HB 999 -- STATE TAX COMMISSION

SPONSOR: Fowler

Currently, the State Tax Commission (STC) has the power to issue orders to county assessors and Boards of Equalization.

This bill provides that when an order is issued by the STC that requires a county to comply with state law by modifying or equalizing assessed valuations, and those modifications result in a reduction of the assessed valuations, the county is allowed a minimum of 90 days to come into compliance. The order must state the deadline for compliance, but the STC may extend the deadline upon the county's request.

If the county fails to comply, the STC may direct the Department of Revenue (DOR) to withhold local sales tax moneys that the county would otherwise be entitled to. The withholding will remain in effect until the STC determines that the county has come into compliance with the order.

The amount of local sales tax that may be withheld must equal 110% of the total dollar amount of the improper assessments that were in excess of the statutorily allowed amounts. The STC must notify the county of the withholding and provide information on how the county may cure the non-compliance in order to release the withheld revenue.

If the noncompliant county comes into compliance, the STC must notify DOR that it may release and remit the previously withheld local sales tax revenue to the county. A county is not entitled to interest on the withheld funds.

A county may seek judicial review of the STC's determination of non-compliance.

If the STC determines that a county is non-compliant, and the determination results in the withholding of sales tax revenue, the county may seek judicial review of that determination within 30 days.

If the court subsequently finds that the STC's determinations were made in error, the court must order that the amount of sales tax revenue withheld be returned to the county, with interest on the amounts wrongfully withheld. A county is not entitled to interest if the court upholds the STC's determinations.