

Item #1 personal property ordinance

To increase cost effectiveness in the collection of personal property where over 200 personal property accounts, annually, become delinquent and are processed having to use attorney and sheriff department time in the attempt to collect amounts less than \$100, including penalties and interest. The cost to try and collect these nominal amounts of taxes far exceeds the revenue generated by collection.

It is therefore proposed to allow the County Assessor's office the authority to deadhead those taxes , penalties, and interest that are deemed too costly to collect for the revenue generated. Most of the accounts would have been exempt if they had filed because the property was under \$10,500 as per state statute.

The new ordinance is based on similar ordinances currently in use by Weber and Utah Counties.

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SUMMIT COUNTY, UTAH

ORDINANCE NO. _____

**AN ORDINANCE ESTABLISHING A PROCEDURE FOR THE REVIEW AND APPROVAL OF
PERSONAL PROPERTY PENALTY REDUCTIONS AND WAIVERS**

WHEREAS, pursuant to Utah Code Annotated §59-2-306, county assessors in the State of Utah are authorized to request a signed statement from any person, listing all of the person's assessable property; and

WHEREAS, when a county assessor requests a signed statement from a person, Utah Code Annotated §59-2-306 requires the person to file the signed statement by May 15th or by sixty days after the date of the request, whichever is later; and

WHEREAS, Utah Code Annotated §59-2-307 establishes a mandatory penalty equal to 10% of the estimated tax due or \$25.00, whichever is greater, for failing to file the signed statement; and

WHEREAS, Utah Code Annotated §59-2-307 says the penalty for failing to file the signed statement "may not be waived or reduced by the assessor, county, [or] county Board of Equalization...except pursuant to a procedure for the review and approval of reductions and waivers adopted by county ordinance..."; and

WHEREAS, Utah Code contains exemptions from taxation for certain taxpayers and certain categories of property, including tangible personal property with a total value below a specified amount; and

WHEREAS, the County Legislative Body of the County of Summit, the State of Utah [hereinafter "Council"] finds that when a taxpayer's tangible personal property is exempt from taxation, the costs of imposing and collecting the penalty for failure to file the signed statement outweigh the benefits of imposing the penalty, including the penalty amount collected.

NOW, THEREFORE, the Council hereby ordains as follows:

- 1) Title 1, "Administration," Chapter 12, "Property Taxes," ARTICLE D, Personal Property Penalty Reductions and Waivers is hereby enacted to read as attached as **Exhibit A.**
- 2) Effective Date: This Ordinance shall take effect fifteen (15) days after the date of its publication.

APPROVED, ADOPTED, AND PASSED and ordered published by the Summit County Council, this
____ day of _____, 2018.

SUMMIT COUNTY COUNCIL

SUMMIT COUNTY, UTAH

By Council Chair

ATTEST:

SUMMIT COUNTY CLERK

Date of Publication _____, 2018.

Exhibit A

TITLE 1, ADMINISTRATION

Chapter 12, PROPERTY TAXES

ARTICLE D, Personal Property Penalty Reductions and Waivers

1-12D-1: PURPOSE: In order to establish the procedure for the review and approval of reductions and waivers for penalties imposed for failure to timely file a signed statement required by Section 59-2-306, Utah Code Annotated (as amended), failure to timely file a signed statement with respect to name and place of residence, or failure to appear and testify, this procedure is established pursuant to Section 59-2-307(2)(a), Utah Code Annotated.

1-12D-2: PENALTY REDUCTION NOT BASED ON COUNTY ERROR:

A. The County Council hereby authorizes the Office of the Summit County Assessor to reduce the penalty imposed by Section 59-2-307(1), Utah Code Annotated, to \$0 if the tax amount for the subject year is \$5.00 or less; to \$5.00 if the tax amount for the subject tax year is more than \$5.00 but not more than \$100.00; to an amount not less than 5% of the tax amount if the tax amount for the subject tax year is more than \$100.00 but not more than \$1,000.00, based upon an appropriately filed request for reduction or waiver and a finding that each of the following requirements are met:

- (1) the assessment of the penalty was not caused by a County error;
- (2) all taxes for the current year and for all prior years have been paid in full;
- (3) the tax amount for the subject year does not exceed \$1,000.00;
- (4) the penalty has been assessed because of a failure to file the signed statement required by Section 59-2-306, Utah Code Annotated, or because of a failure to file the signed statement with respect to name and place of residence;
- (5) the penalty, prior to any reduction, does not exceed \$100.00;
- (6) the current owner has not been assessed a penalty under Section 59-2-307(1), Utah Code Annotated, related to any of the prior three tax years;
- (7) the owner has filed the delinquent signed statement prior to or at the time of filing the request for reduction or waiver of the penalty; and
- (8) the best human interests and the interests of the State and the County are served.

B. The Summit County Assesor shall provide notice to an applicant under this Article including the determination made regarding the application for reduction of penalty.

C. The determination made by the Summit County Assesor as provided for herein shall constitute the decision and determination of the County Council.

1-12D-3: PENALTY WAIVER AND REDUCTION BASED ON COUNTY ERROR:

Where the Summit County Assesor finds that an error made by the County precipitated assessment of the penalty under Section 59-2-307, Utah Code Annotated, the penalty may be reduced or waived.

TITLE 1, ADMINISTRATION

Chapter 12, PROPERTY TAXES

ARTICLE D, Personal Property Penalty Reductions and Waivers

1-12D-1: AUTHORITY & PURPOSE: In order to establish the procedure for the review and approval of reductions and waivers for penalties imposed for failure to timely file a signed statement required by Section 59-2-306, Utah Code Annotated (as amended), failure to timely file a signed statement with respect to name and place of residence, or failure to appear and testify, this procedure is established pursuant to Section 59-2-307(2)(a), Utah Code Annotated. It is enacted for the purpose of reducing the costs incurred by the County in imposing and collecting penalties against taxpayers whose tangible personal property in Summit County is exempt from taxation.

1-12D-2: PROCEDURE FOR WAIVING PENALTIES FOR FAILING TO FILE A SIGNED STATEMENT: The County Assessor may waive a penalty that would otherwise be imposed on a taxpayer, under state law, for failing to file a signed statement. The assessor may only exercise this authority when, upon review of the taxpayer's account, the assessor determines that the taxpayer's tangible personal property in Summit County is exempt from taxation and that there is no substantial evidence that the property's taxable value exceeds the statutory threshold. The assessor may exercise this authority through his/her deputies.