

PROPERTY TAX ASSESSMENT AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mark A. Strong

Senate Sponsor: Ronald Winterton

LONG TITLE

General Description:

This bill modifies county assessment provisions of the property tax code.

Highlighted Provisions:

This bill:

- ▶ defines the term "assessment roll" to include an "assessment book";
- ▶ defines "multi-tenant residential property";
- ▶ authorizes a county assessor to assess real property and personal property of a multi-tenant residential property using an income approach under certain circumstances;
- ▶ provides circumstances under which a county assessor may exempt an owner from the county's signed statement obligation on personal property located in a multi-tenant residential property;
- ▶ provides requirements for assessing, collecting, and reporting certain personal property located in a multi-tenant residential property using an income approach;
- ▶ provides the circumstances under which an owner shall submit a signed statement of personal property located in a multi-tenant residential property in an appeal; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-2-102, as last amended by Laws of Utah 2018, Chapters 415 and 456

59-2-1004, as last amended by Laws of Utah 2019, Chapters 16 and 136

59-2-1006, as last amended by Laws of Utah 2019, Chapter 453

ENACTS:

59-2-301.8, Utah Code Annotated 1953

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

Section 1. Section **59-2-102** is amended to read:

59-2-102. Definitions.

As used in this chapter and title:

(1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of engaging in dispensing activities directly affecting agriculture or horticulture with an airworthiness certificate from the Federal Aviation Administration certifying the aircraft or rotorcraft's use for agricultural and pest control purposes.

(2) "Air charter service" means an air carrier operation that requires the customer to hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled trip.

(3) "Air contract service" means an air carrier operation available only to customers that engage the services of the carrier through a contractual agreement and excess capacity on any trip and is not available to the public at large.

(4) "Aircraft" means the same as that term is defined in Section **72-10-102**.

(5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

(i) operates:

(A) on an interstate route; and

(B) on a scheduled basis; and

(ii) offers to fly one or more passengers or cargo on the basis of available capacity on a regularly scheduled route.

(b) "Airline" does not include an:

(i) air charter service; or

(ii) air contract service.

(6) "Assessment roll" or "assessment book" means a permanent record of the assessment of property as assessed by the county assessor and the commission and may be maintained manually or as a computerized file as a consolidated record or as multiple records by type, classification, or categories.

(7) "Base parcel" means a parcel of property that was legally:

(a) subdivided into two or more lots, parcels, or other divisions of land; or

(b) (i) combined with one or more other parcels of property; and

(ii) subdivided into two or more lots, parcels, or other divisions of land.

(8) (a) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:

(i) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a multicounty assessing and collecting levy, as specified in Section [59-2-1602](#); and

(ii) the product of:

(A) eligible new growth, as defined in Section [59-2-924](#); and

(B) the multicounty assessing and collecting levy certified by the commission for the previous year.

(b) For purposes of this Subsection (8), "ad valorem property tax revenue" does not include property tax revenue received by a taxing entity from personal property that is:

(i) assessed by a county assessor in accordance with Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

(c) For purposes of calculating the certified revenue levy described in this Subsection (8), the commission shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

86 (ii) the taxable value of real and personal property assessed by the commission; and
87 (iii) the taxable year end value of personal property assessed by a county assessor
88 contained on the prior year's assessment roll.

89 (9) "County-assessed commercial vehicle" means:

90 (a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section
91 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or property in
92 furtherance of the owner's commercial enterprise;

93 (b) any passenger vehicle owned by a business and used by its employees for
94 transportation as a company car or vanpool vehicle; and

95 (c) vehicles that are:

96 (i) especially constructed for towing or wrecking, and that are not otherwise used to
97 transport goods, merchandise, or people for compensation;

98 (ii) used or licensed as taxicabs or limousines;

99 (iii) used as rental passenger cars, travel trailers, or motor homes;

100 (iv) used or licensed in this state for use as ambulances or hearses;

101 (v) especially designed and used for garbage and rubbish collection; or

102 (vi) used exclusively to transport students or their instructors to or from any private,
103 public, or religious school or school activities.

104 (10) (a) Except as provided in Subsection (10)(b), for purposes of Section 59-2-801,
105 "designated tax area" means a tax area created by the overlapping boundaries of only the
106 following taxing entities:

107 (i) a county; and

108 (ii) a school district.

109 (b) "Designated tax area" includes a tax area created by the overlapping boundaries of
110 the taxing entities described in Subsection (10)(a) and:

111 (i) a city or town if the boundaries of the school district under Subsection (10)(a) and
112 the boundaries of the city or town are identical; or

113 (ii) a special service district if the boundaries of the school district under Subsection

(10)(a) are located entirely within the special service district.

(11) "Eligible judgment" means a final and unappealable judgment or order under Section 59-2-1330:

(a) that became a final and unappealable judgment or order no more than 14 months before the day on which the notice described in Section 59-2-919.1 is required to be provided; and

(b) for which a taxing entity's share of the final and unappealable judgment or order is greater than or equal to the lesser of:

(i) \$5,000; or

(ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year.

(12) (a) "Escaped property" means any property, whether personal, land, or any improvements to the property, that is subject to taxation and is:

(i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed to the wrong taxpayer by the assessing authority;

(ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to comply with the reporting requirements of this chapter; or

(iii) undervalued because of errors made by the assessing authority based upon incomplete or erroneous information furnished by the taxpayer.

(b) "Escaped property" does not include property that is undervalued because of the use of a different valuation methodology or because of a different application of the same valuation methodology.

(13) "Fair market value" means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair market value" shall be determined using the current zoning laws applicable to the property in question, except in cases where there is a reasonable probability of a change in the zoning laws affecting that property in the tax year in question and the change would have an appreciable

influence upon the value.

(14) (a) "Farm machinery and equipment," for purposes of the exemption provided under Section 59-2-1101, means tractors, milking equipment and storage and cooling facilities, feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage tools, scales, combines, spreaders, sprayers, haying equipment, including balers and cubers, and any other machinery or equipment used primarily for agricultural purposes.

(b) "Farm machinery and equipment" does not include vehicles required to be registered with the Motor Vehicle Division or vehicles or other equipment used for business purposes other than farming.

(15) "Geothermal fluid" means water in any form at temperatures greater than 120 degrees centigrade naturally present in a geothermal system.

(16) "Geothermal resource" means:

(a) the natural heat of the earth at temperatures greater than 120 degrees centigrade; and

(b) the energy, in whatever form, including pressure, present in, resulting from, created by, or which may be extracted from that natural heat, directly or through a material medium.

(17) (a) "Goodwill" means:

(i) acquired goodwill that is reported as goodwill on the books and records that a taxpayer maintains for financial reporting purposes; or

(ii) the ability of a business to:

(A) generate income that exceeds a normal rate of return on assets and that results from a factor described in Subsection (17)(b); or

(B) obtain an economic or competitive advantage resulting from a factor described in Subsection (17)(b).

(b) The following factors apply to Subsection (17)(a)(ii):

(i) superior management skills;

(ii) reputation;

(iii) customer relationships;

- 170 (iv) patronage; or
- 171 (v) a factor similar to Subsections (17)(b)(i) through (iv).
- 172 (c) "Goodwill" does not include:
- 173 (i) the intangible property described in Subsection (21)(a) or (b);
- 174 (ii) locational attributes of real property, including:
- 175 (A) zoning;
- 176 (B) location;
- 177 (C) view;
- 178 (D) a geographic feature;
- 179 (E) an easement;
- 180 (F) a covenant;
- 181 (G) proximity to raw materials;
- 182 (H) the condition of surrounding property; or
- 183 (I) proximity to markets;
- 184 (iii) value attributable to the identification of an improvement to real property,
- 185 including:
- 186 (A) reputation of the designer, builder, or architect of the improvement;
- 187 (B) a name given to, or associated with, the improvement; or
- 188 (C) the historic significance of an improvement; or
- 189 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 190 of the existing tangible property in place working together as a unit.
- 191 (18) "Governing body" means:
- 192 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 193 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
- 194 Local Districts, the local district's board of trustees;
- 195 (c) for a school district, the local board of education; or
- 196 (d) for a special service district under Title 17D, Chapter 1, Special Service District
- 197 Act:

(i) the legislative body of the county or municipality that created the special service district, to the extent that the county or municipal legislative body has not delegated authority to an administrative control board established under Section 17D-1-301; or

(ii) the administrative control board, to the extent that the county or municipal legislative body has delegated authority to an administrative control board established under Section 17D-1-301.

(19) (a) For purposes of Section 59-2-103:

(i) "household" means the association of individuals who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses; and

(ii) "household" includes married individuals, who are not legally separated, that have established domiciles at separate locations within the state.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "domicile."

(20) (a) Except as provided in Subsection (20)(c), "improvement" means a building, structure, fixture, fence, or other item that is permanently attached to land, regardless of whether the title has been acquired to the land, if:

(i) (A) attachment to land is essential to the operation or use of the item; and

(B) the manner of attachment to land suggests that the item will remain attached to the land in the same place over the useful life of the item; or

(ii) removal of the item would:

(A) cause substantial damage to the item; or

(B) require substantial alteration or repair of a structure to which the item is attached.

(b) "Improvement" includes:

(i) an accessory to an item described in Subsection (20)(a) if the accessory is:

(A) essential to the operation of the item described in Subsection (20)(a); and

(B) installed solely to serve the operation of the item described in Subsection (20)(a);

and

(ii) an item described in Subsection (20)(a) that is temporarily detached from the land

226 for repairs and remains located on the land.

227 (c) "Improvement" does not include:

228 (i) an item considered to be personal property pursuant to rules made in accordance
229 with Section 59-2-107;

230 (ii) a moveable item that is attached to land for stability only or for an obvious
231 temporary purpose;

232 (iii) (A) manufacturing equipment and machinery; or

233 (B) essential accessories to manufacturing equipment and machinery;

234 (iv) an item attached to the land in a manner that facilitates removal without substantial
235 damage to the land or the item; or

236 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that
237 transportable factory-built housing unit is considered to be personal property under Section
238 59-2-1503.

239 (21) "Intangible property" means:

240 (a) property that is capable of private ownership separate from tangible property,
241 including:

242 (i) money;

243 (ii) credits;

244 (iii) bonds;

245 (iv) stocks;

246 (v) representative property;

247 (vi) franchises;

248 (vii) licenses;

249 (viii) trade names;

250 (ix) copyrights; and

251 (x) patents;

252 (b) a low-income housing tax credit;

253 (c) goodwill; or

- 254 (d) a renewable energy tax credit or incentive, including:
- 255 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
- 256 Code;
- 257 (ii) a federal energy credit for qualified renewable electricity production facilities under
- 258 Section 48, Internal Revenue Code;
- 259 (iii) a federal grant for a renewable energy property under American Recovery and
- 260 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
- 261 (iv) a tax credit under Subsection 59-7-614(5).
- 262 (22) "Livestock" means:
- 263 (a) a domestic animal;
- 264 (b) a fish;
- 265 (c) a fur-bearing animal;
- 266 (d) a honeybee; or
- 267 (e) poultry.
- 268 (23) "Low-income housing tax credit" means:
- 269 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
- 270 or
- 271 (b) a low-income housing tax credit under Section 59-7-607 or Section 59-10-1010.
- 272 (24) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 273 (25) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
- 274 valuable mineral.
- 275 (26) "Mining" means the process of producing, extracting, leaching, evaporating, or
- 276 otherwise removing a mineral from a mine.
- 277 (27) (a) "Mobile flight equipment" means tangible personal property that is owned or
- 278 operated by an air charter service, air contract service, or airline and:
- 279 (i) is capable of flight or is attached to an aircraft that is capable of flight; or
- 280 (ii) is contained in an aircraft that is capable of flight if the tangible personal property
- 281 is intended to be used:

(A) during multiple flights;

(B) during a takeoff, flight, or landing; and

(C) as a service provided by an air charter service, air contract service, or airline.

(b) (i) "Mobile flight equipment" does not include a spare part other than a spare engine that is rotated at regular intervals with an engine that is attached to the aircraft.

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "regular intervals."

(28) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts, sand, rock, gravel, and all carboniferous materials.

(29) "Part-year residential property" means property that is not residential property on January 1 of a calendar year but becomes residential property after January 1 of the calendar year.

(30) "Personal property" includes:

(a) every class of property as defined in Subsection (31) that is the subject of ownership and is not real estate or an improvement;

(b) any pipe laid in or affixed to land whether or not the ownership of the pipe is separate from the ownership of the underlying land, even if the pipe meets the definition of an improvement;

(c) bridges and ferries;

(d) livestock; and

(e) outdoor advertising structures as defined in Section [72-7-502](#).

(31) (a) "Property" means property that is subject to assessment and taxation according to its value.

(b) "Property" does not include intangible property as defined in this section.

(32) "Public utility" means:

(a) for purposes of this chapter, the operating property of a railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline company, electrical corporation, telephone corporation, sewerage corporation, or heat corporation where the company performs

the service for, or delivers the commodity to, the public generally or companies serving the public generally, or in the case of a gas corporation or an electrical corporation, where the gas or electricity is sold or furnished to any member or consumers within the state for domestic, commercial, or industrial use; and

(b) the operating property of any entity or person defined under Section 54-2-1 except water corporations.

(33) (a) Subject to Subsection (33)(b), "qualifying exempt primary residential rental personal property" means household furnishings, furniture, and equipment that:

(i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

(ii) are owned by the owner of the dwelling unit that is the primary residence of a tenant; and

(iii) after applying the residential exemption described in Section 59-2-103, are exempt from taxation under this chapter in accordance with Subsection 59-2-1115(2).

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "dwelling unit" for purposes of this Subsection (33) and Subsection (36).

(34) "Real estate" or "real property" includes:

(a) the possession of, claim to, ownership of, or right to the possession of land;

(b) all mines, minerals, and quarries in and under the land, all timber belonging to individuals or corporations growing or being on the lands of this state or the United States, and all rights and privileges appertaining to these; and

(c) improvements.

(35) (a) "Relationship with an owner of the property's land surface rights" means a relationship described in Subsection 267(b), Internal Revenue Code, except that the term 25% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code.

(b) For purposes of determining if a relationship described in Subsection 267(b), Internal Revenue Code, exists, the ownership of stock shall be determined using the ownership rules in Subsection 267(c), Internal Revenue Code.

(36) (a) Subject to Subsection (36)(b), "residential property," for purposes of the reductions and adjustments under this chapter, means any property used for residential purposes as a primary residence.

(b) Subject to Subsection (36)(c), "residential property":

(i) except as provided in Subsection (36)(b)(ii), includes household furnishings, furniture, and equipment if the household furnishings, furniture, and equipment are:

(A) used exclusively within a dwelling unit that is the primary residence of a tenant; and

(B) owned by the owner of the dwelling unit that is the primary residence of a tenant; and

(ii) does not include property used for transient residential use.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "dwelling unit" for purposes of Subsection (33) and this Subsection (36).

(37) "Split estate mineral rights owner" means a person that:

(a) has a legal right to extract a mineral from property;

(b) does not hold more than a 25% interest in:

(i) the land surface rights of the property where the wellhead is located; or

(ii) an entity with an ownership interest in the land surface rights of the property where the wellhead is located;

(c) is not an entity in which the owner of the land surface rights of the property where the wellhead is located holds more than a 25% interest; and

(d) does not have a relationship with an owner of the land surface rights of the property where the wellhead is located.

(38) (a) "State-assessed commercial vehicle" means:

(i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate to transport passengers, freight, merchandise, or other property for hire; or

(ii) any commercial vehicle, trailer, or semitrailer that operates interstate and transports

the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

(b) "State-assessed commercial vehicle" does not include vehicles used for hire that are specified in Subsection (9)(c) as county-assessed commercial vehicles.

(39) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of a base parcel.

(40) "Taxable value" means fair market value less any applicable reduction allowed for residential property under Section 59-2-103.

(41) "Tax area" means a geographic area created by the overlapping boundaries of one or more taxing entities.

(42) "Taxing entity" means any county, city, town, school district, special taxing district, local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, or other political subdivision of the state with the authority to levy a tax on property.

(43) (a) "Tax roll" means a permanent record of the taxes charged on property, as extended on the assessment roll, and may be maintained on the same record or records as the assessment roll or may be maintained on a separate record properly indexed to the assessment roll.

(b) "Tax roll" includes tax books, tax lists, and other similar materials.

Section 2. Section 59-2-301.8 is enacted to read:

59-2-301.8. Assessment of multi-tenant residential property.

(1) As used in this section:

(a) "Multi-tenant residential property" means real and personal property where:

(i) the real property:

(A) is rented as 10 or more separate housing units;

(B) meets the definition of residential property; and

(C) qualifies for the residential exemption described in Section 59-2-103; and

(ii) the personal property is:

(A) located within the real property; and

(B) owned by the same person as the real property.

(b) "Multi-tenant residential property" does not include a tourist home, a hotel, a motel, or a trailer court accommodation and service that is regularly rented for fewer than 30 consecutive days.

(2) (a) A county assessor may use an income approach to value multi-tenant residential properties within the county if the county assessor finds that the income approach is a valid indicator of fair market value for the multi-tenant residential property in the county.

(b) A county assessor that chooses to value a multi-tenant residential property in accordance with this section shall use the same valuation method for all multi-tenant residential properties within the county.

(c) On or before May 1, a county assessor shall notify the commission about the county's method for valuing multi-tenant residential properties if the county assessor:

(i) (A) chooses to value multi-tenant residential properties in accordance with this section for the current tax year; and

(B) did not choose to value multi-tenant residential properties in accordance with this section for the previous tax year; or

(ii) (A) chose to value multi-tenant residential properties in accordance with this section for the previous tax year; and

(B) is not choosing to value multi-tenant residential properties in accordance with this section for the current tax year.

(3) (a) If a county assessor chooses to use the income approach to value multi-tenant residential properties, the county assessor may relieve the owners of any obligation to file the signed statement requested by the county under Section 59-2-306 for the owners' personal property located within the multi-tenant residential properties.

(b) On or before May 1:

(i) a county assessor that chooses to value multi-tenant residential properties in accordance with this section shall notify an owner that the owner is not required to file a signed statement if:

(A) the county requests a signed statement under Section 59-2-306;

(B) the county assessor relieves the owner of any obligation to file a signed statement in accordance with Subsection (3)(a); and

(C) the county assessor did not relieve the owner of the signed statement obligation for the previous tax year; or

(ii) a county assessor that chooses not to value multi-tenant residential properties in accordance with this section shall notify an owner of the obligation to file a signed statement if:

(A) the county requests a signed statement under Section 59-2-306; and

(B) the county assessor relieved the owner from filing a signed statement of personal property for the previous tax year.

(4) For personal property for which an owner is relieved of the obligation to file a signed statement under Subsection (3):

(a) (i) the county assessor shall assess the personal property in the same manner as real property under Part 3, County Assessment; and

(ii) the county assessor or the county treasurer shall collect the tax on the personal property in the same manner as real property under Part 13, Collection of Taxes;

(b) the county assessor is not required to list personal property separately in the assessment roll; and

(c) the county auditor is not required to identify personal property separately on the statement to the commission required by Section 59-2-322.

Section 3. 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 [Section 59-2-1004] this section, the value given to the real property by a county board of equalization after the appeal;

(ii) for real property for which the taxpayer or a county assessor appealed the valuation or equalization to the commission in accordance with Section 59-2-1006, the value given to the real property by:

(A) the commission, if the commission has issued a decision in the appeal; or

(B) a county board of equalization, if the commission has not yet issued a decision in the appeal; or

(iii) for real property for which the taxpayer or a county assessor sought judicial review of the valuation or equalization in accordance with Section 59-1-602 or Title 63G, Chapter 4, Part 4, Judicial Review, the value given the real property by the commission.

(b) "Inflation adjusted value" means the value of the real property that is the subject of the appeal as calculated by the county assessor in accordance with Subsection (2)(c).

(c) "Median property value change" means the midpoint of the property value changes for all real property that is:

(i) of the same class of real property as the qualified real property; and

(ii) located within the same county and within the same market area as the qualified real property.

(d) "Property value change" means the percentage change in the fair market value of real property between January 1 of the previous year and January 1 of the current year.

(e) "Qualified real property" means real property:

(i) for which:

(A) the taxpayer or a county assessor appealed the valuation or equalization for the previous taxable year to the county board of equalization in accordance with [Section 59-2-1004] this section or the commission in accordance with Section 59-2-1006;

(B) as a result of the appeal described in Subsection (1)(e)(i)(A), a county board of equalization or the commission gave a final assessed value that was lower than the assessed value; and

(C) the assessed value for the current taxable year is higher than the inflation adjusted value; and

478 (ii) that, between January 1 of the previous taxable year and January 1 of the current
479 taxable year, has not been improved or changed beyond the improvements in place on January
480 1 of the previous taxable year.

481 (2) (a) A taxpayer dissatisfied with the valuation or the equalization of the taxpayer's
482 real property may make an application to appeal by:

483 (i) filing the application with the county board of equalization within the time period
484 described in Subsection (3); or

485 (ii) making an application by telephone or other electronic means within the time
486 period described in Subsection (3) if the county legislative body passes a resolution under
487 Subsection (8) authorizing a taxpayer to make an application by telephone or other electronic
488 means.

489 (b) (i) The county board of equalization shall make a rule describing the contents of the
490 application.

491 (ii) In addition to any information the county board of equalization requires, the
492 application shall include information about:

493 (A) the burden of proof in an appeal involving qualified real property; and

494 (B) the process for the taxpayer to learn the inflation adjusted value of the qualified
495 real property.

496 (c) (i) The county assessor shall calculate inflation adjusted value by changing the final
497 assessed value for the previous taxable year of the real property that is the subject of the appeal
498 by the median property value change.

499 (ii) (A) The county assessor shall notify the county board of equalization of a qualified
500 real property's inflation adjusted value within 15 business days after the date on which the
501 county assessor receives notice that a taxpayer filed an appeal with the county board of
502 equalization.

503 (B) The county assessor shall notify the commission of a qualified real property's
504 inflation adjusted value within 15 business days after the date on which the county assessor
505 receives notice that a person dissatisfied with the decision of a county board of equalization

506 files an appeal with the commission.

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

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

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

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

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

519 (4) (a) Except as provided in Subsection (4)(b), the taxpayer shall include in the
520 application under Subsection (2)(a)~~[(f)]~~:

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

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

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

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

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

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

533 (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).

(5) In reviewing evidence submitted to a county board of equalization by or on behalf of an owner or a county assessor, the county board of equalization shall consider and weigh:

(a) the accuracy, reliability, and comparability of the evidence presented by the owner or the county assessor;

(b) if submitted, the sales price of relevant property that was under contract for sale as of the lien date but sold after the lien date;

(c) if submitted, the sales offering price of property that was offered for sale as of the lien date but did not sell, including considering and weighing the amount of time for which, and manner in which, the property was offered for sale; and

(d) if submitted, other evidence that is relevant to determining the fair market value of the property.

(6) (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 (6)(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 (6)(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 (6)(~~b~~)(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 (6)(d), if a county board of equalization fails to make a decision on an appeal within the time period described in Subsection (6)(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 (6)(c); and

(ii) hear the appeal at the meeting described in Subsection (6)(e)(i).

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

(i) a determination of the valuation of the property based on fair market value; and

(ii) a conclusion that the fair market value is properly equalized with the assessed value of comparable properties.

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

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

(ii) Subject to Sections 59-2-301.1, 59-2-301.2, 59-2-301.3, and 59-2-301.4, equalized value established under Subsection (6)(h)(i) shall be the assessed value for property tax purposes until the county assessor is able to evaluate and equalize the assessed value of all comparable properties to bring all comparable properties into conformity with full fair market

value.

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

(8) A county legislative body may pass a resolution authorizing taxpayers owing taxes on property assessed by that county to file property tax appeals applications under this section by telephone or other electronic means.

Section 4. Section 59-2-1006 is amended to read:

59-2-1006. Appeal to commission -- Duties of auditor -- Decision by commission.

(1) Any person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, or a tax relief decision made under designated decision-making authority as described in Section 59-2-1101, may appeal that decision to the commission by:

(a) filing a notice of appeal specifying the grounds for the appeal with the county auditor within 30 days after the final action of the county board or entity with designated decision-making authority described in Section 59-2-1101[-]; and

(b) if the county assessor valued the property in accordance with Section 59-2-301.8 and the taxpayer intends to contest the value of personal property located in a multi-tenant residential property, as that term is defined in Section 59-2-301.8, submitting a signed statement of the personal property with the notice of appeal.

(2) The auditor shall:

(a) file one notice with the commission;

(b) certify and transmit to the commission:

(i) the minutes of the proceedings of the county board of equalization or entity with designated decision-making authority for the matter appealed;

(ii) all documentary evidence received in that proceeding; and

(iii) a transcript of any testimony taken at that proceeding that was preserved; ~~and~~

(c) if the appeal is from a hearing where an exemption was granted or denied, certify

and transmit to the commission the written decision of:

(i) the board of equalization as required by Section 59-2-1102; or

(ii) the entity with designated decision-making authority[-]; and

(d) any signed statement submitted in accordance with Subsection (1)(b).

(3) In reviewing a decision described in Subsection (1), the commission may:

(a) admit additional evidence;

(b) issue orders that it considers to be just and proper; and

(c) make any correction or change in the assessment or order of the county board of equalization or entity with decision-making authority.

(4) In reviewing evidence submitted to the commission to decide an appeal under this section, the commission shall consider and weigh:

(a) the accuracy, reliability, and comparability of the evidence presented;

(b) if submitted, the sales price of relevant property that was under contract for sale as of the lien date but sold after the lien date;

(c) if submitted, the sales offering price of property that was offered for sale as of the lien date but did not sell, including considering and weighing the amount of time for which, and manner in which, the property was offered for sale; and

(d) if submitted, other evidence that is relevant to determining the fair market value of the property.

(5) In reviewing a decision described in Subsection (1), the commission shall adjust property valuations to reflect a value equalized with the assessed value of other comparable properties if:

(a) the issue of equalization of property values is raised; and

(b) the commission determines that the property that is the subject of the appeal deviates in value plus or minus 5% from the assessed value of comparable properties.

(6) The commission shall decide all appeals taken pursuant to this section not later than March 1 of the following year for real property and within 90 days for personal property, and shall report its decision, order, or assessment to the county auditor, who shall make all changes

646 necessary to comply with the decision, order, or assessment.

647 Section 5. **Effective date.**

648 This bill takes effect on January 1, 2021.