

Amendments to Senate Bill No. 345
1st Reading Copy

Requested by Department of Revenue

For the Senate Taxation Committee

Prepared by Lee Heiman
February 17, 2005 (1:31pm)

1. Title, page 1, line 9.

Strike: "MARKET"

Strike: "PROPERTY TAX PURPOSES OF"

2. Title, line 10.

Following: "VALUE;"

Insert: "ESTABLISHING A COUNTY TAX DEFICIENCY LIEN;"

3. Page 1, line 23.

Following: the first "and"

Insert: "for"

Strike: "a parcel of land"

Insert: "real property"

4. Page 4, line 7.

Following: "may"

Insert: "request the department of revenue or its agents to"

5. Page 4, line 13.

Strike: "assessment"

Following: "person"

Insert: ": (a)"

6. Page 4, line 14 through page 5, line 28.

Following: "acquired" on page 4 line 14

Insert: " ; "

Strike: "located" on page 4, line 14 through "agreement." on page 5, line 28

Insert: "(b) requiring the individual to pay an annual tax deficiency fee whenever the property that is the subject of the agreement is valued by the department of revenue for property tax purposes at a market value that is less than the value established by the agreement. The amount of the deficiency fee may not exceed the difference between the minimum value expressed in the agreement and the market

value established by the department of revenue.

(2) The property that is the subject of the agreement must be located or installed in an urban renewal area, industrial district, aerospace transportation and technology district, or any other area or district that is subject to a tax increment financing provision.

(3) The minimum value established by the agreement may be fixed or may increase or decrease in later years from the initial minimum value as provided in the agreement.

(4) The agreement creates a lien on the property pursuant to [section 5] and must be filed and recorded in the office of the county clerk and recorder in each county in which the property or any part of the property is located. Recording an agreement constitutes notice of the agreement to anyone who acquires any interest in the property that is the subject of the agreement, and the agreement is binding upon the person acquiring the interest.

(5) An agreement made pursuant to subsection (1) may be modified or terminated by mutual consent of the current parties to the agreement. Modification or termination of an agreement must be approved by the governing body of the municipality. A document modifying or terminating an agreement must be filed in the office of the county clerk and recorder in each county in which the property or any part of the property is located.

(6) An agreement entered into pursuant to subsection (1) or modified pursuant to subsection (5) terminates on the earliest of:

- (a) the date on which conditions in the agreement for termination are satisfied;
- (b) the termination date specified in the agreement; or
- (c) the date when the tax increment is no longer paid to the municipality under 7-15-4292.

(7) Nothing in this section limits a municipality's authority to enter into contracts other than tax deficiency agreements as described in this section."

"NEW SECTION. Section 5. County tax deficiency lien. A municipality has a lien for tax deficiency payments as described in a properly filed agreement for tax deficiency payment pursuant to [section 4]. The lien has the same priority as a lien for general property taxes. Lien proceeds must be disbursed pursuant to 7-15-4286(2).

Renumber: subsequent sections"

7. Page 5, line 30.

Following: "instruction."

Insert: "(1)"

8. Page 6, line 2.

Insert: "(2) [Section 5] is intended to be codified as an integral part of Title 71, chapter 3, part 15, and the provisions of Title 71, chapter 3, part 15, apply to [section 5]."

- END -

