

PROPERTY TAX EXEMPTION AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Patrick Painter

LONG TITLE

General Description:

This bill modifies a provision related to property tax exemptions.

Highlighted Provisions:

This bill:

▸ specifies that, for purposes of a property tax exemption for property used exclusively for educational purposes, "educational purposes" includes the physical or mental teaching, training, or conditioning of competitive athletes;

▸ modifies a property tax exemption for property owned by a nonprofit entity that is used exclusively for religious, charitable, or educational purposes to include property being temporarily held for future use exclusively for one of those purposes; and

▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation for a taxable year beginning on or after January 1, 2008.

Utah Code Sections Affected:

AMENDS:

59-2-1101, as last amended by Laws of Utah 2007, Chapter 329



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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-1101** is amended to read:

59-2-1101. Exemption of certain property -- Proportional payments for certain property -- County legislative body authority to adopt rules or ordinances.

(1) ~~[For purposes of]~~ As used in this section:

(a) "Educational purposes" includes:

(i) the physical or mental teaching, training, or conditioning of competitive athletes;

and

(ii) an activity in support of or incidental to the teaching, training, or conditioning described in Subsection (1)(a)(i).

~~[(a)]~~ (b) "Exclusive use exemption" means a property tax exemption under Subsection (3)(d), for property owned by a nonprofit entity that is used exclusively for religious, charitable, or educational purposes[;].

~~[(b)]~~ (c) "Government exemption" means a property tax exemption provided under Subsection (3)(a), (b), or (c)[;and].

~~[(c)]~~ (d) "Tax relief" means an exemption, deferral, or abatement that is authorized by this part.

(2) (a) Except as provided in Subsection (2)(b) or (c), tax relief may be allowed only if the claimant is the owner of the property as of January 1 of the year the exemption is claimed.

(b) Notwithstanding Subsection (2)(a), a claimant shall collect and pay a proportional tax based upon the length of time that the property was not owned by the claimant if:

(i) the claimant is a federal, state, or political subdivision entity described in Subsection (3)(a), (b), or (c); or

(ii) pursuant to Subsection (3)(d):

(A) the claimant is a nonprofit entity; and

(B) the property is used exclusively for religious, charitable, or educational purposes.

(c) Notwithstanding Subsection (2)(a), a claimant may be allowed a veteran's exemption in accordance with Sections 59-2-1104 and 59-2-1105 regardless of whether the claimant is the owner of the property as of January 1 of the year the exemption is claimed if the claimant is:

- 59 (i) the unmarried surviving spouse of:
- 60 (A) a deceased disabled veteran as defined in Section 59-2-1104; or
- 61 (B) a veteran who was killed in action or died in the line of duty as defined in Section
- 62 59-2-1104; or
- 63 (ii) a minor orphan of:
- 64 (A) a deceased disabled veteran as defined in Section 59-2-1104; or
- 65 (B) a veteran who was killed in action or died in the line of duty as defined in Section
- 66 59-2-1104.
- 67 (3) The following property is exempt from taxation:
- 68 (a) property exempt under the laws of the United States;
- 69 (b) property of:
- 70 (i) the state;
- 71 (ii) school districts; and
- 72 (iii) public libraries;
- 73 (c) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property of:
- 74 (i) counties;
- 75 (ii) cities;
- 76 (iii) towns;
- 77 (iv) local districts;
- 78 (v) special service districts; and
- 79 (vi) all other political subdivisions of the state;
- 80 (d) property owned by a nonprofit entity which is used exclusively for religious,
- 81 charitable, or educational purposes, including property temporarily held for later use
- 82 exclusively for religious, charitable, or educational purposes;
- 83 (e) places of burial not held or used for private or corporate benefit;
- 84 (f) farm equipment and machinery;
- 85 (g) intangible property; and
- 86 (h) the ownership interest of an out-of-state public agency, as defined in Section
- 87 11-13-103:
- 88 (i) if that ownership interest is in property providing additional project capacity, as
- 89 defined in Section 11-13-103; and

90 (ii) on which a fee in lieu of ad valorem property tax is payable under Section
91 11-13-302.

92 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or
93 a government exemption ceases to qualify for the exemption because of a change in the
94 ownership of the property:

95 (a) the new owner of the property shall pay a proportional tax based upon the period of
96 time:

97 (i) beginning on the day that the new owner acquired the property; and

98 (ii) ending on the last day of the calendar year during which the new owner acquired
99 the property; and

100 (b) the new owner of the property and the person from whom the new owner acquires
101 the property shall notify the county assessor, in writing, of the change in ownership of the
102 property within 30 days from the day that the new owner acquires the property.

103 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection
104 (4)(a):

105 (a) is subject to any exclusive use exemption or government exemption that the
106 property is entitled to under the new ownership of the property; and

107 (b) applies only to property that is acquired after December 31, 2005.

108 (6) A county legislative body may adopt rules or ordinances to:

109 (a) effectuate the exemptions, deferrals, abatements, or other relief from taxation
110 provided in this part; and

111 (b) designate one or more persons to perform the functions given the county under this
112 part.

113 **Section 2. Retrospective operation.**

114 This bill has retrospective operation for a taxable year beginning on or after January 1,
115 2008.

Legislative Review Note
as of 1-26-11 8:59 AM

Office of Legislative Research and General Counsel