

# Property Tax

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## 2008 Legislation

### Senate Bills

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#### **2008 SB 237**

#### **Commercial Airline & Airport Taxation Amendments**

Effective Date

January 1, 2009

Summary

For property tax assessment purposes, this legislation modifies the allocation of an airline's mobile flight equipment to the state by basing that allocation on 50% of the weight to be given to ground time and 50% on revenue ton miles. In addition, it modifies the calculation of the sales, property, and payroll factors in the apportionment of business income from an airline's mobile flight equipment, retrospective to January 1, 2008. It authorizes a sales tax exemption, effective July 1, 2008, for sales of construction materials purchased by or on behalf of a new airport located within a county of the second class and owned or operated by a city. Also, it authorizes a sales tax exemption, effective July 1, 2010, for sales of construction materials purchased by or on behalf of an international airport that is located in a county of the first class and has a U.S. customs office on its premises.

#### **SB 128**

#### **Amendments to the Veteran's Property Tax Exemption**

Effective Date

May 5, 2008

Summary

Clarifies that a claimant may be allowed a veteran's property tax exemption regardless of whether the claimant is the owner of the property on January 1 of the year for which the exemption is claimed if the claimant is the unmarried surviving spouse or minor orphan of a veteran that was killed in action or died in the line of duty.

#### **SB 294**

#### **Community Development & Renewal Amendments**

Effective Date

May 5, 2008

Summary

Allows an inactive airport site to be a project under the Community Development and Renewal Agencies Act and modifies blight study provisions for an inactive airport site.

#### **SB 134**

#### **Mortgage Fraud Act**

Effective Date

May 5, 2008

Summary

Enacts the "Utah Mortgage Fraud Act" establishing definitions for criminal activity involving fraud, including making mortgage fraud a crime as well as establishing classifications of offense with accompanying penalties. It requires the attorney general to hire an

attorney with expertise in the investigation and prosecution of mortgage fraud; the primary responsibility of this attorney is to prosecute mortgage fraud.

## **SJR 11**

### **Master Study Resolution**

Effective Date

May 5, 2008

Summary

Identifies for the Legislative Management Committee items of study it may assign to the appropriate interim committee during the 2008 legislative interim. Property tax-related items include:

HB 447 New Entities and Boundary Changes—to study certifying and recording documents related to newly created entities and changes to entity boundaries.

HB 367 Cable Company Assessment—to study central assessment of cable companies.

HJR 14 Determining Property Value—to study the best method for determining the value of property under the property tax.

HB 155 Property Tax Residential Exemption—to study extending the residential exemption to more than one acre of land.

SB 233 Tax Commission Taxes, Fees, and Charges—to study the administration, collection and enforcement of taxes, fees, or charges by USTC.

HB 391 Tax Relief—to study issues related to property tax relief.

Property Taxes—to study issues related to property taxes.

Tax Commission Penalties—to study penalties related to a tax, fee, or charge administered by USTC.

Exemption for Civic Organizations—to study a property tax exemption for non-profit fraternal civic organizations.

## **House Bills**

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### **HB 54**

#### **Property Tax Assessment Revisions**

Effective Date

January 1, 2009

Summary

Addresses real property appraisal requirements for county assessors. It requires Salt Lake County to have a computer assisted mass appraisal (CAMA), system by January 2009 and Weber, Davis Utah and Washington Counties to have a CAMA system by January 2011 to annually update property values. The CAMA systems are required to have certain features such as the ability to annually update all parcels and actually perform annual updates on all residential parcels using accepted valuation methodologies as determined by rule. It requires county assessors to create and update a database with sales and property characteristic information. The county assessor is required to

report database progress to USTC before September 1; thereafter, USTC is to report to the Revenue and Taxation Interim Committee on or before October. County assessors are required to record the last property review date for each parcel on the county's appraisal system and also include that date on the Property Tax Notice. If county assessors fail to comply with the mandatory cyclical appraisals for one year, USTC is required to assist the county. If after two years the county fails to comply, the county loses its statewide-allocated A&C revenue; lost revenue stays in the Property Tax Valuation Agency Fund to be distributed the following year.

## **HB 77**

### **Personal Property Tax Amendments**

Effective Date

January 1, 2009

Summary

Relates to the collection of certain personal property taxes and calculation of the certified tax rate. It creates a new "expensed" depreciation schedule for certain short life property with an acquisition cost less than or equal to \$1,000 and allows a person to elect to have eligible property taxed under this schedule; starting January 1, 2010, requires the commission to annually update the values in this schedule; prohibits a county from requiring a person to itemize the person's expensed personal property; amends the date by which a person is required to file a statement with the county assessor's office listing the person's real and personal property from within 30 days of the assessor's request to: (1) for a county of the first class, the later of May 15 or 60 days after the assessor's request; and (2) for all other counties, May 15; amends the formula for the calculation of the certified tax rate so that locally assessed personal property is based on prior year values; exempts personal property from property taxation if that personal property: (1) has an acquisition cost of \$1,000 or less; (2) has reached a percent good of 15% or less; and (3) is in a personal property schedule with a residual value of 15% or less.

## **HB 365**

### **Aviation Amendments**

Effective Date

January 1, 2009

Summary

Relates to the registration and taxation and of aircraft. Replaces the value-based uniform fees for aircraft with a uniform fee of \$25, which is to be distributed to taxing entities. It amends the registration fee for aircraft to .4% of the average wholesale Aircraft Bluebook Price Digest market value. There is a \$100 registration fee for: (1) aircraft not listed in the Aircraft Bluebook Price Digest (2) aircraft 50 years of age or older (3) experimental aircraft and (4) antique aircraft. The registration money will go into the Transportation Fund's Restricted Revenue Account. Airport owners are to provide the Division of Aeronautics with a list of aircraft based at airports and the Division is required to maintain a statewide aircraft database. USTC is required to register aircraft,

issue a registration card, and collect aircraft registration and uniform fees.

**HB 373**

**Uniform Fees on Vintage Motor Vehicles**

Effective Date

January 1, 2009

Summary

Requires vintage vehicles to be subject to annual registration; however, they are exempt from paying registration renewal fees. Also, it repeals the vintage motor vehicle exemption making them subject to the \$10 age-based uniform fee on an annual basis.

**HB 346**

**Division of Real Estate Related Amendments**

Effective Date

May 5, 2008

Summary

Requires expert (centrally-assessed) witnesses to be approved by the Division of Real Estate rather than just being registered with the Division. It deletes the "state-registered appraiser" definition and requires an appraiser "trainee" to be registered with Division of Real Estate. Anyone who violates provisions of the Real Estate Appraiser Licensing and Certification Chapter or is involved in illegal real estate activity is guilty of a class A misdemeanor upon a conviction of a first violation and a third degree felony upon conviction of a second or subsequent violation.

**HB 186**

**County Assessment and Collection Amendments**

Effective Date

January 1, 2009

Summary

Amends provisions relating to the Multicounty Assessing and Collecting (A&C) Levy. Those counties receiving money from the State A&C Levy can increase the local portion of the A&C Levy to .0003 without having to meet TNT requirements; however, if they levy above the .0003, then TNT requirements apply. Those counties contributing money to the State A&C Levy must meet TNT requirements to increase the Local A&C Levy. This legislation defines parcel to mean "an identifiable contiguous unit of real property that is treated as separate for valuation or zoning purposes and includes any improvements on that unit of real property. 'Parcel' or 'other parcel' does not include an item of personal property." It requires USTC to provide a list of each county's parcel counts to the state auditor.