

**R884. Tax Commission, Property Tax.**

**R884-24P. Property Tax.**

**R884-24P-5. Property Tax Relief Pursuant to Utah Code Ann. Title 59, Chapter 2a, Tax Relief Through Property Tax.**

(1) In determining whether an applicant under Title 59, Chapter 2a, Tax Relief Through Property Tax, meets the definition of "indigent individual" with regard to the 10-month residency requirement, a county may not consider an applicant's absence from a residence due to vacation, confinement to hospital, or other similar temporary absence.

(2) Written notice is required when a claimant's claim is denied under Title 59, Chapter 2a, Tax Relief Through Property Tax.

(3) Household income shall be calculated as of January 1 of the year for which a claim is filed for a credit under Section 59-2a-205 or 59-2a-305.

(4) The term "property taxes accrued," defined in Section 59-2a-101, does not include taxes accumulated for two or more years and claimed in one year.

(5) A person who pays property taxes on a mobile home and rents the land under the mobile home may claim both a renter's credit under Section 59-2a-205 for the rent paid on the land and a homeowner's credit under Section 59-2a-305 for the property tax paid on the mobile home.

(6)(a) The commission shall include a state welfare assistance payment in the calculation of household income under Section 59-2a-205, but may not consider a state welfare assistance payment as a rental assistance payment that reduces the gross rent claimed for a renter's credit under Section 59-2a-205.

(b) The commission may not include a housing assistance payment received under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f, in the calculation of household income under Section 59-2a-205, but shall consider the housing assistance payment as a rental assistance payment that reduces the gross rent claimed for a renter's credit under Section 59-2a-205.

(7) A person that claims a property tax exemption under Title 59, Chapter 2, Part 11, Exemptions, or a property tax exemption, deferral, reduction or abatement under Title 59, Chapter 2a, Tax Relief Through Property Tax, may also claim a renter's credit under Title 59, Chapter 2a, Part 2, Renter's Credit, or a homeowner's credit under Title 59, Chapter 2a, Part 3, Homeowner's Credit, or both.

(8) The time for filing an application for relief under Title 59, Chapter 2a, Tax Relief Through Property Tax, is extended to December 31 of the year the application is due if:

(a) the applicant was incapable of filing an application as a result of a medical emergency to the applicant or an immediate family member of the applicant during a reasonable time before the application was due, and no co-owner of the property was capable of filing the application;

(b) the applicant or an immediate family member of the applicant died during a reasonable time before the application was due, and no co-owner of the property was capable of filing an application; or

(c) the applicant was unable to file an application because of extraordinary and unanticipated circumstances that occurred during a reasonable time before the application was due and no co-owner of the property was capable of filing the application.

(9) If an application filed after September 1 is denied because the application does not meet one or more grounds for extension described in Subsection (8):

(a) the denial shall be in writing, stating the reasons and statutory basis for the denial; and

(b) an applicant may appeal the denial to the commission as described in Section 59-2-1006 and Section R861-1A-9.

**R884-24P-7. Assessment of Mining Properties Pursuant to Utah Code Ann. Section 59-2-201.**

A. Definitions.

1. "Allowable costs" means those costs reasonably and necessarily incurred to own and operate a productive mining property and bring the minerals or finished product to the customary or implied point of sale.

a) Allowable costs include: salaries and wages, payroll taxes, employee benefits, workers compensation insurance, parts and supplies, maintenance and repairs, equipment rental, tools, power, fuels, utilities, water, freight, engineering, drilling, sampling and assaying, accounting and legal, management, insurance, taxes (including severance, property, sales/use, and federal and state income taxes), exempt royalties, waste disposal, actual or accrued environmental cleanup, reclamation and remediation, changes in working capital (other than those caused by increases or decreases in product inventory or other nontaxable items), and other miscellaneous costs.

b) For purposes of the discounted cash flow method, allowable costs shall include expected future capital expenditures in addition to those items outlined in A.1.a).

c) For purposes of the capitalized net revenue method, allowable costs shall include straight-line depreciation of capital expenditures in addition to those items outlined in A.1.a).

d) Allowable costs does not include interest, depletion, depreciation other than allowed in A.1.c), amortization, corporate overhead other than allowed in A.1.a), or any expenses not related to the ownership or operation of the mining property being valued.

e) To determine applicable federal and state income taxes, straight line depreciation, cost depletion, and amortization shall be used.

2. "Asset value" means the value arrived at using generally accepted cost approaches to value.

3. "Capital expenditure" means the cost of acquiring property, plant, and equipment used in the productive mining property operation and includes:

a) purchase price of an asset and its components;

- b) transportation costs;
- c) installation charges and construction costs; and
- d) sales tax.

4. "Constant or real dollar basis" means cash flows or net revenues used in the discounted cash flow or capitalized net revenue methods, respectively, prepared on a basis where inflation or deflation are adjusted back to the lien date. For this purpose, inflation or deflation shall be determined using the gross domestic product deflator produced by the Congressional Budget Office, or long-term inflation forecasts produced by reputable analysts, other similar sources, or any combination thereof.

5. "Discount rate" means the rate that reflects the current yield requirements of investors purchasing comparable properties in the mining industry, taking into account the industry's current and projected market, financial, and economic conditions.

6. "Economic production" means the ability of the mining property to profitably produce and sell product, even if that ability is not being utilized.

7. "Exempt royalties" means royalties paid to this state or its political subdivisions, an agency of the federal government, or an Indian tribe.

8. "Expected annual production" means the economic production from a mine for each future year as estimated by an analysis of the life-of-mine mining plan for the property.

9. "Fair market value" is as defined in Section 59-2-102.

10. "Federal and state income taxes" mean regular taxes based on income computed using the marginal federal and state income tax rates for each applicable year.

11. "Implied point of sale" means the point where the minerals or finished product change hands in the normal course of business.

12. "Net cash flow" for the discounted cash flow method means, for each future year, the expected product price multiplied by the expected annual production that is anticipated to be sold or self-consumed, plus related revenue cash flows, minus allowable costs.

13. "Net revenue" for the capitalized net revenue method means, for any of the immediately preceding five years, the actual receipts from the sale of minerals (or if self - consumed, the value of the self-consumed minerals), plus actual related revenue cash flows, minus allowable costs.

14. "Non-operating mining property" means a mine that has not produced in the previous calendar year and is not currently capable of economic production, or land held under a mineral lease not reasonably necessary in the actual mining and extraction process in the current mine plan.

15. "Productive mining property" means the property of a mine that is either actively producing or currently capable of having economic production. Productive mining property includes all taxable interests in real property, improvements and tangible personal property upon or appurtenant to a mine that are used for that mine in exploration, development, engineering, mining, crushing or concentrating, processing, smelting, refining, reducing, leaching, roasting, other processes used in the separation or extraction of the product from the ore or minerals and the processing thereof, loading for shipment, marketing and sales, environmental clean-up, reclamation and remediation, general and administrative operations, or transporting the finished product or minerals to the customary point of sale or to the implied point of sale in the case of self-consumed minerals.

16. "Product price" for each mineral means the price that is most representative of the price expected to be received for the mineral in future periods.

a) Product price is determined using one or more of the following approaches:

(1) an analysis of average actual sales prices per unit of production for the minerals sold by the taxpayer for up to five years preceding the lien date; or,

(2) an analysis of the average posted prices for the minerals, if valid posted prices exist, for up to five calendar years preceding the lien date; or,

(3) the average annual forecast prices for each of up to five years succeeding the lien date for the minerals sold by the taxpayer and one average forecast price for all years thereafter for those same minerals, obtained from reputable forecasters, mutually agreed upon between the Property Tax Division and the taxpayer.

b) If self-consumed, the product price will be determined by one of the following two methods:

(1) Representative unit sales price of like minerals. The representative unit sales price is determined from:

(a) actual sales of like mineral by the taxpayer;

(b) actual sales of like mineral by other taxpayers; or

(c) posted prices of like mineral; or

(2) If a representative unit sales price of like minerals is unavailable, an imputed product price for the self-consumed minerals may be developed by dividing the total allowable costs by one minus the taxpayer's discount rate to adjust to a cost that includes profit, and dividing the resulting figure by the number of units mined.

17. "Related revenue cash flows" mean non-product related cash flows related to the ownership or operation of the mining property being valued. Examples of related revenue cash flows include royalties and proceeds from the sale of mining equipment.

18. "Self consumed minerals" means the minerals produced from the mining property that the mining entity consumes or utilizes for the manufacture or construction of other goods and services.

19. "Straight line depreciation" means depreciation computed using the straight line method applicable in calculating the regular federal tax. For this purpose, the applicable recovery period shall be seven years for depreciable tangible personal mining property and depreciable tangible personal property appurtenant to a mine, and 39 years for depreciable real mining property and depreciable real property appurtenant to a mine.

B. Valuation.

1. The discounted cash flow method is the preferred method of valuing productive mining properties. Under this method the taxable value of the mine shall be determined by:

- a) discounting the future net cash flows for the remaining life of the mine to their present value as of the lien date; and
- b) subtracting from that present value the fair market value, as of the lien date, of licensed vehicles and nontaxable items.

2. The mining company shall provide to the Property Tax Division an estimate of future cash flows for the remaining life of the mine. These future cash flows shall be prepared on a constant or real dollar basis and shall be based on factors including the life-of-mine mining plan for proven and probable reserves, existing plant in place, capital projects underway, capital projects approved by the mining company board of directors, and capital necessary for sustaining operations. All factors included in the future cash flows, or which should be included in the future cash flows, shall be subject to verification and review for reasonableness by the Property Tax Division.

3. If the taxpayer does not furnish the information necessary to determine a value using the discounted cash flow method, the Property Tax Division may use the capitalized net revenue method. This method is outlined as follows:

- a) Determine annual net revenue, both net losses and net gains, from the productive mining property for each of the immediate past five years, or years in operation, if less than five years. Each year's net revenue shall be adjusted to a constant or real dollar basis.
- b) Determine the average annual net revenue by summing the values obtained in B.3.a) and dividing by the number of operative years, five or less.
- c) Divide the average annual net revenue by the discount rate to determine the fair market value of the entire productive mining property.
- d) Subtract from the fair market value of the entire productive mining property the fair market value, as of the lien date, of licensed vehicles and nontaxable items, to determine the taxable value of the productive mining property.

4. The discount rate shall be determined by the Property Tax Division.

- a) The discount rate shall be determined using the weighted average cost of capital method, a survey of reputable mining industry analysts, any other accepted methodology, or any combination thereof.
- b) If using the weighted average cost of capital method, the Property Tax Division shall include an after-tax cost of debt and of equity. The cost of debt will consider market yields. The cost of equity shall be determined by the capital asset pricing model, arbitrage pricing model, risk premium model, discounted cash flow model, a survey of reputable mining industry analysts, any other accepted methodology, or a combination thereof.

5. Where the discount rate is derived through the use of publicly available information of other companies, the Property Tax Division shall select companies that are comparable to the productive mining property. In making this selection and in determining the discount rate, the Property Tax Division shall consider criteria that includes size, profitability, risk, diversification, or growth opportunities.

6. A non-operating mine will be valued at fair market value consistent with other taxable property.

7. If, in the opinion of the Property Tax Division, these methods are not reasonable to determine the fair market value, the Property Tax Division may use other valuation methods to estimate the fair market value of a mining property.

8. The fair market value of a productive mining property may not be less than the fair market value of the land, improvements, and tangible personal property upon or appurtenant to the mining property. The mine value shall include all equipment, improvements and real estate upon or appurtenant to the mine. All other tangible property not appurtenant to the mining property will be separately valued at fair market value.

9. Where the fair market value of assets upon or appurtenant to the mining property is determined under the cost method, the Property Tax Division shall use the replacement cost new less depreciation approach. This approach shall consider the cost to acquire or build an asset with like utility at current prices using modern design and materials, adjusted for loss in value due to physical deterioration or obsolescence for technical, functional and economic factors.

C. When the fair market value of a productive mining property in more than one tax area exceeds the asset value, the fair market value will be divided into two components and apportioned as follows:

1. Asset value that includes machinery and equipment, improvements, and land surface values will be apportioned to the tax areas where the assets are located.
2. The fair market value less the asset value will give an income increment of value. The income increment will be apportioned as follows:
  - a) Divide the asset value by the fair market value to determine a quotient. Multiply the quotient by the income increment of value. This value will be apportioned to each tax area based on the percentage of the total asset value in that tax area.
  - b) The remainder of the income increment will be apportioned to the tax areas based on the percentage of the known mineral reserves according to the mine plan.

D. The provisions of this rule shall be implemented and become binding on taxpayers beginning January 1, 1998.

**R884-24P-10. Taxation of Underground Rights in Land That Contains Deposits of Oil or Gas Pursuant to Utah Code Ann. Sections 59-2-201 and 59-2-210.**

(1) Definitions.

(a) "Person" is as defined in Section 68-3-12.

(b) "Working interest owner" means the owner of an interest in oil, gas, or other hydrocarbon substances burdened with a share of the expenses of developing and operating the property.

(c) "Unit operator" means a person who operates all producing wells in a unit.

(d) "Independent operator" means a person operating an oil or gas producing property not in a unit.

(e) One person can, at the same time, be a unit operator, a working interest owner, and an independent operator and must comply with all requirements of this rule based upon the person's status in the respective situations.

(f) "Expected annual production" means the future economic production of an oil and gas property as estimated by the Property Tax Division using decline curve analysis. Expected annual production does not include production used on the same well, lease, or unit for the purpose of repressuring or pressure maintenance.

(g) "Product price" means:

(i) Oil: The weighted average posted price for the calendar year preceding January 1, specific for the field in which the well is operating as designated by the Division of Oil, Gas, and Mining. The weighted average posted price is determined by weighing each individual posted price based on the number of days it was posted during the year, adjusting for gravity, transportation, escalation, or deescalation.

(ii) Gas:

(A) If sold under contract, the price shall be the stated price as of January 1, adjusted for escalation and deescalation.

(B) If sold on the spot market or to a direct end-user, the price shall be the average price received for the 12-month period immediately preceding January 1, adjusted for escalation and deescalation.

(h) "Future net revenue" means annual revenues less costs of the working interests and royalty interest.

(i) "Revenue" means expected annual gross revenue, calculated by multiplying the product price by expected annual production for the remaining economic life of the property.

(j) "Costs" means expected annual allowable costs applied against revenue of cost-bearing interests:

(i) Examples of allowable costs include management salaries; labor; payroll taxes and benefits; workers' compensation insurance; general insurance; taxes (excluding income and property taxes); supplies and tools; power; maintenance and repairs; office; accounting; engineering; treatment; legal fees; transportation; miscellaneous; capital expenditures; and the imputed cost of self consumed product.

(ii) Interest, depreciation, or any expense not directly related to the unit may not be included as allowable costs.

(k) "Production asset" means any asset located at the well site that is used to bring oil or gas products to a point of sale or transfer of ownership.

(2) The discount rate shall be determined by the Property Tax Division using methods such as the weighted cost of capital method.

(a) The cost of debt shall consider market yields. The cost of equity shall be determined by the capital asset pricing model, risk premium model, discounted cash flow model, a combination thereof, or any other accepted methodology.

(b) The discount rate shall reflect the current yield requirements of investors purchasing similar properties, taking into consideration income, income taxes, risk, expenses, inflation, and physical and locational characteristics.

(c) The discount rate shall contain the same elements as the expected income stream.

(3) Assessment Procedures.

(a) Underground rights in lands containing deposits of oil or gas and the related tangible property shall be assessed by the Property Tax Division in the name of the unit operator, the independent operator, or other person as the facts may warrant.

(b) The taxable value of underground oil and gas rights shall be determined by discounting future net revenues to their present value as of the lien date of the assessment year and then subtracting the value of applicable exempt federal, state, and Indian royalty interests.

(c) The reasonable taxable value of productive underground oil and gas rights shall be determined by the methods described in Subsection (3)(b) or such other valuation method that the Tax Commission believes to be reasonably determinative of the property's fair market value.

(d) The value of the production assets shall be considered in the value of the oil and gas reserves as determined in Subsection

(3)(b). Any other tangible property shall be separately valued at fair market value by the Property Tax Division.

(e) The minimum value of the property shall be the value of the production assets.

(4) Collection by Operator.

(a) The unit operator may request the Property Tax Division to separately list the value of the working interest, and the value of the royalty interest on the Assessment Record. When such a request is made, the unit operator is responsible to provide the Property Tax Division with the necessary information needed to compile this list. The unit operator may make a reasonable estimate of the ad valorem tax liability for a given period and may withhold funds from amounts due to royalty. Withheld funds shall be sufficient to ensure payment of the ad valorem tax on each fractional interest according to the estimate made.

(i) If a unit operating agreement exists between the unit operator and the fractional working interest owners, the unit operator may withhold or collect the tax according to the terms of that agreement.

(ii) In any case, the unit operator and the fractional interest owner may make agreements or arrangements for withholding or otherwise collecting this tax. This may be done whether or not that practice is consistent with the preceding paragraphs so long as all requirements of the law are met. When a fractional interest owner has had funds withheld to cover the estimated ad valorem tax liability and the operator fails to remit such taxes to the county when due, the fractional interest owner shall be indemnified from any further ad valorem tax liability to the extent of the withholding.

(iii) The unit operator shall compare the amount withheld to the taxes actually due, and return any excess amount to the fractional interest owner within 60 days after the delinquent date of the tax. At the request of the fractional interest owner the excess may be retained by the unit operator and applied toward the fractional interest owner's tax liability for the subsequent year.

(b) The penalty provided for in Section 59-2-210 is intended to ensure collection by the county of the entire tax due. Any unit operator who has paid this county imposed penalty, and thereafter collects from the fractional interest holders any part of their tax due, may retain those funds as reimbursement against the penalty paid.

(c) Interest on delinquent taxes shall be assessed as set forth in Section 59-2-1331.

(d) Each unit operator may be required to submit to the Property Tax Division a listing of all fractional interest owners and their interests upon specific request of the Property Tax Division. Working interest owners, upon request, shall be required to submit similar information to unit operators.

**R884-24P-14. Valuation of Real Property Encumbered by Preservation Easements Pursuant to Utah Code Ann. Section 59-2-303.**

(1) The assessor shall take into consideration any preservation easements attached to historically significant real property and structures when determining the property's value.

(2) After the preservation easement has been recorded with the county recorder, the property owner of record shall submit to the county assessor a notice of the preservation easement containing the following information:

(a) the property owner's name;

(b) the address of the property; and

(c) the serial number of the property.

(3) The county assessor shall review the property and incorporate any value change due to the preservation easement in the following year's assessment roll.

**R884-24P-16. Assessment of Interlocal Cooperation Act Project Entity Properties Pursuant to Utah Code Ann. Section 11-13-302.**

(1) Definitions:

(a) "Utah fair market value" means the fair market value of that portion of the property of a project entity located within Utah upon which the fee in lieu of ad valorem property tax may be calculated.

(b) "Fee" means the annual fee in lieu of ad valorem property tax payable by a project entity pursuant to Section 11-13-302.

(c) "Energy supplier" means an entity that purchases any capacity, service or other benefit of a project to provide electrical service.

(d) "Exempt energy supplier" means an energy supplier whose tangible property is exempted by Article XIII, Sec. 3 of the Constitution of Utah from the payment of ad valorem property tax.

(e) "Optimum operating capacity" means the capacity at which a project is capable of operating on a sustained basis taking into account its design, actual operating history, maintenance requirements, and similar information from comparable projects, if any. The determination of the projected and actual optimum operating capacities of a project shall recognize that projects are not normally operated on a sustained basis at 100% of their designed or actual capacities and that the optimum level for operating a project on a sustained basis may vary from project to project.

(f) "Property" means any electric generating facilities, transmission facilities, distribution facilities, fuel facilities, fuel transportation facilities, water facilities, land, water or other existing facilities or tangible property owned by a project entity and required for the project which, if owned by an entity required to pay ad valorem property taxes, would be subject to assessment for ad valorem tax purposes.

(g) "Sold," means the sale of capacity, service, or other benefit produced by the project.

(h) "Taxing jurisdiction" means a political subdivision of this state in which any portion of the project is located.

(i) Definitions contained in Section 11-13-103 apply to this rule.

(2) The Tax Commission shall determine the fair market value of the property of each project entity. Fair market value shall be based upon standard appraisal theory and shall be determined by correlating estimates derived from the income and cost approaches to value.

(a) The income approach to value requires the imputation of an income stream and a capitalization rate. The income stream may be based on recognized indicators such as average income, weighted income, trended income, present value of future income streams, performance ratios, and discounted cash flows. The imputation of income stream and capitalization rate shall be derived from the data of other similarly situated companies. Similarity shall be based on factors such as location, fuel mix, customer mix, size and bond ratings. Estimates may also be imputed from industry data generally. Income data from similarly situated companies will be adjusted to reflect differences in governmental regulatory and tax policies.

(b) The cost approach to value shall consist of the total of the property's net book value of the project's property. This total shall then be adjusted for obsolescence if any.

(c) In addition to, and not in lieu of, any adjustments for obsolescence made pursuant to Subsection (2)(b), a phase-in adjustment shall be made to the assessed valuation of any new project or expansion of an existing project on which construction commenced by a project entity after January 1, 1989 as follows:

(i) During the period the new project or expansion is valued as construction work in process, its assessed valuation shall be multiplied by the percentage calculated by dividing its projected production as of the projected date of completion of construction by its projected optimum operating capacity as of that date.

(ii) Once the new project or expansion ceases to be valued as construction work in progress, its assessed valuation shall be multiplied by the percentage calculated by dividing its actual production by its actual optimum operating capacity. After the new project or expansion has sustained actual production at its optimum operating capacity during any tax year, this percentage shall be deemed to be 100% for the remainder of its useful life.

(3) If portions of the property of the project entity are located in states in addition to Utah and those states do not apply a unit valuation approach to that property, the fair market value of the property allocable to Utah shall be determined by computing the cost approach to value on the basis of the net book value of the property located in Utah and imputing an estimated income stream based solely on the value of the Utah property as computed under the cost approach. The correlated value so determined shall be the Utah fair market value of the property.

(4)(a) Before fixing and apportioning the Utah fair market value of the property to the respective taxing jurisdictions in which the property, or a portion thereof is located, the Utah fair market value of the property shall be reduced by the percentage of the capacity, service, or other benefit sold by the project entity to exempt energy suppliers.

(b) The Utah fair market value of the property may not be reduced by any capacity, service, or other benefit sold by the project entity to an exempt energy supplier if the capacity, service, or other benefit is subsequently resold or laid off by the exempt energy supplier to an energy supplier whose tangible property is not exempted by Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.

(5) For purposes of calculating the amount of the fee payable under Subsection 11-13-302(3), the percentage of the project that is used to produce the capacity, service or other benefit sold shall be deemed to be 100%, subject to adjustments provided by this rule, from the date the project is determined to be commercially operational.

(6) In computing its tax rate pursuant to the formula specified in Subsection 59-2-924(4), each taxing jurisdiction in which the project property is located shall add to the amount of its budgeted property tax revenues the amount of any credit due to the project entity that year under Subsection 11-13-302(3), and shall divide the result by the sum of the taxable value of all property taxed, including the value of the project property apportioned to the jurisdiction, and further adjusted pursuant to the requirements of Section 59-2-924.

**R884-24P-19. Appraisal Personnel and other Designation Programs Pursuant to Utah Code Ann. Sections 59-2-701, 59-2-702, 59-702.5, and 59-2-1001.**

(1) As used in this section:

(a) "Basic designation course" means one or more of the following courses:

(i) Course 500, The Fundamentals of the County Assessor;

(ii) Course 501, Assessment Practice in Utah;

(iii) Course 502, Mass Appraisal of Land;

(iv) Course 503, Development and Use of Personal Property Schedules;

(v) Course 504, Appraisal of Public Utilities and Railroads;

(vi) Course 505, Income Approach Applications;

(vii) Course 506, Residential Report Writing;

(viii) Course 508, Tax Appeals and the Valuation Process; or

(ix) Course 509, Mass Appraisal of Real Property.

(b) "Division" means the Property Tax Division of the State Tax Commission.

(c) "Greenbelt" means property that is assessed under Title 59, Chapter 2, Part 5, Farmland Assessment Act.

(d)(i) "Property tax purposes" means property valued for purposes of:

(A) Title 59, Chapter 2, Property Tax Act;

(B) Title 59, Chapter 3, Tax Equivalent Property Act; and

(C) Title 59, Chapter 4, Privilege Tax.

(ii) "Property tax purposes" does not include property valued for purposes of Title 59, Chapter 2, Part 4, Assessment of Transitory Personal Property and Interstate Carriers.

(e) "State certified general appraiser" means the same as that term is defined in Section 61-2g-102.

(f) "State certified residential appraiser" means the same as that term is defined in Section 61-2g-102.

(g) "State licensed appraiser" means the same as that term is defined in Section 61-2g-102.

(h) "Trainee" means the same as that term is defined in Section 61-2g-102.

(2)(a) A county assessor, state employee, or county employee may not value real or personal property for property tax purposes without first obtaining a designation from the division as provided in this section.

(b)(i)(A) If a county assessor does not have enough employees that hold a designation under this section to value real or personal property for property tax purposes, the county assessor shall contract with a private appraiser to value the property.

(B) Regardless of whether a county assessor is required to contract with a private appraiser under Subsection (2)(b)(i)(A), the county assessor may contract with a private appraiser to value real or personal property for property tax purposes.

(ii)(A) Except as provided in Subsection (2)(b)(ii)(B), if a county assessor contracts with a private appraiser under this Subsection (2)(b), the private appraiser shall be a:

(I) state licensed appraiser;

(II) state certified residential appraiser; or

(III) state certified general appraiser.

(B) If a county assessor contracts with a private appraiser to value property that is commercial real property, the private appraiser shall:

- (I) be a state certified general appraiser; or
- (II) possess a current designation under Subsection (6).

(c) The appraisal of real or personal property for property tax purposes shall comply with the professional conduct requirements and uniform standards of Section 61-2g-403.

(3)(a)(i) The division may grant the following appraisal personnel designations:

- (A) administrator;
- (B) centrally assessed valuation analyst;
- (C) general real property appraiser;
- (D) personal property auditor or appraiser;
- (E) residential appraiser; and
- (F) greenbelt specialist.

(ii) In addition to the designations described in Subsection (3)(a)(i), the division may grant the following associate appraisal personnel designations:

- (A) associate centrally assessed valuation analyst; and
- (B) associate residential appraiser.

(b) The division may only grant a designation described in Subsection (3)(a) to an individual who is employed:

(i) by:

- (A) a county assessor's office; or
- (B) the State Tax Commission; and

(ii) as:

- (A) an appraiser;
- (B) a review appraiser;
- (C) a valuation auditor;
- (D) an analyst providing oversight and direction to one or more appraisers or auditors;
- (E) an administrator providing oversight and direction to one or more appraisers or auditors; or
- (F) a greenbelt specialist.

(c) A designation described in Subsection (3)(a) is automatically revoked on the date employment terminates if the individual granted the designation does not meet the employment requirements of Subsection (3)(b).

(d)(i) If a designation has been revoked under Subsection (3)(c) for a period of two years or less, the designation may be reinstated if the individual:

- (A) secures or resumes employment that meets the requirements of Subsection (3)(b); or
- (B) contracts with a party described Subsection (3)(b)(i) to provide appraisal services.

(ii) If a designation has been revoked under Subsection (3)(c) for a period of more than two years, the designation may be reinstated if the individual:

- (A) secures or resumes employment as described in Subsection (3)(b); and

(B)(I) during the period beginning on the date of revocation and ending on the date of securing or resuming employment as described in Subsection (3)(b), has:

- (Aa) been employed in a closely related field as determined by the division; and
- (Bb) completed all division continuing education requirements applicable to the designation; or
- (II)(Aa) passed a final examination for each course applicable to the designation; and
- (Bb) successfully completed to the satisfaction of the division a field practicum

applicable to the designation.

(iii) Reinstate under this Subsection (3)(d) does not apply to the designation described in Subsection (3)(a)(i)(A).

(4)(a) The division may grant the designation of administrator to a county assessor who meets the requirements of this Subsection (4).

(b) To be granted the designation of administrator, an individual shall:

(i) successfully complete the following courses:

- (A) Course 500, The Fundamentals of the County Assessor;
- (B) Course 501, Assessment Practice in Utah;
- (C) Course 503, Development and Use of Personal Property Schedules;
- (D) Course 508, Tax Appeals and the Valuation Process; and
- (E) Course 509, Mass Appraisal of Real Property;

(ii) pass a final examination for each course described in Subsection (4)(b)(i);

(iii) successfully complete to the satisfaction of the division a comprehensive mass appraisal practicum; and

(iv) comply with the requirements of Section 17-17-2.

(c)(i) The division shall confer a designation of completion as required by Section 59-2-702.5 to a county assessor that the division designates as an administrator.

(ii) To maintain the designation of administrator, a county assessor shall remain in compliance with Section 59-2-702.5.

(5)(a)(i) An individual who is granted the designation of centrally assessed valuation analyst may value centrally assessed property for property tax purposes.

(ii) An individual who is granted the designation of associate centrally assessed valuation analyst may value centrally assessed property for property tax purposes under the direction of an individual designated as a centrally assessed valuation analyst.

(b) To be granted the designation of centrally assessed valuation analyst, an individual shall:

(i) successfully complete the following courses:

(A) Course 501, Assessment Practice in Utah; and

(B) Course 504, Appraisal of Public Utilities and Railroads;

(ii) pass a final examination for each course described in Subsection (5)(b)(i);

(iii) successfully complete to the satisfaction of the division a comprehensive valuation practicum; and

(iv) be a:

(A) state licensed appraiser;

(B) state certified residential appraiser; or

(C) state certified general appraiser.

(c)(i) To be granted the designation of associate centrally assessed valuation analyst, an individual shall:

(A) successfully complete the following courses:

(I) Course 101, Basic Appraisal Principles;

(II) Course 102, Basic Appraisal Practices;

(III) Course 103, Uniform Standards of Professional Appraisal Practice;

(IV) Course 104, Appraiser, Supervisor, Trainee Workshop;

(V) Course 501, Assessment Practice in Utah; and

(VI) Course 504, Appraisal of Public Utilities and Railroads;

(B) pass a final examination for each course described in Subsection (5)(c)(i)(A);

(C) successfully complete to the satisfaction of the division a comprehensive valuation practicum; and

(D) be a trainee under the direction of an individual designated as a centrally assessed valuation analyst.

(d) To maintain a designation under this Subsection (5), an individual shall:

(i) successfully complete a basic designation course and pass the associated final examination every two years; and

(ii) except as provided in Subsection (5)(c), maintain the licensing or certification requirement of Subsection

(5)(b)(iv).

(6)(a) An individual who is granted the designation of general real property appraiser may value locally assessed real property for property tax purposes.

(b) To be granted the designation of general real property appraiser, an individual shall:

(i) successfully complete the following courses:

(A) Course 501, Assessment Practice in Utah;

(B) Course 502, Mass Appraisal of Land;

(C) Course 505, Income Approach Applications;

(C) Course 508, Tax Appeals and the Valuation Process; and

(D) Course 509, Mass Appraisal of Real Property;

(ii) pass a final examination for each course described in Subsection (6)(b)(i);

(iii) successfully complete to the satisfaction of the division a comprehensive residential and commercial field

practicum; and

(iv) be a:

(A) state certified residential appraiser; or

(B) state certified general appraiser.

(c) To maintain a designation under this Subsection (6), an individual shall:

(i) successfully complete a basic designation course and pass the associated final examination every two years; and

(ii) maintain the certification requirement of Subsection (6)(b)(iv).

(7)(a) An individual who is granted the designation of personal property auditor and appraiser may value locally assessed personal property for property tax purposes.

(b) To be granted the designation of personal property auditor and appraiser, an individual shall:

(i) successfully complete the following courses:

(A) Course 101, Basic Appraisal Principles;

(B) Course 103, Uniform Standards of Professional Appraisal Practice;

(C) Course 501, Assessment Practice in Utah; and

(D) Course 503, Development and Use of Personal Property Schedules;

(ii) pass a final examination for each course described in Subsection (7)(b)(i); and

(iii) successfully complete to the satisfaction of the division a comprehensive auditing and appraisal practicum.

(c) To maintain a designation under this Subsection (7), an individual shall successfully complete six hours of division approved continuing education every two years.

(8)(a)(i) An individual who is granted the designation of residential appraiser may value residential, vacant, or agricultural property for property tax purposes.

(ii) An individual who is granted the designation of associate residential appraiser may value residential, vacant, or agricultural property for property tax purposes under the direction of an individual designated as a residential appraiser.

(b) To be granted the designation of residential appraiser, an individual shall:

(i) successfully complete the following courses:

- (A) Course 501, Assessment Practice in Utah;
- (B) Course 502, Mass Appraisal of Land;
- (C) Course 506, Residential Report Writing;
- (D) Course 508, Tax Appeals and the Valuation Process; and
- (E) Course 509, Mass Appraisal of Real Property;

(ii) pass a final examination for each course described in Subsection (8)(b)(i);

(iii) successfully complete to the satisfaction of the division a comprehensive residential field practicum; and

(iv) be a:

- (A) state licensed appraiser;
- (B) state certified residential appraiser; or
- (C) state certified general appraiser.

(c)(i) To be granted the designation of associate residential appraiser, the individual shall:

(A) successfully complete the following courses:

- (I) Course 101, Basic Appraisal Principles;
- (II) Course 102, Basic Appraisal Practices;
- (III) Course 103, Uniform Standards of Professional Appraisal Practice;
- (IV) Course 104, Appraiser, Supervisor, Trainee Workshop;
- (V) Course 501, Assessment Practice in Utah;
- (VI) Course 502, Mass Appraisal of Land;
- (VII) Course 506, Residential Report Writing;
- (VIII) Course 508, Tax Appeals and the Valuation Process; and
- (IX) Course 509, Mass Appraisal of Real Property;

(B) pass a final examination for each course described in Subsection (8)(c)(i)(A);

(C) successfully complete to the satisfaction of the division a comprehensive residential field practicum; and

(D) be a trainee under the direction of an individual designated as a residential appraiser.

(d) To maintain a designation under this Subsection (8), an individual shall:

(i) successfully complete a basic designation course and pass the associated final examination every two years; and

(ii) except as provided in Subsection (8)(c), maintain the licensing or certification requirement of Subsection

(8)(b)(iv).

(9)(a) An individual who is granted a greenbelt specialist designation may:

- (i) receive and process a greenbelt application;
- (ii) calculate Animal Unit Months (AUMs);
- (iii) monitor greenbelt parcels for compliance;
- (iv) appropriately classify greenbelt properties;
- (v) conduct cyclical audits to ensure ongoing qualification;
- (vi) perform field inspection audits; and
- (vii) calculate rollback taxes.

(b) To be granted the designation of greenbelt specialist, an individual shall:

(i) successfully complete the following courses:

- (A) Course 22, FAA Program Administration;
- (B) Course 44, Agricultural Appraisers Outstanding in Their Field;
- (C) Course 501, Assessment Practice in Utah, including passing the final examination; and
- (D) Course 502, Mass Appraisal of Land, including passing the final examination; and

(ii) successfully complete a hands-on experience managing or working with greenbelt areas, under the supervision of an individual approved by the division to supervise the hands-on experience.

(c) To maintain a designation under this Subsection (9), an individual shall successfully complete every two years:

(i) Course 22, FAA Program Administration; or

(ii) Course 44, Agricultural Appraisers Outstanding in Their Field.

(10)(a) An individual who is granted a hearing officer designation may act as a hearing officer for a county board of equalization in accordance with Section 59-2-1001.

(b)(i) To be granted a hearing officer designation an individual shall successfully complete Course 43, County Board of Equalization Hearing Officer Training.

(ii) The division may not allow an individual to take Course 43 unless the individual is currently appointed as a county board of equalization hearing officer.

(c) The division shall revoke an individual's hearing officer designation if the individual does not successfully complete:

(i) Course 43, County Board of Equalization Hearing Officer Training, at least once within every four-year period after the day on which the individual last successfully completed the course; and

(ii) Course 46, Annual Update -- County Board of Equalization Hearing Officer Training, every year the individual is not required to complete Course 43.

(d) The division shall confer a designation of completion to an individual granted a hearing officer designation in accordance with Section 59-2-1001.

(11)(a) To be granted a county property tax designation an individual shall:

(i) successfully complete:

(A) Course 43, County Board of Equalization Hearing Officer Training; and

(B) Course 507, Local Government Duties in Property Valuation and Taxation; and

(ii) when the individual successfully completes a course described in Subsection (11)(a)(i), be:

(A) serving as a member of a county legislative body;

(B) serving as a county auditor;

(C) working at a county auditor office with matters involving property valuation;

(D) except for a county assessor, serving as a county officer who is involved with property valuation; or

(E) serving as a deputy county officer who oversees tax sales.

(b) The division shall revoke an individual's county property tax designation if the individual does not successfully complete, while serving in a position described in Subsection (11)(a)(ii):

(i) Course 43, County Board of Equalization Hearing Officer Training, at least once within every four-year period after the day on which the individual last successfully completed the course;

(ii) Course 46, Annual Update -- County Board of Equalization Hearing Officer Training, every year the individual is not required to complete Course 43;

(iii) Course 507, Local Government Duties in Property Valuation and Taxation, at least once within every four-year period after the day on which the individual last successfully completed the course; and

(iv) Course 47, Property Assessment and Legislative Changes: Yearly Review, every year the individual is not required to complete Course 507.

(c) The division shall confer a designation of completion to an individual granted a county property tax designation, in accordance with Section 59-2-1001.

(12) For purposes of this section, a course is considered to be successfully completed if the individual attended 100% of the classes for the course.

(13)(a) For purposes of this section, an individual is considered to have passed a final examination for a course if the individual's score is equal to or greater than 70%.

(b)(i) If an individual fails to pass a final examination for a course, the individual may make two additional attempts to pass the final examination.

(ii) If the individual fails to pass the final examination after the two additional attempts described in Subsection (13)(b)(i), the individual may not take the final examination again until the individual retakes the course.

(14)(a) If an individual is required to complete a practicum for a designation described in Subsections (4) through (8), the practicum shall be administered by an appraiser designated by the division upon written request of the individual's supervisor.

(b) A practicum shall include the appraisal or audit of selected properties that the individual is likely to encounter in the individual's specific employment circumstances.

(15) The division may refuse to cover the costs associated with obtaining or maintaining a designation:

(a) if the individual fails to:

(i) pass a final examination after three attempts;

(ii) successfully complete the course as described in Subsection (12);

(iii) provide the division reasonable advance notice of withdrawal from a course; or

(b) under circumstances similar to those listed in Subsection (15)(a) as determined by the division.

(16)(a) The completion and delivery of the assessment roll required under Section 59-2-311 is an administrative function of a county assessor.

(b) A county assessor may complete and deliver an assessment roll as required by Section 59-2-311 without meeting any licensure, certification, designation, or educational requirements of this section.

**R884-24P-20. Construction Work in Progress Pursuant to Utah Constitution Art. XIII, Section 2 and Utah Code Ann. Sections 59-2-201 and 59-2-301.**

(1) For purposes of this section:

(a) "Construction work in progress" means improvements as defined in Section 59-2-102, and personal property as defined in Section 59-2-102, that are not functionally complete.

(b) "Project" means any undertaking involving construction, expansion or modernization.

(c) "Construction" means:

(i) creation of a new facility;

(ii) acquisition of personal property; or

(iii) any alteration to the real property of an existing facility other than normal repairs or maintenance.

(d) "Expansion" means an increase in production or capacity as a result of the project.

(e) "Modernization" means a change or contrast in character or quality resulting from the introduction of improved techniques, methods or products.

(f) "Functionally complete" or "functional completion" means capable of providing economic benefit to the owner through fulfillment of the purpose for which it was constructed. In the case of a cost-regulated utility, a project shall be functionally complete when the operating property associated with the project has been capitalized on the books and is part of the rate base of that utility.

(g) "Allocable preconstruction costs" means expenditures associated with the planning and preparation for the construction of a project. To be classified as an allocable preconstruction cost, an expenditure must be capitalized.

(h) "Cost-regulated utility" means a power company, oil and gas pipeline company, gas distribution company or telecommunication company whose earnings are determined by a rate of return applied to rate base. Rate of return and rate base are set and approved by a state or federal regulatory commission.

(i) "Centrally assessed property" means property that is required to be assessed under Section 59-2-201.

(j) "Locally assessed property" means property that is required to be assessed under Section 59-2-301.

(2) All construction work in progress shall be valued at "full cash value" as described in this section.

(3)(a) Discount Rates

(b) For purposes of this rule, discount rates shall be determined by the Tax Commission, and shall be consistent with market, financial and economic conditions.

(4) Appraisal of Allocable Preconstruction Costs.

(a) If requested by the taxpayer, preconstruction costs associated with centrally assessed property may be allocated to the value of the project in relation to the relative amount of total expenditures made on the project by the lien date. Allocation will be allowed only if the following conditions are satisfied by January 30 of the tax year for which the request is sought:

(i) a detailed list of preconstruction cost data is supplied to the Tax Commission; and

(ii) the percent of completion of the project and the preconstruction cost data are certified by the taxpayer as to their accuracy.

(b)(i) The preconstruction costs allocated under Subsection (4)(a) shall be discounted using the rate determined under Subsection (3).

(ii) The discounted allocated value described in Subsection (4)(b)(i), shall be added to the values determined under the various approaches used in the method of valuation determined under Subsection (6).

(c) The preconstruction costs allocated under this Subsection (4) are subject to audit for four years. If adjustments are necessary after examination of the records, those adjustments will be classified as property escaping assessment.

(5) Appraisal of Locally Assessed Properties.

(a) On or before January 1 of each tax year, each county assessor shall determine the following for projects involving locally assessed property:

(i) the full cash value of the project expected upon completion;

(ii) the expected date of functional completion of the project currently under construction; and

(iii) the percentage of completion of the project as of the lien date.

(b) Determination of the percentage of completion of a project for locally assessed property shall be based on the following percentages of completion:

(i) 10% - Excavation-foundation;

(ii) 30% - Rough lumber, rough labor;

(iii) 50% - Roofing, rough plumbing, rough electrical, heating;

(iv) 65% - Insulation, drywall, exterior finish;

(v) 75% - Finish lumber, finish labor, painting;

(vi) 90% - Cabinets, cabinet tops, tile, finish plumbing, finish electrical; and

(vii) 100% - Floor covering, appliances, exterior concrete, misc.

(c) The value of a project on January 1 shall be determined by multiplying the full cash value of the project expected upon completion by the percentage of completion of the project as determined under this Subsection (5).

(6) Appraisal of Centrally Assessed Properties.

(a) No adjustments under this rule shall be made to the income indicator of value for a project under construction that is owned by a cost-regulated utility when the project is allowed in rate base.

(b) The full cash value of a project under construction as of January 1 of the tax year, shall be determined by adjusting the cost and income approaches as provided in this Subsection (6)(b).

(i) Adjustments to reflect the time value of money in appraising construction work in progress valued under the cost and income approaches shall be made for each approach as provided in this Subsection (6)(b)(i).

(A)(I) Each company shall report the expected completion dates and costs of the projects.

(II) A project expected to be completed during the tax year for which the valuation is being determined shall be considered completed on January 1 or July 1, whichever is closest to the expected completion date.

(III) The Tax Commission shall determine the expected completion date for any project whose completion is scheduled during a tax year after the tax year for which the valuation is being made.

(B) If requested by the company, the value of allocable preconstruction costs determined under Subsection (4) shall be subtracted from the total cost of each project. The difference shall be referred to as the adjusted cost value of the project.

(C) The adjusted cost value for each of the future years before functional completion shall be discounted to reflect the present value of the project under construction. The discount rate shall be determined under Subsection (3).

- (D) The discounted adjusted cost value shall then be added to the values determined under the income approach and cost approach.
  - (ii) No adjustment will be made to reflect the time value of money for a project valued under the stock and debt approach to value.

**R884-24P-24. Form for Notice of Property Valuation and Tax Changes Pursuant to Utah Code Ann. Sections 59-2-918.5 through 59-2-924.**

- (1) The county auditor must notify all real property owners of property valuation and tax changes on the Notice of Property Valuation and Tax Changes form.
  - (a) If a county desires to use a modified version of the Notice of Property Valuation and Tax Changes, a copy of the proposed modification must be submitted for approval to the Property Tax Division of the Tax Commission no later than March 1.
    - (i) Within 15 days of receipt, the Property Tax Division will issue a written decision, including justifications, on the use of the modified Notice of Property Valuation and Tax Changes.
    - (ii) If a county is not satisfied with the decision, it may petition for a hearing before the Tax Commission as provided in R861-1A-22.
  - (b) The Notice of Property Valuation and Tax Changes, however modified, must contain the same information as the unmodified version. A property description may be included at the option of the county.
- (2) The Notice of Property Valuation and Tax Changes must be completed by the county auditor in its entirety, except in the following circumstances:
  - (a) New property is created by a new legal description; or
  - (b) The status of the improvements on the property has changed.
  - (c) In instances where partial completion is allowed, the term nonapplicable will be entered in the appropriate sections of the Notice of Property Valuation and Tax Changes.
  - (d) If the county auditor determines that conditions other than those outlined in this section merit deletion, the auditor may enter the term "nonapplicable" in appropriate sections of the Notice of Property Valuation and Tax Changes only after receiving approval from the Property Tax Division in the manner described in Subsection (1).
- (3) Real estate assessed under the Farmland Assessment Act of 1969 must be reported at full market value, with the value based upon Farmland Assessment Act rates shown parenthetically.
  - (4)(a) All completion dates specified for the disclosure of property tax information must be strictly observed.
  - (b) Requests for deviation from the statutory completion dates must be submitted in writing on or before June 1, and receive the approval of the Property Tax Division in the manner described in Subsection (1).
- (5) If the cost of public notice required under Section 59-2-919 is greater than one percent of the property tax revenues to be received, an entity may combine its advertisement with other entities, or use direct mail notification.
- (6) Calculation of the amount and percentage increase in property tax revenues required by Section 59-2-919 shall be computed by comparing property taxes levied for the current year with property taxes budgeted the prior year, without adjusting for revenues attributable to new growth.
- (7) If a taxing entity has not completed the tax rate setting process as prescribed in Sections 59-2-919 and 59-2-920 before September 1, the county auditor must seek approval from the Tax Commission to use the certified rate in calculating taxes levied.
- (8) The value of property subject to the uniform fee under Sections 59-2-405 through 59-2-405.3 is excluded from taxable value for purposes of calculating new growth, the certified tax rate, and the proposed tax rate.
- (9) The value and taxes of property subject to the uniform fee under Sections 59-2-405 through 59-2-405.3 are excluded when calculating the percentage of property taxes collected as provided in Section 59-2-924.
- (10) Entities required to set levies for more than one fund must compute an aggregate certified rate. The aggregate certified rate is the sum of the certified rates for individual funds for which separate levies are required by law. The aggregate certified rate computation applies where:
  - (a) the valuation bases for the funds are contained within identical geographic boundaries; and
  - (b) the funds are under the levy and budget setting authority of the same governmental entity.
- (11) For purposes of determining the certified tax rate of a municipality incorporated on or after July 1, 1996, the levy imposed for municipal-type services or general county purposes shall be the certified tax rate for municipal-type services or general county purposes, as applicable.
- (12) No new entity, including a new city, may have a certified tax rate or levy a tax for any particular year unless that entity existed on the first day of that calendar year.

**R884-24P-27. Standards for Assessment Level and Uniformity of Performance Pursuant to Utah Code Ann. Sections 59-2-704 and 59-2-704.5.**

- (1) Definitions.
  - (a) "Coefficient of dispersion (COD)" means the average deviation of a group of assessment ratios taken around the median and expressed as a percent of that measure.
  - (b) "Coefficient of variation (COV)" means the standard deviation expressed as a percentage of the mean.
  - (c) "Division" means the Property Tax Division of the commission.
  - (d) "Nonparametric" means data samples that are not normally distributed.
  - (e) "Parametric" means data samples that are normally distributed.

(f) "Urban counties" means counties classified as first or second class counties pursuant to Section 17-50-501.

(2) The commission adopts the following standards of assessment performance.

(a) For assessment level in each property class, subclass, and geographical area in each county, the measure of central tendency shall meet one of the following measures;

(i) For a county of the first, second, third or fourth class, the measure of central tendency shall be within:

(A) 5 percent of the legal level of assessment for county-wide residential property; or

(B) 10 percent of the legal level of assessment for all other classes of property.

(ii) For a county of the fifth or sixth class, the measure of central tendency shall be within 10 percent of the legal level of assessment for all property.

(iii) The 95 percent confidence interval of the measure of central tendency shall contain the legal level of assessment.

(b) For uniformity of the property assessments in each class of property for which a detailed review is conducted during the current year, the measure of dispersion shall be within the following limits.

(i) In urban counties:

(A) a COD of 15 percent or less for primary residential property, and 20 percent or less for commercial property, vacant land, and secondary residential property; and

(B) a COV of 19 percent or less for primary residential property, and 25 percent or less for commercial property, vacant land, and secondary residential property.

(ii) In rural counties:

(A) a COD of 20 percent or less for primary residential property, and 25 percent or less for commercial property, vacant land, and secondary residential property; and

(B) a COV of 25 percent or less for primary residential property, and 31 percent or less for commercial property, vacant land, and secondary residential property.

(iii) For a rural or small jurisdiction with limited development, or for a jurisdiction with a depressed market, the county assessor may petition the division for a five percentage point increase in the COD or COV for one year only. After sufficient examination, the division may determine that a one-year expansion of the COD or COV is appropriate.

(c) Statistical measures.

(i) The measure of central tendency shall be the mean for parametric samples and the median for nonparametric samples.

(ii) The measure of dispersion shall be the COV for parametric samples and the COD for nonparametric samples.

(iii) To achieve statistical accuracy in determining assessment level under Subsection (2)(a) and uniformity under Subsection (2)(b) for any property class, subclass, or geographical area, the minimum sample size shall consist of 10 or more ratios.

(3) Each year the division shall conduct and publish an assessment-to-sale ratio study to determine if each county complies with the standards in Subsection (2).

(a) To meet the minimum sample size, the study period may be extended.

(b) A smaller sample size may be used if:

(i) that sample size is at least 10 percent of the class or subclass population; or

(ii) both the division and the county agree that the sample may produce statistics that imply corrective action appropriate to the class or subclass of property.

(c) If the division, after consultation with the counties, determines that the sample size does not produce reliable statistical data, an alternate performance evaluation may be conducted, which may result in corrective action. The alternate performance evaluation shall include review and analysis of the following:

(i) the county's procedures for collection and use of market data, including sales, income, rental, expense, vacancy rates, and capitalization rates;

(ii) the county-wide land, residential, and commercial valuation guidelines and their associated procedures for maintaining current market values;

(iii) the accuracy and uniformity of the county's individual property data through a field audit of randomly selected properties; and

(iv) the county's level of personnel training, ratio of appraisers to parcels, level of funding, and other workload and resource considerations.

(d) All input to the sample used to measure performance shall be completed by March 31 of each study year.

(e)(i) Except as provided in Subsection (3)(e)(ii), the division shall conduct a preliminary annual assessment-to-sale ratio study by April 30 of the study year, allowing counties to apply adjustments to their tax roll prior to the May 22 deadline.

(ii) The division may exempt a county from the study described in Subsection (3)(e)(i) if the county demonstrates to the satisfaction of the division that the county employs methods and measures adequate to ensure assessment compliance with applicable law.

(f) The division shall complete the final study immediately following the closing of the tax roll on May 22.

(4) The division shall order corrective action if the results of the final study do not meet the standards set forth in Subsection (2).

(a) Assessment level adjustments, or factor orders, shall be calculated by dividing the legal level of assessment by one of the following:

(i) the measure of central tendency, if the uniformity of the ratios meets the standards outlined in Subsection (2)(b); or

(ii) the 95 percent confidence interval limit nearest the legal level of assessment, if the uniformity of the ratios does not meet the standards outlined in Subsection (2)(b).

(b) Uniformity adjustments or other corrective action shall be ordered if the property fails to meet the standards outlined in Subsections (2)(b) and (c). A corrective action order may contain language requiring a county to create, modify, or follow its five-year plan for a detailed review of property characteristics.

(d) All corrective action orders shall be issued by June 10 of the study year, or within five working days after the completion of the final study, whichever is later.

(5) The commission adopts the following procedures to insure compliance and facilitate implementation of ordered corrective action.

(a) Prior to the filing of an appeal, the division shall retain authority to correct errors and, with agreement of the affected county, issue amended orders or stipulate with the affected county to any appropriate alternative action without commission approval. Any stipulation by the division subsequent to an appeal is subject to commission approval.

(b) A county receiving a corrective action order resulting from this rule may file and appeal with the commission pursuant to rule R861-1A-11.

(c) A corrective action order will become the final commission order if the county does not appeal in a timely manner, or does not prevail in the appeals process.

(d) The division may assist local jurisdictions to ensure implementation of any corrective action orders by the following deadlines.

(i) Factor orders shall be implemented in the current study year prior to the mailing of valuation notices.

(ii) Other corrective action shall be implemented prior to May 22 of the year following the study year.

(e) The division shall complete audits to determine compliance with corrective action orders as soon after the deadlines set forth in Subsection (5)(d) as practical. The division shall review the results of the compliance audit with the county and make any necessary adjustments to the compliance audit within 15 days of initiating the audit. These adjustments shall be limited to the analysis performed during the compliance audit and may not include review of the data used to arrive at the underlying factor order. After any adjustments, the compliance audit will then be given to the commission for any necessary action.

(f) The county shall be informed of any adjustment required as a result of the compliance audit.

**R884-24P-29. Taxable Household Furnishings Pursuant to Utah Code Ann. Section 59-2-1113.**

(1) Except as provided in Section 59-2-1115, household furnishings, furniture, and equipment are subject to property taxation if:

(a) the owner of the dwelling unit commonly receives legal consideration for its use, whether in the form of rent, exchange, or lease payments; or

(b) the dwelling unit is held out as available for the rent, lease, or use by others.

(2) Household furnishings, furniture, and equipment that meet the definition of qualifying exempt primary residential rental personal property in Section 59-2-102:

(a) qualify for the primary residential exemption under Section 59-2-103; and

(b) are valued for tax under this chapter by:

(i) calculating the value of the personal property using the tables in Tax Commission rule R884-24P-33; and

(ii) multiplying the value calculated under Subsection (2)(b)(i) by 0.55.

**R884-24P-32. Leasehold Improvements Pursuant to Utah Code Ann. Section 59-2-303.**

A. The value of leasehold improvements shall be included in the value of the underlying real property and assessed to the owner of the underlying real property.

B. The combined valuation of leasehold improvements and underlying real property required in A. shall satisfy the requirements of Section 59-2-103(1).

C. The provisions of this rule shall not apply if the underlying real property is owned by an entity exempt from tax under Section 59-2-1101.

D. The provisions of this rule shall be implemented and become binding on taxpayers beginning January 1, 2000.

**R884-24P-33. 2026 Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Section 59-2-107.**

(1) As used in this rule:

(a) "Acquisition cost" means the same as that term is defined in Section 59-2-102.

(b)(i) "Actual cost" includes the value of components necessary to complete the vehicle, such as tanks, mixers, special containers, passenger compartments, special axles, installation, engineering, erection, or assembly costs.

(ii) Actual cost does not include sales or excise taxes, maintenance contracts, registration and license fees, dealer charges, tire tax, freight, or shipping costs.

(c) "Assessing authority" means:

(i) the State Tax Commission for property assessed under Title 59, Chapter 2, Part 2, Assessment of Property; and

(ii) the county assessor for property assessed under Title 59, Chapter 2, Part 3, County Assessment.

(d) "Cost new" means the actual cost of the property when purchased new.

(i) Except as otherwise provided in this rule, the assessing authority shall rely on the following sources to determine cost new:

(A) documented actual cost of the new or used vehicle; or

(B) recognized publications that provide a method for approximating cost new for new or used vehicles.

(ii) For the following property purchased used, the assessing authority may determine cost new by dividing the property's actual cost by the percent good factor for that class:

- (A) Class 6 heavy and medium duty trucks;
- (B) Class 13 heavy equipment;
- (C) Class 17 vessels equal to or greater than 31 feet in length; and
- (D) Class 21 commercial trailers.

(e) For purposes of Sections 59-2-108 and 59-2-1115, "item of taxable tangible personal property" means a piece of equipment, machinery, furniture, or other piece of tangible personal property that is functioning at its highest and best use for the purpose it was designed and constructed and is capable of performing that function without being combined with other items of personal property. An item of taxable tangible personal property is not an individual component part of a piece of machinery or equipment, but the piece of machinery or equipment. For example, a fully functioning computer is an item of taxable tangible personal property, but the motherboard, hard drive, tower, or sound card are not.

(f) "Percent good" means an estimate of value, expressed as a percentage, based on a property's acquisition cost or cost new, adjusted for depreciation and appreciation.

(i) The percent good factor shall be applied against the acquisition cost or the cost new to derive taxable value for the property.

(ii) Percent good schedules shall be derived from an analysis of the Internal Revenue Service Class Life, the Marshall and Swift Cost index, other data sources or research, and vehicle valuation guides such as Price Digests.

(2) Each year percent good schedules for use in computing personal property valuation shall be updated and recommended by the Property Tax Division for adoption by the Commission by rule in accordance with Section 59-2-107.

(a) County assessors may deviate from the schedules when warranted by specific conditions affecting an item of personal property. When a deviation will affect an entire class or type of personal property, a written report, substantiating the changes with verifiable data, must be presented to the Commission. Alternative schedules may not be used without prior written approval of the Commission.

(b) A party may request a deviation from the value established by the schedule for a specific item of property if the use of the schedule does not result in the fair market value for the property at the retail level of trade on the lien date, including any relevant installation and assemblage value.

(3) This rule does not apply to:

- (a) a vehicle subject to the age-based uniform fee under Section 59-2-405.1;
- (b) the following personal property subject to the age-based uniform fee under Section 59-2-405.2:

- (i) an all-terrain vehicle;
- (ii) a camper;
- (iii) an other motorcycle;
- (iv) an other trailer;
- (v) a personal watercraft;
- (vi) a small motor vehicle;
- (vii) a snowmobile;
- (viii) a street motorcycle;
- (ix) a tent trailer;
- (x) a travel trailer; and

(xi) a vessel, including an outboard motor of the vessel, that is less than 31 feet in length;

(c) a motorhome subject to the uniform statewide fee under Section 59-2-405.3; and

(d) an aircraft subject to the uniform statewide fee under Section 72-10-110.5.

(4) Other taxable personal property that is not included in the listed classes includes:

(a) Equipment leased or rented from inventory is subject to ad valorem tax. Refer to the appropriate property class schedule to determine taxable value.

(b) Property held for rent or lease is taxable, and is not exempt as inventory. For entities primarily engaged in rent-to-own, inventory on hand at January 1 is exempt and property out on rent-to-own contracts is taxable.

(5) Personal property valuation schedules may not be appealed to, or amended by, county boards of equalization.

(6) Taxable personal property, other than personal property subject to an age-based uniform fee under Sections 59-2-405.1 through 59-2-405.3, or a uniform statewide fee under Section 59-2-405, is classified by expected economic life as follows:

(a) Class 1 - Short Life Property.

(i) Property in this class has a typical life of more than one year and less than four years. It is fungible in that it is difficult to determine the age of an item retired from service.

(ii) Property in this class includes:

- (A) barricades or warning signs;
- (B) library materials;
- (C) patterns, jigs and dies;
- (D) pots, pans, and utensils;
- (E) canned computer software;
- (F) hotel linen;
- (G) wood and pallets;

- (H) video tapes, compact discs, and DVDs; and
- (I) uniforms.
- (iii) Except as provided in Subsections (6)(a)(iv) and (v), taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.
- (iv) A licensee of canned computer software shall use one of the following substitutes for acquisition cost of canned computer software if no acquisition cost for the canned computer software is available:
  - (A) retail price of the canned computer software;
  - (B) if a retail price is unavailable, and the license is a nonrenewable single year license agreement, the total sum of expected payments during that 12-month period; or
  - (C) if the licensing agreement is a renewable agreement or is a multiple year agreement, the present value of expected licensing fees paid pursuant to the agreement.
- (v) Video tapes, compact discs, and DVDs shall be valued at \$15 per tape or disc for the first year and \$3 per tape or disc thereafter.

Table 1 Short Life Property	
Year of Acquisition	Percent Good of Acquisition Cost
2025	76%
2024	47%
2023 and prior	12%

- (b) Class 2 - Computer Integrated Machinery.
  - (i) Machinery shall be classified as computer integrated machinery if the following conditions are met:
    - (A) except as provided in Subsection (6)(b)(iv), equipment is sold as a single unit.
    - (B) the machinery cannot operate without the computer and the computer cannot perform functions outside the machinery.
    - (C) the machinery can perform multiple functions and is controlled by a programmable central processing unit.
    - (D) the total cost of the machinery and computer combined is depreciated as a unit for income tax purposes.
    - (E) the capabilities of the machinery cannot be expanded by substituting a more complex computer for the original.
  - (ii) Property in this class includes:
    - (A) CNC mills;
    - (B) CNC lathes; or
    - (C) high-tech medical and dental equipment such as MRI equipment, CAT scanners, and mammography units.
  - (iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.
  - (iv) If the invoice for computer integrated machinery separately itemizes the computer from other machinery, the computer shall be valued as Class 12 property and the machinery shall be valued as Class 8 property.

Table 2 Computer Integrated Machinery	
Year of Acquisition	Percent Good of Acquisition Cost
2025	96%
2024	89%
2023	79%
2022	68%
2021	56%
2020	43%
2019	29%
2018 and prior	14%

- (c) Class 3 - Short Life Trade Fixtures.
  - (i) Property in this class is subject to rapid functional and economic obsolescence or severe wear and tear.
  - (ii) Property in this class includes:
    - (A) office machines;
    - (B) alarm systems;
    - (C) shopping carts;
    - (D) ATM machines;
    - (E) small equipment rentals;
    - (F) rent-to-own merchandise;
    - (G) telephone equipment and systems;
    - (H) music systems;
    - (I) vending machines;

- (J) video game machines; and
- (K) cash registers.
- (iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 3 Short Life Trade Fixtures	
Year of Acquisition	Percent Good of Acquisition Cost
2025	90%
2024	79%
2023	59%
2022	41%
2021 and prior	21%

- (d) Class 5 - Long Life Trade Fixtures.
- (i) Property in this class is subject to functional obsolescence in the form of style changes.
- (ii) Property in this class includes:
  - (A) furniture;
  - (B) bars and sinks;
  - (C) booths, tables and chairs;
  - (D) beauty and barber shop fixtures;
  - (E) cabinets and shelves;
  - (F) displays, cases and racks;
  - (G) office furniture;
  - (H) theater seats;
  - (I) water slides;
  - (J) signs, mechanical and electrical; and
  - (K) LED component of a billboard.
- (iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 5 Long Life Trade Fixtures	
Year of Acquisition	Percent Good of Acquisition Cost
2025	96%
2024	90%
2023	83%
2022	74%
2021	64%
2020	52%
2019	39%
2018	26%
2017 and prior	13%

- (e) Class 6 - Heavy and Medium Duty Trucks.
- (i) Property in this class includes:
  - (A) heavy duty trucks;
  - (B) medium duty trucks;
  - (C) crane trucks;
  - (D) concrete pump trucks; and
  - (E) trucks with well-boring rigs.
- (ii) Taxable value shall be calculated by applying the percent good factor against the cost new.
- (iii)(A) Cost new of a vehicle in this class shall be the documented actual cost of the vehicle for new vehicles.
- (B) If the documented actual cost of the vehicle for new vehicles is unavailable, the cost new shall be 75% of the manufacturer's suggested retail price.
- (iv) For state assessed vehicles, cost new shall include the value of attached equipment.
- (v) The 2026 percent good applies to 2026 models purchased in 2025.
- (vi) Trucks weighing two tons or more have a residual taxable value of \$1,750.

Table 6 Heavy and Medium Duty Trucks	
Model Year	Percent Good of Cost New

2026	98%
2025	97%
2024	96%
2023	91%
2022	86%
2021	81%
2020	76%
2019	71%
2018	66%
2017	61%
2016	56%
2015	51%
2014	46%
2013 and prior	41%

(f)(i) Class 7 - Medical and Dental Equipment.

(ii) Class 7 has been merged into Class 8.

(g) Class 8 - Machinery and Equipment and Medical and Dental Equipment.

(i) Machinery and equipment in this class is subject to considerable functional and economic obsolescence created by competition as technologically advanced and more efficient equipment becomes available. Machinery and equipment in this class includes:

- (A) manufacturing machinery;
- (B) amusement rides;
- (C) bakery equipment;
- (D) distillery equipment;
- (E) refrigeration equipment;
- (F) laundry and dry cleaning equipment;
- (G) machine shop equipment;
- (H) processing equipment;
- (I) auto service and repair equipment;
- (J) mining equipment;
- (K) ski lift machinery;
- (L) printing equipment;
- (M) bottling or cannery equipment; and
- (N) packaging equipment.

(ii) Medical and dental equipment in this class is subject to a high degree of technological development by the health industry. Medical and dental equipment in this class includes:

- (A) medical and dental equipment and instruments;
- (B) exam tables and chairs;
- (C) microscopes; and
- (D) optical equipment.

(iii) Except as provided in Subsection (6)(g)(iv), taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

(iv) Notwithstanding Subsection (6)(g)(iii), the taxable value of pollution control equipment as defined in Section 59-2-301.9, shall be calculated pursuant to Section 59-2-301.9.

Table 8 Machinery and Equipment Including Medical and Dental Equipment	
Year of Acquisition	Percent Good of Acquisition Cost
2025	97%
2024	93%
2023	89%
2022	82%
2021	74%
2020	65%
2019	54%
2018	43%
2017	33%
2016	22%
2015 and prior	11%

(h)(i) Class 9 - Off-Highway Vehicles.

(ii) As required by Section 59-2-405.2, an off-highway vehicle is subject to an age-based uniform fee in lieu of property tax.

(i)(i) Class 10 - Railroad Cars.

(ii) Property in this class is subject to heavy wear and tear, and functional and economic obsolescence resulting from developing technology within the shipping industry.

(iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 10 Railroad Cars	
Year of Acquisition	Percent Good of Acquisition Cost
2025	97%
2024	95%
2023	93%
2022	90%
2021	85%
2020	78%
2019	69%
2018	61%
2017	53%
2016	44%
2015	36%
2014	28%
2013	19%
2012 and prior	10%

(j)(i) Class 11 - Street Motorcycles.

(ii) As required by Section 59-2-405.2, a street motorcycle is subject to an age-based uniform fee in lieu of property tax.

(k) Class 12 - Computer Hardware.

(i) Property in this class includes:

(A) data processing equipment;

(B) personal computers;

(C) main frame computers;

(D) computer equipment peripherals;

(E) cad or cam systems; and

(F) copiers.

(ii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 12 Computer Hardware	
Year of Acquisition	Percent Good of Acquisition Cost
2025	62%
2024	46%
2023	21%
2022	9%
2021 and prior	7%

(l) Class 13 - Heavy Equipment.

(i) Property in this class includes:

(A) construction equipment;

(B) excavation equipment;

(C) loaders;

(D) batch plants;

(E) snow cats; and

(F) pavement sweepers.

(ii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

(iii) For 2026 model equipment purchased in 2025, the model equipment is valued at 100% of acquisition cost.

Table 13 Heavy Equipment	
Model Year	Percent Good of Acquisition Cost
2025	75%
2024	72%
2023	69%
2022	67%
2021	64%
2020	61%
2019	58%
2018	55%
2017	53%
2016	50%
2015	47%
2014	44%
2013	41%
2012 and prior	39%

(m)(i) Class 14 - Motor Homes.

(ii) As required by Section 59-2-405.3, a motor home is subject to an age-based uniform fee in lieu of property tax.

(n) Class 15 - Semiconductor Manufacturing Equipment.

(i) This class applies to equipment:

(A) used in the production of semiconductor products; and

(B) that is subject to significant economic and functional obsolescence due to rapidly changing technology and economic conditions.

(ii) Property in this class includes:

(A) crystal growing equipment;

(B) die assembly equipment;

(C) wire bonding equipment;

(D) encapsulation equipment;

(E) semiconductor test equipment;

(F) clean room equipment;

(G) chemical and gas systems related to semiconductor manufacturing;

(H) deionized water systems;

(I) electrical systems; and

(J) photo mask and wafer manufacturing dedicated to semiconductor production.

(iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 15 Semiconductor Manufacturing Equipment	
Year of Acquisition	Percent Good of Acquisition Cost
2025	47%
2024	34%
2023	24%
2022	15%
2021 and prior	6%

(o) Class 16 -- Long Life Property.

(i) Property in this class has a long physical life with little obsolescence.

(ii) Property in this class includes:

(A) billboards , excluding LED component;

(B) sign towers;

(C) radio towers;

(D) ski lift and tram towers;

(E) non-farm grain elevators;

(F) bulk storage tanks;

(G) underground fiber optic cable;

(H) solar panels and supporting equipment; and

(I) pipe laid in or affixed to land.

(iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 16 Long Life Property	
Year of Acquisition	Percent Good of Acquisition Cost
2025	97%
2024	96%
2023	94%
2022	91%
2021	90%
2020	89%
2019	85%
2018	80%
2017	73%
2016	67%
2015	59%
2014	56%
2013	54%
2012	47%
2011	40%
2010	31%
2009	25%
2008	18%
2007 and prior	9%

(p) Class 17 - Vessels Equal to or Greater Than 31 Feet in Length.

(i) Property in this class includes:

- (A) houseboats equal to or greater than 31 feet in length;
- (B) sailboats equal to or greater than 31 feet in length; and
- (C) yachts equal to or greater than 31 feet in length.

(ii) A vessel, including an outboard motor of the vessel, under 31 feet in length:

- (A) is not included in Class 17;
- (B) may not be valued using Table 17; and
- (C) is subject to an age-based uniform fee under Section 59-2-405.2.

(iii) Taxable value shall be calculated by applying the percent good factor against the cost new of the property.

(iv) The assessing authority shall rely on the following sources to determine cost new for property in this class:

(A) the following publications or valuation methods:

(I) the manufacturer's suggested retail price listed in the ABOS Marine Blue Book;

(II) for property not listed in the ABOS Marine Blue Book but listed in the NADA Marine Appraisal Guide, the NADA average value for the property divided by the percent good factor; or

(III) for property not listed in the ABOS Marine Blue Book or the NADA Appraisal Guide:

- (aa) the manufacturer's suggested retail price for comparable property; or
- (bb) the cost new established for that property by a documented valuation source; or

(B) the documented actual cost of new or used property in this class.

(v) The 2026 percent good applies to 2026 models purchased in 2025.

(vi) Property in this class has a residual taxable value of \$1,000.

Table 17 Vessels Equal to or Greater Than 31 Feet in Length	
Model Year	Percent Good of Acquisition Cost
2026	90%
2025	74%
2024	72%
2023	70%
2022	68%
2021	66%
2020	64%
2019	63%
2018	61%

2017	59%
2016	57%
2015	55%
2014	53%
2013	51%
2012	49%
2011	47%
2010	46%
2009	44%
2008	42%
2007	40%
2006	38%
2005 and prior	36%

(q)(i) Class 17a - Vessels Less Than 31 Feet in Length.

(ii) As required by Section 59-2-405.2, a vessel less than 31 feet in length is subject to an age-based uniform fee in lieu of property tax.

(r)(i) Class 18 - Travel Trailers and Class 18a -- Tent Trailers or Truck Campers.

(ii) As required by Section 59-2-405.2, a travel trailer, tent trailer, and truck camper is subject to an age-based uniform fee in lieu of property tax.

(s) Class 20 - Petroleum and Natural Gas Exploration and Production Equipment.

(i) Property in this class is subject to significant functional and economic obsolescence due to the volatile nature of the petroleum industry.

(ii) Property in this class includes:

- (A) oil and gas exploration equipment;
- (B) distillation equipment;
- (C) wellhead assemblies;
- (D) holding and storage facilities;
- (E) drill rigs;
- (F) reinjection equipment;
- (G) metering devices;
- (H) cracking equipment;
- (I) well-site generators, transformers, and power lines;
- (J) equipment sheds;
- (K) pumps;
- (L) radio telemetry units; and
- (M) support and control equipment.

(iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 20 Petroleum and Natural Gas Exploration and Production Equipment	
Year of Acquisition	Percent Good of Acquisition Cost
2025	97%
2024	95%
2023	93%
2022	91%
2021	85%
2020	78%
2019	69%
2018	58%
2017	49%
2016	40%
2015	30%
2014	21%
2013 and prior	11%

(t) Class 21 - Commercial Trailers.

(i) Property in this class includes:

- (A) dry freight van trailers;
- (B) refrigerated van trailers;

- (C) flat bed trailers;
- (D) dump trailers;
- (E) livestock trailers; and
- (F) tank trailers.

- (ii)(A) Taxable value shall be calculated by applying the percent good factor against the cost new of the property.
- (B) For state assessed vehicles, cost new shall include the value of attached equipment.
- (iii) The 2026 percent good applies to 2026 models purchased in 2025.
- (iv) Commercial trailers have a residual taxable value of \$1,000.

Table 21 Commercial Trailers	
Model Year	Percent Good of Acquisition Cost
2026	95%
2025	85%
2024	83%
2023	80%
2022	78%
2021	75%
2020	73%
2019	70%
2018	67%
2017	65%
2016	62%
2015	60%
2014	57%
2013	54%
2012	52%
2011	49%
2010 and prior	47%

- (u)(i) Class 21a -- Other Non-Commercial Trailers.
- (ii) As required by Section 59-2-405.2, a trailer in this class is subject to an age-based uniform fee in lieu of property tax.
- (v) Class 22 - Passenger Cars, Light Trucks/Utility Vehicles, and Vans.
- (i) Property in this class is the following:
  - (A) domestic passenger cars;
  - (B) foreign passenger cars;
  - (C) light trucks;
  - (D) utility vehicles; and
  - (E) vans.
- (ii) As required by Section 59-2-405.1, property in this class is subject to an age-based uniform fee in lieu of property tax.
- (w)(i) Class 22a - Small Motor Vehicles.
- (ii) As required by Section 59-2-405.2, a small motor vehicle is subject to an age-based uniform fee in lieu of property tax.
- (x)(i) Class 23 - Aircraft Required to be Registered With the State.
- (ii) As required by Section 59-2-404, aircraft required to be registered with the state is subject to a statewide uniform fee in lieu of property tax.
- (y) Class 24 - Leasehold Improvements on Exempt Real Property.
- (i) This class applies to leasehold improvements where the underlying real property is owned by an entity that is exempt from property tax under Section 59-2-1101.
- (ii) Property in this class includes:
  - (A) walls and partitions;
  - (B) plumbing and roughed fixtures;
  - (C) floor coverings other than carpet;
  - (D) store fronts;
  - (E) wiring;
  - (F) suspended or acoustical ceilings;
  - (G) heating and cooling systems; and
  - (H) iron or millwork trim.

- (iii) Taxable value is calculated by applying the percent good factor against the cost of acquisition, including installation.
- (iv) Short life leasehold improvements shall be valued under Class 3.

Table 24	
Leasehold Improvements on Tax Exempt Real Property	
Year of Acquisition	Percent Good of Acquisition Cost
2025	94%
2024	88%
2023	82%
2022	77%
2021	71%
2020	65%
2019	59%
2018	54%
2017	48%
2016	42%
2015	36%
2014	30%

- (z) Class 25 - Aircraft Parts Manufacturing Tools and Dies.
  - (i) Property in this class is subject to heavy wear and tear, and rapid physical, functional, and economic obsolescence due to rapid technological and economic shifts in the airline parts manufacturing industry.
    - (ii) Property in this class includes:
      - (A) aircraft parts manufacturing jigs and dies;
      - (B) aircraft parts manufacturing molds;
      - (C) aircraft parts manufacturing patterns;
      - (D) aircraft parts manufacturing taps and gauges; and
      - (E) aircraft parts manufacturing test equipment.
    - (iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 25	
Aircraft Parts Manufacturing Tools and Dies	
Year of Acquisition	Percent Good of Acquisition Cost
2025	91%
2024	79%
2023	60%
2022	42%
2021	23%
2020 and prior	4%

- (aa)(i) Class 26 - Personal Watercraft.
  - (ii) As required by Section 59-2-405.2, a personal watercraft is subject to an age-based uniform fee in lieu of property tax.
- (bb) Class 27 - Electrical Power Generating Equipment and Fixtures.
  - (i) Property in this class includes:
    - (A) electrical power generators; and
    - (B) control equipment.
  - (ii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 27	
Electrical Power Generating Equipment and Fixtures	
Year of Acquisition	Percent Good of Acquisition Cost
2025	97%
2024	95%
2023	92%
2022	90%
2021	87%
2020	84%
2019	82%

2018	79%
2017	77%
2016	74%
2015	71%
2014	69%
2013	66%
2012	64%
2011	61%
2010	58%
2009	56%
2008	53%
2007	51%
2006	48%
2005	45%
2004	43%
2003	40%
2002	38%
2001	35%
2000	32%
1999	30%
1998	27%
1997	25%
1996	22%
1995	19%
1994	17%
1993	14%
1992	12%
1991 and prior	9%

This rule shall be implemented and become binding on taxpayers beginning January 1, 2026.

**R884-24P-35. Annual Statement for Certain Exempt Uses of Property Pursuant to Utah Code Ann. Section 59-2-1102.**

- (1) The purpose of this rule is to provide guidance to property owners required to file an annual statement under Section 59-2-1102 in order to claim a property tax exemption under Subsection 59-2-1101(3)(a)(iv) or (v).
- (2) The annual statement filed pursuant to Section 59-2-1102 shall contain the following information for the specific property for which an exemption is sought:
  - (a) the owner of record of the property;
  - (b) the property parcel, account, or serial number;
  - (c) the location of the property;
  - (d) the tax year in which the exemption was originally granted;
  - (e) a description of any change in the use of the real or personal property since January 1 of the prior year;
  - (f) the name and address of any person or organization conducting a business for profit on the property;
  - (g) the name and address of any organization that uses the real or personal property and pays a fee for that use that is greater than the cost of maintenance and utilities associated with the property;
  - (h) a description of any personal property leased by the owner of record for which an exemption is claimed;
  - (i) the name and address of the lessor of property described in Subsection (2)(h);
  - (j) the signature of the owner of record or the owner's authorized representative; and
  - (k) any other information the county may require.
- (3) The annual statement shall be filed:
  - (a) with the county legislative body in the county in which the property is located;
  - (b) on or before March 1; and
  - (c) using:
    - (i) Tax Commission form PT-21, Annual Statement for Continued Property Tax Exemption; or
    - (ii) a form that contains the information required under Subsection (2).

**R884-24P-36. Contents of Real Property Tax Notice Pursuant to Utah Code Ann. Section 59-2-1317.**

- A. In addition to the information required by Section 59-2-1317, the tax notice for real property shall specify the following:
  1. the property identification number;
  2. the appraised value of the property and, if applicable, any adjustment for residential exemptions expressed in terms of taxable value;

3. if applicable, tax relief for taxpayers eligible for blind, veteran, or poor abatement or the circuit breaker, which shall be shown as credits to total taxes levied; and
4. itemized tax rate information for each taxing entity and total tax rate.

**R884-24P-37. Separate Values of Land and Improvements Pursuant to Utah Code Ann. Sections 59-2-301 and 59-2-305.**

- (1) The county assessor shall maintain an appraisal record of all real property subject to assessment by the county. The record shall include the following information:
  - (a) owner of the property;
  - (b) property identification number;
  - (c) description and location of the property; and
  - (d) full market value of the property.
- (2)(a) Except as provided in Subsection (2)(b), real property appraisal records shall separately show the value of the land and the value of any improvements.
- (b) The real property appraisal records for a condominium are not required to separately show the value of the land and the value of any improvements.

**R884-24P-38. Nonoperating Railroad Properties Pursuant to Utah Code Ann. Section 59-2-201.**

- (1)(a) "Railroad right of way" (RR-ROW) means a strip of land upon which a railroad company constructs the road bed.
- (b) RR-ROW within incorporated towns and cities shall consist of 50 feet on each side of the main line main track, branch line main track or main spur track. Variations to the 50-foot standard shall be approved on an individual basis.
- (c) RR-ROW outside incorporated towns and cities shall consist of the actual right-of-way owned if not in excess of 100 feet on each side of the center line of the main line main track, branch line main track, or main spur track. In cases where unusual conditions exist, such as mountain cuts, fills, etc., and more than 100 feet on either side of the main track is required for ROW and where small parcels of land are otherwise required for ROW purposes, the necessary additional area shall be reported as RR-ROW.
- (2) Assessment of nonoperating railroad properties. Railroad property formerly assessed by the unitary method that has been determined to be nonoperating, and that is not necessary to the conduct of the business, shall be assessed separately by the local county assessor.
  - (3) Assessment procedures.
    - (a) Properties charged to nonoperating accounts are reviewed by the Property Tax Division, and if taxable, are assessed and placed on the local county assessment rolls separately from the operating properties.
    - (b) RR-ROW is considered operating and necessary to the conduct and contributing to the income of the business. Any revenue derived from leasing of property within the RR-ROW is considered railroad operating revenues.
    - (c) Real property outside of the RR-ROW that is necessary to the conduct of the railroad operation is considered part of the unitary value. Some examples are:
      - (i) company homes occupied by superintendents and other employees on 24-hour call;
      - (ii) storage facilities for railroad operations;
      - (iii) communication facilities; and
      - (iv) spur tracks outside of RR-ROW.
    - (d) Abandoned RR-ROW is considered nonoperating and shall be reported as such by the railroad companies.
    - (e) Real property outside of the RR-ROW that is not necessary to the conduct of the railroad operations is classified as nonoperating and therefore assessed by the local county assessor. Some examples are:
      - (i) land leased to service station operations;
      - (ii) grocery stores;
      - (iii) apartments;
      - (iv) residences; and
      - (v) agricultural uses.
    - (f) RR-ROW obtained by government grant or act of Congress is deemed operating property.
  - (4) Notice of Determination. It is the responsibility of the Property Tax Division to provide a notice of determination to the owner of the railroad property and the assessor of the county where the railroad property is located immediately after such determination of operating or nonoperating status has been made. If there is no appeal to the notice of determination, the Property Tax Division shall notify the assessor of the county where the property is located so that the property may be placed on the roll for local assessment.
  - (5) Appeals. Any interested party who wishes to contest the determination of operating or nonoperating property may do so by filing a request for agency action within ten days of the notice of determination of operating or nonoperating properties. Request for agency action may be made pursuant to Title 63G, Chapter 4.

**R884-24P-40. Exemption of Parsonages, Rectories, Monasteries, Homes and Residences Pursuant to Utah Code Annotated 59-2-1101 and Article XIII, Section (3) of the Utah Constitution.**

- (1) Parsonages, rectories, monasteries, homes and residences if used exclusively for religious purposes, are exempt from property taxes if they meet all of the following requirements:
  - (a) The land and building are owned by a religious organization which has qualified with the Internal Revenue Service as a Section 501(c)(3) organization and which organization continues to meet the requirements of that section.

- (b) The building is occupied only by persons whose full time efforts are devoted to the religious organization and the immediate families of such persons.
- (c) The religious organization, and not the individuals who occupy the premises, pay all payments, utilities, insurance, repairs, and all other costs and expenses related to the care and maintenance of the premises and facilities.
- (2) The exemption for one person and the family of such person is limited to the real estate that is reasonable for the residence of the family and which remains actively devoted exclusively to the religious purposes. The exemption for more than one person, such as a monastery, is limited to that amount of real estate actually devoted exclusively to religious purposes.
- (3) Vacant land which is not actively used by the religious organization, is not deemed to be devoted exclusively to religious purposes, and is therefore not exempt from property taxes.
  - (a) Vacant land which is held for future development or utilization by the religious organization is not deemed to be devoted exclusively to religious purposes and therefore not tax exempt.
  - (b) Vacant land is tax exempt after construction commences or a building permit is issued for construction of a structure or other improvements used exclusively for religious purposes.

**R884-24P-42. Farmland Assessment Audits and Personal Property Audits Pursuant to Utah Code Ann. Subsection 59-2-508, and Section 59-2-705.**

- (1) Upon completion of commission audits of personal property accounts or land subject to the Farmland Assessment Act, the following procedures shall be implemented:
  - (a) If an audit reveals an incorrect assignment of property, or an increase or decrease in value, the county assessor shall correct the assessment on the assessment roll and the tax roll.
  - (b) A revised Notice of Property Valuation and Tax Changes or tax notice or both shall be mailed to the taxpayer for the current year and any previous years affected.
  - (c) The appropriate tax rate for each year shall be applied when computing taxes due for previous years.
  - (2) Assessors shall not alter results of an audit without first submitting the changes to the commission for review and approval.
  - (3) The commission shall review assessor compliance with this rule. Noncompliance may result in an order for corrective action.

**R884-24P-44. Farm Machinery and Equipment Exemption Pursuant to Utah Code Ann. Sections 59-2-102 and 59-2-1101.**

- A. The use of the machinery and equipment, whether by the claimant or a lessee, shall determine the exemption.
- 1. For purposes of this rule, the term owner includes a purchaser under an installment purchase contract or capitalized lease where ownership passes to the purchaser at the end of the contract without the exercise of an option on behalf of the purchaser or seller.
- B. Farm machinery and equipment is used primarily for agricultural purposes if it is used primarily for the production or harvesting of agricultural products.
  - C. The following machinery and equipment is used primarily for the production or harvesting of agricultural products:
    - 1. Machinery and equipment used on the farm for storage, cooling, or freezing of fruits or vegetables;
    - 2. Except as provided in C.3., machinery and equipment used in fruit or vegetable growing operations if the machinery and equipment does not physically alter the fruit or vegetables; and
    - 3. Machinery and equipment that physically alters the form of fruits or vegetables if the operations performed by the machinery or equipment are reasonable and necessary in the preparation of the fruit or vegetables for wholesale marketing.
    - D. Machinery and equipment used for processing of agricultural products are not exempt.

**R884-24P-49. Calculating the Utah Apportioned Value of a Rail Car Fleet Pursuant to Utah Code Ann. Section 59-2-201.**

- A. Definitions.
  - 1. "Average market value per rail car" means the fleet rail car market value divided by the number of rail cars in the fleet.
  - 2. "Fleet rail car market value" means the sum of:
    - a.(1) the yearly acquisition costs of the fleet's rail cars;
    - (2) multiplied by the appropriate percent good factors contained in Class 10 of R884-24P- 33, Personal Property Valuation Guides and Schedules; and
    - b) the sum of betterments by year.
      - (1) Except as provided in A.2.b)(2), the sum of betterments by year shall be depreciated on a 14-year straight line method.
      - (2) Notwithstanding the provisions of A.2.b)(1), betterments shall have a residual value of two percent.
      - 3. "In-service rail cars" means the number of rail cars in the fleet, adjusted for out-of- service rail cars.
      - 4. a) "Out-of-service rail cars" means rail cars:
        - (1) out-of-service for a period of more than ten consecutive hours; or
        - (2) in storage.
        - b) Rail cars cease to be out-of-service once repaired or removed from storage.
        - c) Out-of-service rail cars do not include rail cars idled for less than ten consecutive hours due to light repairs or routine maintenance.
      - 5. "System car miles" means both loaded and empty miles accumulated in the U.S., Canada, and Mexico during the prior calendar year by all rail cars in the fleet.

6. "Utah car miles" mean both loaded and empty miles accumulated within Utah during the prior calendar year by all rail cars in the fleet.

7. "Utah percent of system factor" means the Utah car miles divided by the system car miles.

B. The provisions of this rule apply only to private rail car companies.

C. To receive an adjustment for out-of-service rail cars, the rail car company must report the number of out-of-service days to the commission for each of the company's rail car fleets.

D. The out-of-service adjustment is calculated as follows.

1. Divide the out-of-service days by 365 to obtain the out-of-service rail car equivalent.
2. Subtract the out-of-service rail car equivalent calculated in D.1. from the number of rail cars in the fleet.
- E. The taxable value for each rail car fleet apportioned to Utah, for which the Utah percent of system factor is more than 50 percent, shall be determined by multiplying the Utah percent of system factor by the fleet rail car market value.
- F. The taxable value for each rail car company apportioned to Utah, for which the Utah percent of system factor is less than or equal to 50 percent, shall be determined in the following manner.

  1. Calculate the number of fleet rail cars allocated to Utah under the Utah percent of system factor. The steps for this calculation are as follows.
    - a) Multiply the Utah percent of system factor by the in-service rail cars in the fleet.
    - b) Multiply the product obtained in F.1.a) by 50 percent.
    2. Calculate the number of fleet rail cars allocated to Utah under the time speed factor. The steps for this calculation are as follows.
      - a) Divide the fleet's Utah car miles by the average rail car miles traveled in Utah per year. The Commission has determined that the average rail car miles traveled in Utah per year shall equal 200,000 miles.
      - b) Multiply the quotient obtained in F.2.a) by the percent of in-service rail cars in the fleet.
      - c) Multiply the product obtained in F.2.b) by 50 percent.
      3. Add the number of fleet rail cars allocated to Utah under the Utah percent of system factor, calculated in F.1.b), and the number of fleet rail cars allocated to Utah under the time speed factor, calculated in F.2.c), and multiply that sum by the average market value per rail car.

**R884-24P-50. Apportioning the Utah Proportion of Commercial Aircraft Valuations Pursuant to Utah Code Ann. Section 59-2-201.**

A. Definitions.

1. "Commercial air carrier" means any air charter service, air contract service or airline as defined by Section 59-2-102.

2. "Ground time" means the time period beginning at the time an aircraft lands and ending at the time an aircraft takes off.

B. The commission shall apportion to a tax area the assessment of the mobile flight equipment owned by a commercial air carrier in the proportion that the ground time in the tax area bears to the total ground time in the state.

C. The provisions of this rule shall be implemented and become binding on taxpayers beginning with the 1999 calendar year.

**R884-24P-52. Criteria for Determining Primary Residence Pursuant to Utah Code Ann. Sections 59-2-102, 59-2-103, and 59-2-103.5.**

- (1) "Household" is as defined in Section 59-2-102.
- (2) "Primary residence" means the location where domicile has been established.
- (3) Except as provided in Subsections (4) and (6)(c) and (f), the residential exemption provided under Section 59-2-103 is limited to one primary residence per household.
- (4) An owner of multiple properties may receive the residential exemption on all properties for which the property is the primary residence of the tenant.
- (5) Factors or objective evidence determinative of domicile include:
  - (a) whether or not the individual voted in the place he claims to be domiciled;
  - (b) the length of any continuous residency in the location claimed as domicile;
  - (c) the nature and quality of the living accommodations that an individual has in the location claimed as domicile as opposed to any other location;
  - (d) the presence of family members in a given location;
  - (e) the place of residency of the individual's spouse or the state of any divorce of the individual and his spouse;
  - (f) the physical location of the individual's place of business or sources of income;
  - (g) the use of local bank facilities or foreign bank institutions;
  - (h) the location of registration of vehicles, boats, and RVs;
  - (i) membership in clubs, churches, and other social organizations;
  - (j) the addresses used by the individual on such things as:
    - (i) telephone listings;
    - (ii) mail;
    - (iii) state and federal tax returns;
    - (iv) listings in official government publications or other correspondence;
    - (v) driver's license;

- (vi) voter registration; and
- (vii) tax rolls;
- (k) location of public schools attended by the individual or the individual's dependents;
- (l) the nature and payment of taxes in other states;
- (m) declarations of the individual:
  - (i) communicated to third parties;
  - (ii) contained in deeds;
  - (iii) contained in insurance policies;
  - (iv) contained in wills;
  - (v) contained in letters;
  - (vi) contained in registers;
  - (vii) contained in mortgages; and
  - (viii) contained in leases.
- (n) the exercise of civil or political rights in a given location;
- (o) any failure to obtain permits and licenses normally required of a resident;
- (p) the purchase of a burial plot in a particular location;
- (q) the acquisition of a new residence in a different location.

(6) Administration of the Residential Exemption.

- (a) Except as provided in Subsections (6)(b), (d), and (e), the first one acre of land per residential unit shall receive the residential exemption.
- (b) If a parcel has high density multiple residential units, such as an apartment complex or a mobile home park, the amount of land, up to the first one acre per residential unit, eligible to receive the residential exemption shall be determined by the use of the land. Land actively used for residential purposes qualifies for the exemption.
- (c) If the county assessor determines that a property under construction will qualify as a primary residence upon completion, the property shall qualify for the residential exemption while under construction.
- (d) A property assessed under the Farmland Assessment Act shall receive the residential exemption only for the homesite.
- (e) A property with multiple uses, such as residential and commercial, shall receive the residential exemption only for the percentage of the property that is used as a primary residence.
- (f) If the county assessor determines that an unoccupied property will qualify as a primary residence when it is occupied, the property shall qualify for the residential exemption while unoccupied.

(g)(i) An application for the residential exemption required by an ordinance enacted under Section 59-2-103.5 shall contain the following information for the specific property for which the exemption is requested:

- (A) the owner of record of the property;
- (B) the property parcel number;
- (C) the location of the property;
- (D) the basis of the owner's knowledge of the use of the property;
- (E) a description of the use of the property;
- (F) evidence of the domicile of the inhabitants of the property; and
- (G) the signature of all owners of the property certifying that the property is residential property.

(ii) The application under Subsection (6)(g)(i) shall be:

- (A) on a form provided by the county; or
- (B) in a writing that contains all of the information listed in Subsection (6)(g)(i).

**R884-24P-53. 2026 Guides for Valuation of Land Subject to the Farmland Assessment Act Pursuant to Utah Code Ann. Section 59-2-515.**

- (1) Each year the Property Tax Division shall update and publish schedules to determine the taxable value for land subject to the Farmland Assessment Act on a per acre basis.
  - (a) The schedules shall be based on the productivity of the various types of agricultural land as determined through crop budgets and net rents.
  - (b) Proposed schedules shall be transmitted by the Property Tax Division to county assessors for comment before adoption.
  - (c) County assessors may not deviate from the schedules.
  - (d) Not all types of agricultural land exist in every county. If no taxable value is shown for a particular county in one of the tables, that classification of agricultural land does not exist in that county.
- (2) Property qualifying for agricultural use assessment pursuant to Section 59-2-503 shall be assessed on a per acre basis as follows:
  - (a) Irrigated farmland shall be assessed under the following classifications.
  - (i) Irrigated I. The following counties shall assess Irrigated I property based upon the per acre values listed in TABLE 1, Irrigated I:

TABLE 1  
Irrigated I

County	Per Acre Value
Box Elder	\$744
Cache	\$687
Carbon	\$535
Davis	\$855
Emery	\$507
Iron	\$809
Kane	\$423
Millard	\$801
Salt Lake	\$675
Utah	\$742
Washington	\$660
Weber	\$849

(ii) Irrigated II. The following counties shall assess Irrigated II property based upon the per acre values listed in TABLE 2, Irrigated II:

TABLE 2 Irrigated II	
County	Per Acre Value
Beaver	\$545
Box Elder	\$655
Cache	\$586
Carbon	\$425
Davis	\$752
Duchesne	\$495
Emery	\$408
Grand	\$393
Iron	\$710
Juab	\$449
Kane	\$327
Millard	\$702
Salt Lake	\$579
Sanpete	\$551
Sevier	\$582
Summit	\$465
Tooele	\$450
Utah	\$641
Wasatch	\$495
Washington	\$562
Weber	\$744

(iii) Irrigated III. The following counties shall assess Irrigated III property based upon the per acre values listed in TABLE 3, Irrigated III:

TABLE 3 Irrigated III	

County	Per Acre Value
Beaver	\$448
Box Elder	\$513
Cache	\$444
Carbon	\$285
Davis	\$605
Duchesne	\$348
Emery	\$255
Garfield	\$214
Grand	\$249
Iron	\$563
Juab	\$304
Kane	\$181
Millard	\$556
Morgan	\$398
Piute	\$338
Rich	\$181
Salt Lake	\$443
San Juan	\$141
Sanpete	\$406
Sevier	\$433
Summit	\$320
Tooele	\$302
Uintah	\$377
Utah	\$493
Wasatch	\$344
Washington	\$413
Wayne	\$337
Weber	\$591

(iv) Irrigated IV. The following counties shall assess Irrigated IV property based upon the per acre values listed in TABLE 4, Irrigated IV:

TABLE 4 Irrigated IV	
County	Per Acre Value
Beaver	\$371
Box Elder	\$426
Cache	\$345
Carbon	\$182
Daggett	\$193
Davis	\$505
Duchesne	\$244
Emery	\$160
Garfield	\$114

Grand	\$152
Iron	\$461
Juab	\$201
Kane	\$80
Millard	\$451
Morgan	\$295
Piute	\$235
Rich	\$82
Salt Lake	\$342
San Juan	\$63
Sanpete	\$304
Sevier	\$331
Summit	\$218
Tooele	\$206
Uintah	\$280
Utah	\$395
Wasatch	\$243
Washington	\$312
Wayne	\$238
Weber	\$483

(b) Fruit orchards. The following counties shall assess fruit orchards based upon the per acre values listed in TABLE 5, Fruit Orchards:

TABLE 5 Fruit Orchards	
County	Per Acre Value
Beaver	\$228
Box Elder	\$248
Cache	\$228
Carbon	\$228
Davis	\$249
Duchesne	\$228
Emery	\$228
Garfield	\$228
Grand	\$228
Iron	\$228
Juab	\$228
Kane	\$228
Millard	\$228
Morgan	\$228
Piute	\$228
Salt Lake	\$228
San Juan	\$228
Sanpete	\$228

Sevier	\$228
Summit	\$228
Tooele	\$228
Uintah	\$228
Utah	\$251
Wasatch	\$228
Washington	\$272
Wayne	\$228
Weber	\$249

(c) Meadow IV. The following counties shall assess Meadow IV property based upon per acre values listed in TABLE 6, Meadow IV:

TABLE 6 Meadow IV	
County	Per Acre Value
Beaver	\$230
Box Elder	\$239
Cache	\$264
Carbon	\$135
Daggett	\$158
Davis	\$271
Duchesne	\$171
Emery	\$141
Garfield	\$106
Grand	\$137
Iron	\$267
Juab	\$155
Kane	\$110
Millard	\$196
Morgan	\$203
Piute	\$194
Rich	\$108
Salt Lake	\$216
Sanpete	\$199
Sevier	\$207
Summit	\$204
Tooele	\$187
Uintah	\$212
Utah	\$247
Wasatch	\$213
Washington	\$231
Wayne	\$177
Weber	\$317

(d) Dry land shall be classified as one of the following two categories and shall be assessed on a per acre basis as follows:

(i) Dry III. The following counties shall assess Dry III property based upon the per acre values listed in TABLE 7, Dry III:

TABLE 7 Dry III	
County	Per Acre Value
Beaver	\$50
Box Elder	\$87
Cache	\$117
Carbon	\$49
Davis	\$51
Duchesne	\$56
Garfield	\$48
Grand	\$49
Iron	\$49
Juab	\$53
Kane	\$48
Millard	\$47
Morgan	\$67
Rich	\$48
Salt Lake	\$53
San Juan	\$44
Sanpete	\$56
Summit	\$48
Tooele	\$52
Uintah	\$56
Utah	\$50
Wasatch	\$48
Washington	\$48
Weber	\$84

(ii) Dry IV. The following counties shall assess Dry IV property based upon the per acre values listed in TABLE 8, Dry IV:

TABLE 8 Dry IV	
County	Per Acre Value
Beaver	\$14
Box Elder	\$55
Cache	\$81
Carbon	\$15
Davis	\$15
Duchesne	\$19
Garfield	\$15
Grand	\$15

Iron	\$15
Juab	\$15
Kane	\$15
Millard	\$14
Morgan	\$27
Rich	\$15
Salt Lake	\$17
San Juan	\$16
Sanpete	\$19
Summit	\$15
Tooele	\$15
Uintah	\$19
Utah	\$15
Wasatch	\$15
Washington	\$14
Weber	\$45

(e) Grazing land shall be classified as one of the following four categories and shall be assessed on a per acre basis as follows:

(i) Graze 1. The following counties shall assess Graze I property based upon the per acre values listed in TABLE 9, Graze I:

TABLE 9 Graze I	
County	Per Acre Value
Beaver	\$68
Box Elder	\$69
Cache	\$70
Carbon	\$52
Daggett	\$52
Davis	\$61
Duchesne	\$69
Emery	\$71
Garfield	\$78
Grand	\$79
Iron	\$76
Juab	\$66
Kane	\$76
Millard	\$77
Morgan	\$70
Piute	\$91
Rich	\$64
Salt Lake	\$66
San Juan	60
Sanpete	\$63
Sevier	\$66

Summit	\$73
Tooele	\$73
Uintah	\$82
Utah	\$64
Wasatch	\$52
Washington	\$65
Wayne	\$90
Weber	\$74

(ii) Graze II. The following counties shall assess Graze II property based upon the per acre values listed in TABLE 10, Graze II:

TABLE 10 Graze II	
County	Per Acre Value
Beaver	\$21
Box Elder	\$22
Cache	\$22
Carbon	\$15
Daggett	\$14
Davis	\$19
Duchesne	\$19
Emery	\$21
Garfield	\$22
Grand	\$22
Iron	\$22
Juab	\$18
Kane	\$25
Millard	\$25
Morgan	\$22
Piute	\$26
Rich	\$20
Salt Lake	\$19
San Juan	\$20
Sanpete	\$18
Sevier	\$18
Summit	\$20
Tooele	\$20
Uintah	\$28
Utah	\$23
Wasatch	\$16
Washington	\$21
Wayne	\$28
Weber	\$20

(iii) Graze III. The following counties shall assess Graze III property based upon the per acre values in TABLE 11, Graze III:

TABLE 11 Graze III	
County	Per Acre Value
Beaver	\$16
Box Elder	\$16
Cache	\$14
Carbon	\$13
Daggett	\$12
Davis	\$13
Duchesne	\$14
Emery	\$14
Garfield	\$15
Grand	\$15
Iron	\$15
Juab	\$14
Kane	\$15
Millard	\$15
Morgan	\$13
Piute	\$17
Rich	\$13
Salt Lake	\$15
San Juan	\$12
Sanpete	\$14
Sevier	\$14
Summit	\$14
Tooele	\$14
Uintah	\$19
Utah	\$14
Wasatch	\$13
Washington	\$13
Wayne	\$17
Weber	\$14

(iv) Graze IV. The following counties shall assess Graze IV property based upon the per acre values listed in TABLE 12, Graze IV:

TABLE 12 Graze IV	
County	Per Acre Value
Beaver	\$5
Box Elder	\$5
Cache	\$5
Carbon	\$5
Daggett	\$5

Davis	\$5
Duchesne	\$6
Emery	\$6
Garfield	\$5
Grand	\$5
Iron	\$5
Juab	\$5
Kane	\$5
Millard	\$6
Morgan	\$6
Piute	\$5
Rich	\$5
Salt Lake	\$5
San Juan	\$5
Sanpete	\$6
Sevier	\$6
Summit	\$5
Tooele	\$5
Uintah	\$6
Utah	\$5
Wasatch	\$5
Washington	\$6
Wayne	\$5
Weber	\$6

(f) Nonproductive Land. The following counties shall assess property classified as Nonproductive Land based upon the per acre value listed in TABLE 13, Nonproductive Land:

TABLE 13 Nonproductive Land	
County	Per Acre Value
Beaver	\$5
Box Elder	\$5
Cache	\$5
Carbon	\$5
Daggett	\$5
Davis	\$5
Duchesne	\$5
Emery	\$5
Garfield	\$5
Grand	\$5
Iron	\$5
Juab	\$5
Kane	\$5
Millard	\$5

Morgan	\$5
Piute	\$5
Rich	\$5
Salt Lake	\$5
San Juan	\$5
Sanpete	\$5
Sevier	\$5
Summit	\$5
Tooele	\$5
Uintah	\$5
Utah	\$5
Wasatch	\$5
Washington	\$5
Wayne	\$5
Weber	\$5

(3) This rule shall be implemented and become binding beginning January 1, 2026.

**R884-24P-55. Counties to Establish Ordinance for Tax Sale Procedures Pursuant to Utah Code Ann. Section 59-2-1351.1.**

A. "Collusive bidding" means any agreement or understanding reached by two or more parties that in any way alters the bids the parties would otherwise offer absent the agreement or understanding.

- B. Each county shall establish a written ordinance for real property tax sale procedures.
- C. The written ordinance required under B. shall be displayed in a public place and shall be available to all interested parties.
- D. The tax sale ordinance shall address, as a minimum, the following issues:
  - 1. bidder registration procedures;
  - 2. redemption rights and procedures;
  - 3. prohibition of collusive bidding;
  - 4. conflict of interest prohibitions and disclosure requirements;
  - 5. criteria for accepting or rejecting bids;
  - 6. sale ratification procedures;
  - 7. criteria for granting bidder preference;
  - 8. procedures for recording tax deeds;
  - 9. payments methods and procedures;
  - 10. procedures for contesting bids and sales;
  - 11. criteria for striking properties to the county;
  - 12. procedures for disclosing properties withdrawn from the sale for reasons other than redemption; and
  - 13. disclaimers by the county with respect to sale procedures and actions.

**R884-24P-56. Assessment, Collection, and Apportionment of Property Tax on Commercial Transportation Property Pursuant to Utah Code Ann. Sections 41-1a-301 and 59-2-801.**

A. For purposes of Section 59-2-801, the previous year's statewide rate shall be calculated as follows:
 

- 1. Each county's overall tax rate is multiplied by the county's percent of total lane miles of principal routes.
- 2. The values obtained in A.1. for each county are summed to arrive at the statewide rate.

B. The assessment of vehicles apportioned under Section 41-1a-301 shall be apportioned at the same percentage ratio that has been filed with the Motor Vehicle Division of the State Tax Commission for determining the proration of registration fees.

C. For purposes of Section 59-2-801(2), principal route means lane miles of interstate highways and clover leafs, U.S. highways, and state highways extending through each county as determined by the Commission from current state Geographic Information System databases.

**R884-24P-57. Judgment Levies Pursuant to Utah Code Ann. Sections 59-2-918.5, 59-2-924, 59-2-1328, and 59-2-1330.**

- (1) Definitions.
  - (a) "Issued" means the date on which the judgment is signed.
  - (b) "2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year" includes any revenues collected by a judgment levy imposed in the prior year.
- (2) A taxing entity's share of a judgment or order shall include the taxing entity's share of any interest that must be paid with the judgment or order.

- (3) The judgment levy public hearing required by Section 59-2-918.5 shall be held as follows:
  - (a) For taxing entities operating under a July 1 through June 30 fiscal year, the public hearing shall be held at least 10 days after the Notice of Property Valuation and Tax Changes is mailed.
    - (b) For taxing entities operating under a January 1 through December 31 fiscal year:
      - (i) for judgments issued from the prior March 1 through September 15, the public hearing shall be held at the same time as the hearing at which the annual budget is adopted;
      - (ii) for judgments issued from the prior September 16 through the last day of February, the public hearing shall be held at least 10 days after the Notice of Property Valuation and Tax Changes is mailed.
    - (c) If the taxing entity is required to hold a hearing under Section 59-2-919, the judgment levy hearing required by Subsections (3)(a) and (3)(b)(ii) shall be held at the same time as the hearing required under Section 59-2-919.
  - (4) If the Section 59-2-918.5 advertisement is combined with the Section 59-2-919 advertisement, the combined advertisement shall aggregate the general tax increase and judgment levy information.
  - (5) In the case of taxing entities operating under a January 1 through December 31 fiscal year, the advertisement for judgments issued from the previous December 16 through May 31 shall include any judgments issued from the previous June 1 through December 15 that the taxing entity advertised and budgeted for at its December budget hearing.
  - (6) All taxing entities imposing a judgment levy shall file with the commission a signed statement certifying that all judgments for which the judgment levy is imposed have met the statutory requirements for imposition of a judgment levy.
    - (a) The signed statement shall contain the following information for each judgment included in the judgment levy:
      - (i) the name of the taxpayer awarded the judgment;
      - (ii) the appeal number of the judgment; and
      - (iii) the taxing entity's pro rata share of the judgment.
    - (b) Along with the signed statement, the taxing entity must provide the commission the following:
      - (i) a copy of all judgment levy newspaper advertisements required;
      - (ii) the dates all required judgment levy advertisements were published in the newspaper;
      - (iii) a copy of the final resolution imposing the judgment levy;
      - (iv) a copy of the Notice of Property Valuation and Tax Changes, if required; and
      - (v) any other information required by the commission.
  - (7) The provisions of House Bill 268, Truth in Taxation - Judgment Levy (1999 General Session), do not apply to judgments issued prior to January 1, 1999.

**R884-24P-58. One-Time Decrease in Certified Rate Based on Estimated County Option Sales Tax Pursuant to Utah Code Ann. Section 59-2-924.**

- A. The estimated sales tax revenue to be distributed to a county under Section 59-12-1102 shall be determined based on the following formula:
  1. sharedown of the commission's sales tax econometric model based on historic patterns, weighted 40 percent;
  2. time series models, weighted 40 percent; and
  3. growth rate of actual taxable sales occurring from January 1 through March 31 of the year a tax is initially imposed under Title 59, Chapter 12, Part 11, County Option Sales and Use Tax, weighted 20 percent.

**R884-24P-59. One-Time Decrease in Certified Rate Based on Estimated Additional Resort Communities Sales Tax Pursuant to Utah Code Ann. Section 59-2-924.**

- A. The estimated additional resort communities sales tax revenue to be distributed to a municipality under Section 59-12-402 shall be determined based on the following formula:
  1. time series model, econometric model, or simple average, based upon the availability of and variation in the data, weighted 75 percent; and
  2. growth rate of actual taxable sales occurring from January 1 through March 31 of the year a tax is initially imposed under Section 59-12-402, weighted 25 percent.

**R884-24P-60. Age-Based Uniform Fee on Tangible Personal Property Required to be Registered with the State Pursuant to Utah Code Ann. Section 59-2-405.1.**

- A. For purposes of Section 59-2-405.1, "motor vehicle" is as defined in Section 41-1a-102, except that motor vehicle does not include motorcycles as defined in Section 41-1a-102.
- B. The uniform fee established in Section 59-2-405.1 is levied against motor vehicles and state-assessed commercial vehicles classified under Class 22 - Passenger Cars, Light Trucks/Utility Vehicles, and Vans, in Tax Commission rule R884-24P- 33.
- C. Personal property subject to the uniform fee imposed in Section 59-2-405 is not subject to the Section 59-2-405.1 uniform fee.
- D. The following classes of personal property are not subject to the Section 59-2-405.1 uniform fee, but remain subject to the ad valorem property tax:
  1. vintage vehicles;
  2. state-assessed commercial vehicles not classified under Class 22 - Passenger Cars, Light Trucks/Utility Vehicles, and Vans;
  3. any personal property that is neither required to be registered nor exempt from the ad valorem property tax;

- 4. mobile and manufactured homes;
- 5. machinery or equipment that can function only when attached to or used in conjunction with motor vehicles or state-assessed commercial vehicles.
- E. The age of a motor vehicle or state-assessed commercial vehicle, for purposes of Section 59-2-405.1, shall be determined by subtracting the vehicle model year from the current calendar year.
- F. The only Section 59-2-405.1 uniform fee due upon registration or renewal of registration is the uniform fee calculated based on the age of the vehicle under E. on the first day of the registration period for which the registrant:
  - 1. in the case of an original registration, registers the vehicle; or
  - 2. in the case of a renewal of registration, renews the registration of the vehicle in accordance with Section 41-1a-216.
- G. Centrally assessed taxpayers shall use the following formula to determine the value of locally assessed motor vehicles that may be deducted from the allocated unit valuation:
  - 1. Divide the system value by the book value to determine the market to book ratio.
  - 2. Multiply the market to book ratio by the book value of motor vehicles registered in Utah and subject to Section 59-2-405.1 to determine the value of motor vehicles that may be subtracted from the allocated unit value.
- H. The motor vehicle of a nonresident member of the armed forces stationed in Utah may be registered in Utah without payment of the Section 59-2-405.1 uniform fee.
- I. A motor vehicle belonging to a Utah resident member of the armed forces stationed in another state is not subject to the Section 59-2-405.1 uniform fee at the time of registration or renewal of registration as long as the motor vehicle is kept in the other state.
- J. The situs of a motor vehicle or state-assessed commercial vehicle subject to the Section 59-2-405.1 uniform fee is determined in accordance with Section 59-2-104. Situs of purchased motor vehicles or state-assessed commercial vehicles shall be the tax area of the purchaser's domicile, unless the motor vehicle or state-assessed commercial vehicle will be kept in a tax area other than the tax area of the purchaser's domicile for more than six months of the year.
  - 1. If an assessor discovers a motor vehicle or state-assessed commercial vehicle that is kept in the assessor's county but registered in another, the assessor may submit an affidavit along with evidence that the vehicle is kept in that county to the assessor of the county in which the vehicle is registered. Upon agreement, the assessor of the county of registration shall forward the fee collected to the county of situs within 30 working days.
  - 2. If the owner of a motor vehicle or state-assessed commercial vehicle registered in Utah is domiciled outside of Utah, the taxable situs of the vehicle is presumed to be the county in which the uniform fee was paid, unless an assessor's affidavit establishes otherwise.
  - 3. The Tax Commission shall, on an annual basis, provide each county assessor information indicating all motor vehicles and state-assessed commercial vehicles subject to state registration and their corresponding taxable situs.
  - 4. Section 59-2-405.1 uniform fees received by a county that require distribution to a purchaser's domicile outside of that county shall be deposited into an account established by the Commission, pursuant to procedures prescribed by the Commission.
  - 5. Section 59-2-405.1 uniform fees received by the Commission pursuant to J.4. shall be distributed to the appropriate county at least monthly.
  - K. The blind exemption provided in Section 59-2-1106 is applicable to the Section 59-2-405.1 uniform fee.
  - L. The veteran's exemption provided in Section 59-2-1104 is applicable to the Section 59-2-405.1 uniform fee.
  - M. The value of motor vehicles and state-assessed commercial vehicles to be considered part of the tax base for purposes of determining debt limitations pursuant to Article XIII, Section 14 of the Utah Constitution, shall be determined by dividing the Section 59-2-405.1 uniform fee collected by .015.
  - N. The provisions of this rule shall be implemented and become binding on taxpayers beginning January 1, 1999.

**R884-24P-61. 1.5 Percent Uniform Fee on Tangible Personal Property Required to be Registered with the State Pursuant to Utah Code Ann. Section 59-2-405.**

- A. Definitions.
- 1. For purposes of Section 59-2-405, "motor vehicle" is as defined in Section 41-1a-102, except that motor vehicle does not include motorcycles as defined in Section 41-1a-102.
- 2. "Recreational vehicle" means a vehicular unit other than a mobile home, primarily designed as a temporary dwelling for travel, recreational, or vacation use, which is either self- propelled or pulled by another vehicle.
  - a) Recreational vehicle includes a travel trailer, a camping trailer, a motor home, and a fifth wheel trailer.
  - b) Recreational vehicle does not include a van unless specifically designed or modified for use as a temporary dwelling.
- B. The uniform fee established in Section 59-2-405 is levied against the following types of personal property, unless specifically excluded by Section 59-2-405:
  - 1. motor vehicles that are not classified under Class 22 - Passenger Cars, Light Trucks/Utility Vehicles, and Vans, in Tax Commission rule R884-24P-33;
  - 2. watercraft required to be registered with the state;
  - 3. recreational vehicles required to be registered with the state; and
  - 4. all other tangible personal property required to be registered with the state before it is used on a public highway, on a public waterway, on public land, or in the air.
- C. The following classes of personal property are not subject to the Section 59-2-405 uniform fee, but remain subject to the ad valorem property tax:
  - 1. vintage vehicles;

2. state-assessed commercial vehicles not classified under Class 22 - Passenger Cars, Light Trucks/Utility Vehicles, and Vans;

3. any personal property that is neither required to be registered nor exempt from the ad valorem property tax;
4. machinery or equipment that can function only when attached to or used in conjunction with motor vehicles.

D. The fair market value of tangible personal property subject to the Section 59-2-405 uniform fee is based on depreciated cost new as established in Tax Commission rule R884-24P-33, "Personal Property Valuation Guides and Schedules," published annually by the Tax Commission.

E. Centrally assessed taxpayers shall use the following formula to determine the value of locally assessed personal property that may be deducted from the allocated unit valuation:

1. Divide the system value by the book value to determine the market to book ratio.
2. Multiply the market to book ratio by the book value of personal property registered in Utah and subject to Section 59-2-405 to determine the value of personal property that may be subtracted from the allocated unit value.

F. If a property's valuation is appealed to the county board of equalization under Section 59-2-1005, the property shall become subject to a total revaluation. All adjustments are made on the basis of their effect on the property's average retail value as of the January 1 lien date and according to Tax Commission rule R884-24P-33.

G. The county assessor may change the fair market value of any individual item of personal property in his jurisdiction for any of the following reasons:

1. The manufacturer's suggested retail price ("MSRP") or the cost new was not included on the state printout, computer tape, or registration card;
2. The MSRP or cost new listed on the state records was inaccurate; or
3. In the assessor's judgment, an MSRP or cost new adjustment made as a result of a property owner's informal request will continue year to year on a percentage basis.

H. If the personal property is of a type subject to annual registration, the Section 59-2-405 uniform fee is due at the time the registration is due. If the personal property is not registered during the year, the owner remains liable for payment of the Section 59-2-405 uniform fee to the county assessor.

1. No additional uniform fee may be levied upon personal property transferred during a calendar year if the Section 59-2-405 uniform fee has been paid for that calendar year.
2. If the personal property is of a type registered for periods in excess of one year, the Section 59-2-405 uniform fee shall be due annually.
3. The personal property of a nonresident member of the armed forces stationed in Utah may be registered in Utah without payment of the Section 59-2-405 uniform fee.
4. Personal property belonging to a Utah resident member of the armed forces stationed in another state is not subject to the Section 59-2-405 uniform fee as long as the personal property is kept in another state.
5. Noncommercial trailers weighing 750 pounds or less are not subject to the Section 59-2-405 uniform fee or ad valorem property tax but may be registered at the request of the owner.

I. If the personal property is of a type subject to annual registration, registration of that personal property may not be completed unless the Section 59-2-405 uniform fee has been paid, even if the taxpayer is appealing the uniform fee valuation. Delinquent fees may be assessed in accordance with Sections 59-2-217 and 59-2-309 as a condition precedent to registration.

J. The situs of personal property subject to the Section 59-2-405 uniform fee is determined in accordance with Section 59-2-104. Situs of purchased personal property shall be the tax area of the purchaser's domicile, unless the personal property will be kept in a tax area other than the tax area of the purchaser's domicile for more than six months of the year.

1. If an assessor discovers personal property that is kept in the assessor's county but registered in another, the assessor may submit an affidavit along with evidence that the property is kept in that county to the assessor of the county in which the personal property is registered. Upon agreement, the assessor of the county of registration shall forward the fee collected to the county of situs within 30 working days.
2. If the owner of personal property registered in Utah is domiciled outside of Utah, the taxable situs of the property is presumed to be the county in which the uniform fee was paid, unless an assessor's affidavit establishes otherwise.
3. The Tax Commission shall, on an annual basis, provide each county assessor information indicating all personal property subject to state registration and its corresponding taxable situs.
4. Section 59-2-405 uniform fees received by a county that require distribution to a purchaser's domicile outside of that county shall be deposited into an account established by the Commission, pursuant to procedures prescribed by the Commission.
5. Section 59-2-405 uniform fees received by the Commission pursuant to J.4. shall be distributed to the appropriate county at least monthly.

K. The blind exemption provided in Section 59-2-1106 is applicable to the Section 59-2-405 uniform fee.

L. The veteran's exemption provided in Section 59-2-1104 is applicable to the Section 59-2-405 uniform fee.

M. The provisions of this rule shall be implemented and become binding on taxpayers beginning January 1, 1999.

**R884-24P-62. Valuation of State Assessed Unitary Properties Pursuant to Utah Code Ann. Section 59-2-201.**

- (1) Purpose. The purpose of this rule is to:
  - (a) specify consistent mass appraisal methodologies to be used by the Property Tax Division (Division) in the valuation of tangible property assessable by the Commission; and

(b) identify preferred valuation methodologies to be considered by any party making an appraisal of an individual unitary property.

(2) Definitions:

(a) "Cost regulated utility" means any public utility assessable by the Commission whose allowed revenues are determined by a rate of return applied to a rate base set by a state or federal regulatory commission.

(b) "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. Fair market value reflects the value of property at its highest and best use, subject to regulatory constraints.

(c) "Rate base" means the aggregate account balances reported as such by the cost regulated utility to the applicable state or federal regulatory commission.

(d) "Unitary property" means operating property that is assessed by the Commission pursuant to Section 59-2-201(1)(a)(i) through (iii).

(i) Unitary properties include:

(A) all property that operates as a unit across county lines, if the values must be apportioned among more than one county or state; and

(B) all property of public utilities as defined in Section 59-2-102.

(ii) These properties, some of which may be cost regulated utilities, are defined under one of the following categories.

(A) "Telecommunication properties" include the operating property of local exchange carriers, local access providers, long distance carriers, cellular telephone or personal communication service (PCS) providers and pagers, and other similar properties.

(B) "Energy properties" include the operating property of natural gas pipelines, natural gas distribution companies, liquid petroleum products pipelines, and electric corporations, including electric generation, transmission, and distribution companies, and other similar entities.

(C) "Transportation properties" include the operating property of all airlines, air charter services, air contract services, including major and small passenger carriers and major and small air freighters, long haul and short line railroads, and other similar properties.

(3) All tangible operating property owned, leased, or used by unitary companies is subject to assessment and taxation according to its fair market value as of January 1, and as provided in Utah Constitution Article XIII, Section 2. Intangible property as defined under Section 59-2-102 is not subject to assessment and taxation.

(4) General Valuation Principles. Unitary properties shall be assessed at fair market value based on generally accepted appraisal theory as provided under this rule.

(a) The assemblage or enhanced value attributable to the tangible property should be included in the assessed value. See *Beaver County v. WilTel, Inc.*, 995 P.2d 602 (Utah 2000). The value attributable to intangible property must, when possible, be identified and removed from value when using any valuation method and before that value is used in the reconciliation process.

(b) The preferred methods to determine fair market value are the cost approach and a yield capitalization income indicator as set forth in Subsection (5).

(i) Other generally accepted appraisal methods may also be used when it can be demonstrated that such methods are necessary to more accurately estimate fair market value.

(ii) Direct capitalization and the stock and debt method typically capture the value of intangible property at higher levels than other methods. To the extent intangible property cannot be identified and removed, relatively less weight shall be given to such methods in the reconciliation process, as set forth in Subsection (5)(d).

(iii) Preferred valuation methods as set forth in this rule are, unless otherwise stated, rebuttable presumptions, established for purposes of consistency in mass appraisal. Any party challenging a preferred valuation method must demonstrate, by a preponderance of evidence, that the proposed alternative establishes a more accurate estimate of fair market value.

(c) Non-operating Property. Property that is not necessary to the operation of unitary properties and is assessed by a local county assessor, and property separately assessed by the Division, such as registered motor vehicles, shall be removed from the correlated unit value or from the state allocated value.

(5) Appraisal Methodologies.

(a) Cost Approach. Cost is relevant to value under the principle of substitution, which states that no prudent investor would pay more for a property than the cost to construct a substitute property of equal desirability and utility without undue delay. A cost indicator may be developed under one or more of the following methods: replacement cost new less depreciation (RCNLD), reproduction cost less depreciation (reproduction cost), and historic cost less depreciation (HCLD).

(i) "Depreciation" is the loss in value from any cause. Different professions recognize two distinct definitions or types of depreciation.

(A) Accounting. Depreciation, often called "book" or "accumulated" depreciation, is calculated according to generally accepted accounting principles or regulatory guidelines. It is the amount of capital investment written off on a firm's accounting records in order to allocate the original or historic cost of an asset over its life. Book depreciation is typically applied to historic cost to derive HCLD.

(B) Appraisal. Depreciation, sometimes referred to as "accrued" depreciation, is the difference between the market value of an improvement and its cost new. Depreciation is typically applied to replacement or reproduction cost, but should be applied to historic cost if market conditions so indicate. There are three types of depreciation:

(I) Physical deterioration results from regular use and normal aging, which includes wear and tear, decay, and the impact of the elements.

(II) Functional obsolescence is caused by internal property characteristics or flaws in the structure, design, or materials that diminish the utility of an improvement.

(III) External, or economic, obsolescence is an impairment of an improvement due to negative influences from outside the boundaries of the property, and is generally incurable. These influences usually cannot be controlled by the property owner or user.

(ii) Replacement cost is the estimated cost to construct, at current prices, a property with utility equivalent to that being appraised, using modern materials, current technology and current standards, design, and layout. The use of replacement cost instead of reproduction cost eliminates the need to estimate some forms of functional obsolescence.

(iii) Reproduction cost is the estimated cost to construct, at current prices, an exact duplicate or replica of the property being assessed, using the same materials, construction standards, design, layout and quality of workmanship, and embodying any functional obsolescence.

(iv) Historic cost is the original construction or acquisition cost as recorded on a firm's accounting records. Depending upon the industry, it may be appropriate to trend HCLD to current costs. Only trending indexes commonly recognized by the specific industry may be used to adjust HCLD.

(v) RCNLD may be impractical to implement; therefore the preferred cost indicator of value in a mass appraisal environment for unitary property is HCLD. A party may challenge the use of HCLD by proposing a different cost indicator that establishes a more accurate cost estimate of value.

(b) Income Capitalization Approach. Under the principle of anticipation, benefits from income in the future may be capitalized into an estimate of present value.

(i) Yield Capitalization. The yield capitalization formula is  $CF/(k-g)$ , where "CF" is a single year's normalized cash flow, "k" is the nominal, risk adjusted discount or yield rate, and "g" is the expected growth rate of the cash flow.

(A) Cash flow is restricted to the operating property in existence on the lien date, together with any replacements intended to maintain, but not expand or modify, existing capacity or function. Cash flow is calculated as net operating income (NOI) plus non-cash charges (e.g., depreciation and deferred income taxes), less capital expenditures and additions to working capital necessary to achieve the expected growth "g". Information necessary for the Division to calculate the cash flow shall be summarized and submitted to the Division by March 1 on a form provided by the Division.

(I) NOI is defined as net income plus interest.

(II) Capital expenditures should include only those necessary to replace or maintain existing plant and should not include any expenditure intended primarily for expansion or productivity and capacity enhancements.

(III) Cash flow is to be projected for the year immediately following the lien date, and may be estimated by reviewing historic cash flows, forecasting future cash flows, or a combination of both.

(Aa) If cash flows for a subsidiary company are not available or are not allocated on the parent company's cash flow statements, a method of allocating total cash flows must be developed based on sales, fixed assets, or other reasonable criteria. The subsidiary's total is divided by the parent's total to derive the allocation percentage to estimate the subsidiary's cash flow.

(Bb) If the subject company does not provide the Commission with its most recent cash flow statements by March 1 of the assessment year, the Division may estimate cash flow using the best information available.

(B) The discount rate (k) shall be based upon a weighted average cost of capital (WACC) considering current market debt rates and equity yields. WACC should reflect a typical capital structure for comparable companies within the industry.

(I) The cost of debt should reflect the current market rate (yield to maturity) of debt with the same credit rating as the subject company.

(II) The cost of equity is estimated using standard methods such as the capital asset pricing model (CAPM), the Risk Premium and Dividend Growth models, or other recognized models.

(Aa) The CAPM is the preferred method to estimate the cost of equity. More than one method may be used to correlate a cost of equity, but only if the CAPM method is weighted at least 50% in the correlation.

(Bb) The CAPM formula is  $k(e) = R(f) + (\text{Beta} \times \text{Risk Premium})$ , where  $k(e)$  is the cost of equity and  $R(f)$  is the risk free rate.

(Cc) The risk free rate shall be the current market rate on 20-year Treasury bonds.

(Dd) The beta should reflect an average or value-weighted average of comparable companies and should be drawn consistently from Value Line or an equivalent source. The beta of the specific assessed property should also be considered.

(Ee) The risk premium shall be the arithmetic average of the spread between the return on stocks and the income return on long term bonds for the entire historical period contained in the Ibbotson Yearbook published immediately following the lien date.

(C) The growth rate "g" is the expected future growth of the cash flow attributable to assets in place on the lien date, and any future replacement assets.

(I) If insufficient information is available to the Division, either from public sources or from the taxpayer, to determine a rate, "g" will be the expected inflationary rate in the Gross Domestic Product Price Deflator obtained in Value Line. The growth rate and the methodology used to produce it shall be disclosed in a capitalization rate study published by the Commission by February 15 of the assessment year.

(ii) A discounted cash flow (DCF) method may be impractical to implement in a mass appraisal environment, but may be used when reliable cash flow estimates can be established.

(A) A DCF model should incorporate for the terminal year, and to the extent possible for the holding period, growth and discount rate assumptions that would be used in the yield capitalization method defined under Subsection (5)(b)(i).

(B) Forecasted growth may be used where unusual income patterns are attributed to

(I) unused capacity;

- (II) economic conditions; or
- (III) similar circumstances.
- (C) Growth may not be attributed to assets not in place as of the lien date.
  - (iii) Direct Capitalization is an income technique that converts an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the normalized income estimate by a capitalization rate or by multiplying the normalized income estimate by an income factor.
- (c) Market or Sales Comparison Approach. The market value of property is directly related to the prices of comparable, competitive properties. The market approach is estimated by comparing the subject property to similar properties that have recently sold.
  - (I) Sales of comparable property must, to the extent possible, be adjusted for elements of comparison, including market conditions, financing, location, physical characteristics, and economic characteristics. When considering the sales of stock, business enterprises, or other properties that include intangible assets, adjustments must be made for those intangibles.
  - (II) Because sales of unitary properties are infrequent, a stock and debt indicator may be viewed as a surrogate for the market approach. The stock and debt method is based on the accounting principle which holds that the market value of assets equal the market value of liabilities plus shareholder's equity.
    - (d) Reconciliation. When reconciling value indicators into a final estimate of value, the appraiser shall take into consideration the availability, quantity, and quality of data, as well as the strength and weaknesses of each value indicator. Weighting percentages used to correlate the value approaches will generally vary by industry, and may vary by company if evidence exists to support a different weighting. The Division must disclose in writing the weighting percentages used in the reconciliation for the final assessment. Any departure from the prior year's weighting must be explained in writing.
  - (6) Property Specific Considerations. Because of unique characteristics of properties and industries, modifications or alternatives to the general value indicators may be required for specific industries.
    - (a) Cost Regulated Utilities.
      - (i) HCLD is the preferred cost indicator of value for cost regulated utilities because it represents an approximation of the basis upon which the investor can earn a return. HCLD is calculated by taking the historic cost less depreciation as reflected in the utility's net plant accounts, and then:
        - (A) subtracting intangible property;
        - (B) subtracting any items not included in the utility's rate base (e.g., deferred income taxes and, if appropriate, acquisition adjustments); and
        - (C) adding any taxable items not included in the utility's net plant account or rate base.
      - (ii) Deferred Income Taxes, also referred to as DFIT, is an accounting entry that reflects the difference between the use of accelerated depreciation for income tax purposes and the use of straight-line depreciation for financial statements. For traditional rate base regulated companies, regulators generally exclude deferred income taxes from rate base, recognizing it as ratepayer contributed capital. Where rate base is reduced by deferred income taxes for rate base regulated companies, they shall be removed from HCLD.
      - (iii) Items excluded from rate base under Subsections (6)(a)(i)(A) or (B) should not be subtracted from HCLD to the extent it can be shown that regulators would likely permit the rate base of a potential purchaser to include a premium over existing rate base.
        - (b)(i) Railroads.
        - (ii) The cost indicator should generally be given little or no weight because there is no observable relationship between cost and fair market value.
    - (c) Airlines, air charter services, and air contract services.
      - (i) For purposes of this Subsection (6)(c):
        - (A) "aircraft pricing guide" means a nationally recognized publication that assigns value estimates for individual commercial aircraft that are in average condition typical for their type and vintage, and identified by year, make and model;
        - (B) "airline" means an:
          - (I) airline under Section 59-2-102;
          - (II) air charter service under Section 59-2-102; and
          - (III) air contract service under Section 59-2-102;
        - (C) "airline market indicator" means an estimate of value based on an aircraft pricing guide; and
        - (D) "non-mobile flight equipment" means all operating property of an airline, air charter service, or air contract service that is not within the definition of mobile flight equipment under Section 59-2-102.
      - (ii) In situations where the use of preferred methods for determining fair market value under Subsection (5) does not produce a reasonable estimate of the fair market value of the property of an airline operating as a unit, an airline market indicator published in an aircraft pricing guide, and adjusted as provided in Subsections (6)(c)(ii)(A) and (6)(c)(ii)(B), may be used to estimate the fair market value of the airline property.
        - (A)(I) In order to reflect the value of a fleet of aircraft as part of an operating unit, an aircraft market indicator shall include a fleet adjustment or equivalent valuation for a fleet.
        - (II) If a fleet adjustment is provided in an aircraft pricing guide, the adjustment under Subsection (6)(c)(ii)(A)(I) shall follow the directions in that guide. If no fleet adjustment is provided in an aircraft pricing guide, the standard adjustment under Subsection (6)(c)(ii)(A)(I) shall be 20 percent from a wholesale value or equivalent level of value as published in the guide.
      - (B) Non-mobile flight equipment shall be valued using the cost approach under Subsection (5)(a) or the market or sales comparison approach under Subsection (5)(c), and added to the value of the fleet.

(iii) An income capitalization approach under Subsection (5)(b) shall incorporate the information available to make an estimate of future cash flows.

(iv)(A) When an aircraft market indicator under Subsection (6)(c)(ii) is used to estimate the fair market value of an airline, the Division shall:

(I) calculate the fair market value of the airline using the preferred methods under Subsection (5);

(II) retain the calculations under Subsection (6)(c)(iv)(A)(I) in the work files maintained by the Division; and

(III) include the amounts calculated under Subsection (6)(c)(iv)(A)(I) in any appraisal report that is produced in association with an assessment issued by the Division.

(B) When an aircraft market indicator under Subsection (6)(c)(ii) is used, the Division shall justify in any appraisal report issued with an assessment why the preferred methods under Subsection (5) were not used.

(v)(A) When the preferred methods under Subsection (5) are used to estimate the fair market value of an airline, the Division shall:

(I) calculate an aircraft market indicator under Subsection (6)(c)(ii);

(II) retain the calculations under Subsection (6)(c)(v)(A)(I) in the work files maintained by the Division; and

(III) include the amounts calculated under Subsection (6)(c)(v)(A)(I) in any appraisal report that is produced in association with an assessment issued by the Division.

(B) Value estimates from an aircraft pricing guide under Subsection (6)(c)(i)(A) along with the valuation of non-mobile flight equipment under Subsection (6)(c)(ii)(B) shall, when possible, also be included in an assessment or appraisal report for purposes of comparison.

(C) Reasons for not including a value estimate required under Subsection (6)(c)(v)(B) include:

(I) failure to file a return; or

(II) failure to identify specific aircraft.

**R884-24P-63. Performance Standards and Training Requirements Pursuant to Utah Code Ann. Section 59-2-406.**

A. The party contracting to perform services shall develop a written customer service performance plan within 60 days after the contract for performance of services is signed.

1. The customer service performance plan shall address:

a) procedures the contracting party will follow to minimize the time a customer waits in line; and

b) the manner in which the contracting party will promote alternative methods of registration.

2. The party contracting to perform services shall provide a copy of its customer service performance plan to the party for whom it provides services.

3. The party for whom the services are provided may, no more often than semiannually, audit the contracting party's performance based on its customer service performance plan, and may report the results of the audit to the county commission or the state tax commissioners, as applicable.

B. Each county office contracting to perform services shall conduct initial training of its new employees.

C. The Tax Commission shall provide regularly scheduled training for all county offices contracting to perform motor vehicle functions.

**R884-24P-64. Determination and Application of Taxable Value for Purposes of the Property Tax Exemptions for Veterans With a Disability and the Blind Pursuant to Utah Code Ann. Sections, 59-2-1106 and 59-2-1903.**

For purposes of Sections 59-2-1106 and 59-2-1903, the taxable value of tangible personal property subject to a uniform fee under Sections 59-2-405.1 or 59-2-405.2 shall be calculated by dividing the uniform fee the tangible personal property is subject to by .015.

**R884-24P-65. Assessment of Transitory Personal Property Pursuant to Utah Code Ann. Section 59-2-402.**

A. "Transitory personal property" means tangible personal property that is used or operated primarily at a location other than a fixed place of business of the property owner or lessee.

B. Transitory personal property in the state on January 1 shall be assessed at 100 percent of fair market value.

C. Transitory personal property that is not in the state on January 1 is subject to a proportional assessment when it has been in the state for 90 consecutive days in a calendar year.

1. The determination of whether transitory personal property has been in the state for 90 consecutive days shall include the days the property is outside the state if, within 10 days of its removal from the state, the property is:

a) brought back into the state; or

b) substituted with transitory personal property that performs the same function.

D. Once transitory personal property satisfies the conditions under C., tax shall be proportionally assessed for the period:

1. beginning on the first day of the month in which the property was brought into Utah; and

2. for the number of months remaining in the calendar year.

E. An owner of taxable transitory personal property who removes the property from the state prior to December and who qualifies for a refund of taxes assessed and paid, shall receive a refund based on the number of months remaining in the calendar year at the time the property is removed from the state and for which the tax has been paid.

1. The refund provisions of this subsection apply to transitory personal property taxes assessed under B. and C.

2. For purposes of determining the refund under this subsection, any portion of a month remaining shall be counted as a full month.

F. If tax has been paid for transitory personal property and that property is subsequently moved to another county in Utah:

1. No additional assessment may be imposed by any county to which the property is subsequently moved; and
2. No portion of the assessed tax may be transferred to the subsequent county.

**R884-24P-66. County Board of Equalization Procedures and Appeals Pursuant to Utah Code Ann. Sections 59-2-516, 59-2-1713, 59-2-1001, and 59-2-1004.**

(1) As used in this section:

- (a) "Appeal period" means a time period that:
  - (i) begins on the date the valuation notice is mailed as required by Section 59-2-919.1; and
  - (ii) ends on the date a taxpayer is required to make an application to appeal the valuation or equalization of the taxpayer's real property in accordance with Subsection 59-2-1004(3).
- (b)(i) "Factual error" means an error described in Subsection (1)(b)(ii):
  - (A) that is objectively verifiable without the exercise of discretion, opinion, or judgment;
  - (B) that is demonstrated by clear and convincing evidence; and
  - (C) the existence of which is recognized by the taxpayer and the county assessor.
- (ii) Subject to Subsection (1)(b)(iii), "factual error" includes an error:
  - (A) that is a mistake in the description of the size, use, or ownership of a property;
  - (B) that is a clerical or typographical error in reporting or entering the data used to establish valuation or equalization;
  - (C) that is an error in the classification of a property that is eligible for a property tax exemption under Section 59-2-103;
  - (D) in valuing property that is not in existence on the lien date; or
  - (E) in assessing property more than once, or by the wrong assessing authority.
- (iii) "Factual error" does not include:
  - (A) an alternative approach to value;
  - (B) a change in a factor or variable used in an approach to value;
  - (C) an adjustment to a valuation methodology; or
  - (D) an assertion of an error in the classification of property as residential property eligible to receive a residential exemption if:
    - (I) an application for the residential exemption is required under Section 59-2-103.5; and
    - (II) the application described in Subsection (1)(b)(iii)(D)(I) was not timely filed.

(2) To achieve standing with the county board of equalization and have a decision rendered on the merits of the case, the taxpayer shall provide the following minimum information to the county board of equalization:

- (a) the name and address of the property owner;
- (b) the identification number, location, and description of the property;
- (c) the value placed on the property by the county assessor;
- (d) the taxpayer's estimate of the fair market value of the property;
- (e) evidence or documentation that supports the taxpayer's claim for relief; and
- (f) the taxpayer's signature.

(3) If the evidence or documentation required under Subsection (2) is not attached, the county shall notify the taxpayer in writing of the defect in the claim and permit at least ten calendar days to cure the defect before dismissing the matter for lack of sufficient evidence to support the claim for relief.

(4) If a taxpayer appears before the county board of equalization and fails to produce the evidence or documentation described under Subsection (2) and the county has notified the taxpayer under Subsection (3), the county may dismiss the matter for lack of evidence to support a claim for relief.

(5) If the information required under Subsection (2) is supplied, the county board of equalization shall render a decision on the merits of the case.

(6)(a) The county board of equalization may dismiss an appeal for lack of jurisdiction if a taxpayer makes arguments that pertain only to issues that are not under the jurisdiction of the county board of equalization.

(b)(i) The county board of equalization may not dismiss an appeal for a party's failure to sign or return a stipulation.

(ii) A party's failure to sign or return a stipulation may not be considered by the board of equalization to be acceptance of the terms of the stipulation.

(7) The county board of equalization shall prepare and maintain a record of the appeal.

- (a) For appeals concerning property value, the record shall include:
  - (i) the name and address of the property owner;
  - (ii) the identification number, location, and description of the property;
  - (iii) the value placed on the property by the county assessor;
  - (iv) the basis for appeal stated in the taxpayer's appeal;
  - (v) facts and issues raised in the hearing before the county board that are not clearly evident from the county assessor's records; and
  - (vi) the decision of the county board of equalization and the reasons for the decision.

- (b) The record may be included in the minutes of the hearing before the county board of equalization.
- (8)(a) The county board of equalization shall notify the taxpayer in writing of its decision.
- (b) The notice required under Subsection (8)(a) shall include:
  - (i) the name and address of the property owner;
  - (ii) the identification number of the property;
  - (iii) the date the notice was sent;
  - (iv) a notice of appeal rights to the commission; and
  - (v) a statement of the decision of the county board of equalization; or
  - (vi) a copy of the decision of the county board of equalization.
- (9) A county shall maintain a copy of a notice sent to a taxpayer under Subsection (8).
- (10) If a decision affects the exempt status of a property, the county board of equalization shall prepare its decision in writing, stating the reasons and statutory basis for the decision.
  - (11)(a) A decision by a county board of equalization is a final order on the merits.
  - (b) An appeal of a county board of equalization decision under this Subsection (11) to the commission is as provided in Sections 59-2-1006 and R861-1A-9.
  - (12) Except as provided in Subsection (14), a county board of equalization shall accept an application to appeal the valuation or equalization of a property owner's real property that is filed after the last day of the appeal period if:
    - (a) the property owner was incapable of filing an appeal as a result of a medical emergency to the property owner or an immediate family member of the property owner during or within a reasonable time before the appeal period, and no co-owner of the property was capable of filing an appeal;
    - (b) the property owner or an immediate family member of the property owner died during or within a reasonable time before the appeal period, and no co-owner of the property was capable of filing an appeal;
    - (c) the county did not comply with the notification requirements of Section 59-2-919.1;
    - (d) a factual error is discovered in the county records pertaining to the subject property; or
    - (e) the property owner was unable to file an appeal within the appeal period because of extraordinary and unanticipated circumstances that occurred during or within a reasonable time before the appeal period and no co-owner of the property was capable of filing an appeal.
  - (13) A county board of equalization shall make a determination as to whether to accept an application to appeal the valuation or equalization of a property owner's real property that is filed after the last day of the appeal period.
  - (b) A county board of equalization shall prepare its decision in writing, stating the reasons and statutory basis for the decision.
  - (c) An appeal of a county board of equalization decision under this Subsection (13) to the commission is as provided in Sections 59-2-1006 and R861-1A-9.
  - (14) Appeals accepted under Subsection (12)(d) shall be limited to correction of the factual error and any resulting changes to the property's valuation.
  - (15) Subsection (12) applies only to appeals filed for a tax year for which the treasurer has not made a final annual settlement under Section 59-2-1365.
  - (16) A county board of equalization shall accept a property owner's application to appeal a county assessor's determination or denial under Title 59, Chapter 2, Part 5, Farmland Assessment Act, or Part 17, Urban Farming Assessment Act, that is filed no more than 60 days after the last day of the period described in Subsection 59-2-516(1) or Subsection 59-2-1713(1), in accordance with the same procedures and requirements of Subsections (12) through (14) for a valuation or equalization appeal.

**R884-24P-67. Information Required for Valuation of Low-Income Housing Pursuant to Utah Code Ann. Sections 59-2-102 and 59-2-301.3.**

- (1) The purpose of this rule is to provide an annual reporting mechanism to assist county assessors in gathering data necessary for accurate valuation of low-income housing projects.
- (2) The Utah Housing Corporation shall provide the following information that it has obtained from the owner of a low-income housing project to the commission:
  - (a) for each low-income housing project in the state that is eligible for a low-income housing tax credit:
    - (i) the Utah Housing Corporation project identification number;
    - (ii) the project name;
    - (iii) the project address;
    - (iv) the city in which the project is located;
    - (v) the county in which the project is located;
    - (vi) the building identification number assigned by the Internal Revenue Service for each building included in the project;
    - (vii) the building address for each building included in the project;
    - (viii) the total apartment units included in the project;
    - (ix) the total apartment units in the project that are eligible for low-income housing tax credits;
    - (x) the period of time for which the project is subject to rent restrictions under an agreement described in Subsection (2)(b);
    - (xi) whether the project is:
      - (A) the rehabilitation of an existing building; or
      - (B) new construction;

- (xii) the date on which the project was placed in service;
- (xiii) the total square feet of the buildings included in the project;
- (xiv) the maximum annual federal low-income housing tax credits for which the project is eligible;
- (xv) the maximum annual state low-income housing tax credits for which the project is eligible; and
- (xvi) for each apartment unit included in the project:
  - (A) the number of bedrooms in the apartment unit;
  - (B) the size of the apartment unit in square feet; and
  - (C) any rent limitation to which the apartment unit is subject; and
- (b) a recorded copy of the agreement entered into by the Utah Housing Corporation and the property owner for the low-income housing project; and
- (c) construction cost certifications for the project received from the low-income housing project owner.

(3) The Utah Housing Corporation shall provide the commission the information under Subsection (2) by January 31 of the year following the year in which a project is placed into service.

**R884-24P-68. Property Tax Exemption for Taxable Tangible Personal Property With a Total Aggregate Fair Market Value That is At or Below the Statutorily Prescribed Amount Pursuant to Utah Code Ann. Section 59-2-1115.**

- (1) The purpose of this rule is to provide for the administration of the property tax exemption for a taxpayer whose taxable tangible personal property has a total aggregate fair market value that is at or below the statutorily prescribed amount.
  - (a) Total aggregate fair market value is determined by aggregating the fair market value of all taxable tangible personal property owned by a taxpayer within a county.
  - (b) If taxable tangible personal property is required to be apportioned among counties, the determination of whether taxable tangible personal property has a total aggregate fair market value that is at or below the statutorily prescribed amount shall be made after apportionment.
- (2) A taxpayer shall apply for the exemption provided under Section 59-2-1115:
  - (a) if the county assessor has requested a signed statement from the taxpayer under Section 59-2-306, within the time frame set forth under Section 59-2-306 for filing the signed statement; or
  - (b) if the county assessor has not requested a signed statement from the taxpayer under Section 59-2-306, within 30 days from the day the taxpayer is requested to indicate whether the taxpayer has taxable tangible personal property in the county that is at or below the statutorily prescribed amount.

**R884-24P-70. Real Property Appraisal Requirements for County Assessors Pursuant to Utah Code Ann. Sections 59-2-303.1 and 59-2-919.1.**

- (1) Definitions.
  - (a) "Accepted valuation methodologies" means those methodologies approved or endorsed in the Standard on Mass Appraisal of Real Property and the Standard on Automated Valuation Models published by the International Association of Assessing Officers (IAAO).
  - (b) "Database," as referenced in Section 59-2-303.1(6), means an electronic storage of data using computer hardware and software that is relational, secure and archival, and adheres to generally accepted information technology standards of practice.
- (2) County mass appraisal systems, as defined in Section 59-2-303.1, shall use accepted valuation methodologies to perform the annual update of all residential parcels.
  - (3)(a) A detailed review of property characteristics shall include a sufficient inspection to determine any changes to real property due to:
    - (i) new construction, additions, remodels, demolitions, land segregations, changes in use, or other changes of a similar nature; and
    - (ii) a change in condition or effective age.
  - (b)(i) A detailed review of property characteristics shall be made in accordance with the IAAO Standard on Mass Appraisal of Real Property.
  - (ii) When using aerial photography, including oblique aerial photography, the date of the photographic flight is the property review date for purposes of Section 59-2-303.1.
- (4) The last property review date to be included in the county's computer system shall include the actual day, month, and year that the last detailed review of a property's characteristics was conducted.
- (5) The last property review date to be included on the notice shall include at least the actual year or tax year that the last detailed review of a property's characteristics was conducted. The month and day of the review may also be included on the notice at the discretion of the county assessor and auditor.
  - (6)(a) The five-year plan shall detail the current year plus four subsequent years into the future. The plan shall define the properties being reviewed for each of the five years by one or more of the following:
    - (i) class;
    - (ii) property type;
    - (iii) geographic location; and
    - (iv) age.
  - (b) The five-year plan shall also include parcel counts for each defined property group.

**R884-24P-71. Agreements with Commercial or Industrial Taxpayers for Equal Property Tax Payments Pursuant to Utah Code Ann. Section 59-2-1308.5.**

(1) An agreement with a commercial or industrial taxpayer for equal property tax payments under Section 59-2-1308.5 is effective:

- (a) the current calendar year, if the agreement is agreed to by all parties on or before May 31; or
- (b) the subsequent calendar year, if the agreement is agreed to by all parties after May 31.

(2) An agreement under Subsection (1) affects only those taxing entities that are a party to the agreement.

(3) The commission shall ensure that an agreement under Subsection (1) does not affect the calculation of the certified tax rate by adjusting the formula under Section 59-2-924 so that the collection ratio for each taxpayer that is a party to the agreement is based on the amount that would have been collected according to the same valuation and assessment methodologies that would have been applied in the absence of the agreement.

**R884-24P-72. State Farmland Evaluation Advisory Committee Procedures Pursuant to Utah Code Ann. Section 59-2-514.**

- (1) "Committee" means the State Farmland Evaluation Advisory Committee established in Section 59-2-514.
- (2) The committee is subject to Title 52, Chapter 4, Open and Public Meetings Act.
- (3) A committee member may participate electronically in a meeting open to the public under Section 52-4-207 if:
  - (a) the agenda posted for the meeting establishes one or more anchor locations for the meeting where the public may attend;
  - (b) at least one committee member is at an anchor location; and
  - (c) all of the committee members may be heard by any person attending an anchor location.
- (4) A committee member who is participating electronically pursuant to Subsection (3) shall be included in calculating a quorum if the committee member is:
  - (a) connected by audio means; and
  - (b) verbally recognized as electronically present by a committee member at the anchor location.

**R884-24P-74. Changes to Jurisdiction of Mining Claims Pursuant to Utah Code Ann. Section 59-2-201.**

- (1) A mining claim shall be assessed by the county in which the mining claim is located if the commission determines that the mining claim is used for other than mining purposes.
- (2) The owner of a mining claim may request that the mining claim be assessed by the county in which the mining claim is located by providing the following to the commission:
  - (a) a copy of the title to the mining claim;
  - (b) certification that all owners of the mining claim seek assessment by the county in which the mining claim is located;
  - (c) a valid metes and bounds legal description of the mining claim approved by the county recorder where the mining claim is located; and
  - (d) evidence that the mining claim is used for other than mining purposes.
- (3) A county may request that a mining claim be assessed by the county in which the mining claim is located by providing the following to the commission:
  - (a) a valid metes and bounds legal description of the mining claim approved by the county recorder where the mining claim is located; and
  - (b) evidence that the mining claim is used for other than mining purposes.
- (4) Evidence that a mining claim is used for other than mining purposes is dependent on specific facts and circumstances and includes:
  - (a) evidence that the mining claim will be actively and solely used for other than mining purposes for more than a temporary period of time;
  - (b) evidence that a restrictive covenant or conservation easement prohibiting mining activities on the mining claim is recorded in the county where the mining claim is located;
  - (c) evidence that local zoning ordinances prohibit mining activities on the mining claim; or
  - (d) in the case where the mining claim has been used for mining activities at any time, the mining claim has been reclaimed as evidenced by the return of the mine reclamation bond to the owner of the mining claim by the Division of Oil, Gas, and Mining.

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