of the county board of equalization warrants a refund of any
214 amount of property taxes paid for the tax year for the real property that is the subject
215 of the appeal, the county shall issue the refund directly to the taxpayer that paid the
216 property taxes, or an officer or agent of that taxpayer as identified in the information
217 provided under Subsection (8)(b), regardless of whether the taxpayer is the owner of
218 record of the real property at the time the decision is rendered.

219 (b) A taxpayer entitled to a refund under this section that is not the owner of record of
220 the real property subject to the appeal shall, within 10 calendar days after the day on
221 which the decision of the county board of equalization is rendered, provide the
222 following information to the county board of equalization:

223 (i) a statement that the taxpayer is entitled to receive the refund under Subsection
224 (8)(a);

225 (ii) the name of the taxpayer, or an officer or agent of that taxpayer, entitled to
226 receive the refund;

227 (iii) the mailing address of the taxpayer, or an officer or agent of that taxpayer, to
228 which the taxpayer requests the refund to be sent; and

229 (iv) any other information requested by the county board of equalization.

230 [(8)] (9) If any taxpayer is dissatisfied with the decision of the county board of equalization,
231 the taxpayer may file an appeal with the commission as described in Section 59-2-1006.

232 [(9)] (10) A county legislative body may pass a resolution authorizing taxpayers owing

233 taxes on property assessed by that county to file property tax appeals applications under
234 this section by telephone or other electronic means.

235 Section 2. **Effective date.**

236 This bill takes effect on May 1, 2024.