

Steve Martin

Summit County Assessor

April 18, 2018

RE: PROPOSED PERSONAL PROPERTY ORDINANCE

To the Council:

Background:

As the new Personal Property Auditor starts the 2018 mailings for Personal Property (PP) she had still a lot of 2017 PP accounts who had not paid and the normal process is to re-mail a delinquent notice, then an attorneys letter of intent to seize and sell, then a letter posted by the Sheriff's office of the sale date and time.

There are nearly 9,000 accounts with 6-700 new ones added annually. As of August 2017, only 463 were left to collect of which 260 were under the \$10,500 exemption limit. The amount garnered for the County from these 260 would be about \$7.68. which, in no way, offsets the cost to go through the whole collection process.

2017 was not the best of years as far as being fully staffed. We are now fully staffed and catching up on FAA, Primary Exemptions, and Personal property.

Situation:

Upon discovery of the cost/return margin for the PP dilinquent accounts that would have been exempt if they had filed on time, we need some way to eliminate the taxes (typically between \$1 and \$30) the penalty (\$25) and the small amount of interest (\$0.15 and \$3.00).

These are for those properties falling under the \$10,500 maximum who have failed to file and would have been exempt if they had filed. To be able to do this requires an ordinance to be passed allowing the assessors office to make that determination prior to the expense of continueing the normal process

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, the County Legislative Body of the County of Summit, the State of Utah [hereinafter “Council”] finds that 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 and desire to establish a process to allow the County Assessor to the review and approve the waiver of penalties.

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. It is enacted for the purpose of reducing the costs incurred by the County in imposing and collecting these penalties against certain taxpayers.

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

A. The County Assessor may waive a penalty that would otherwise be imposed on a taxpayer, under state law, for failure to timely file a signed statement, failure to timely file a signed statement with respect to name and place of residence, or failure to appear and testify. The County Assessor may exercise this authority through his/her deputies. The County Assessor may only exercise this authority when, upon review of the taxpayer's account, the County Assessor finds that each of the following requirements is met:

- (1) the assessment of the penalty was not caused by a County error;
- (2) the tax amount due for the subject year does not exceed \$105.00, excluding penalties and interest;
- (3) the penalty has been assessed because of a failure to file the signed statement required by Section 59-2-306, Utah Code Annotated, because of a failure to file the signed statement with respect to name and place of residence, or because of the failure to appear and testify;
- (4) the penalty, prior to any reduction, does not exceed \$100.00; and
- (5) the best human interests and the interests of the State and the County are served.

B. The determination made by the Summit County Assessor 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 County Assessor 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.