

**PROPERTY TAX EXEMPTIONS, DEFERRALS, AND  
ABATEMENTS AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Steve Eliason**

Senate Sponsor: Daniel McCay

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**LONG TITLE**

**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

**General Description:**

This bill amends provisions related to property tax exemptions, deferrals, and abatements.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ repeals outdated provisions related to property tax exemptions, deferrals, and abatements;
- ▶ reorganizes, redrafts, and updates existing provisions related to property tax exemptions, deferrals, and abatements;
- ▶ broadens the appeal right for a person who is dissatisfied with a tax relief decision;
- ▶ allows an armed forces property tax exemption regardless of when the claimant had ownership of the property during the year the exemption is claimed; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**



28 This bill provides a special effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **59-2-1006**, as last amended by Laws of Utah 2013, Chapter 180

32 **59-2-1101**, as last amended by Laws of Utah 2018, Chapter 415

33 **59-2-1102**, as last amended by Laws of Utah 2015, Chapter 129

34 **59-2-1202**, as last amended by Laws of Utah 2017, Chapter 391

35 ENACTS:

36 **59-2-1801**, Utah Code Annotated 1953

37 **59-2-1802**, Utah Code Annotated 1953

38 **59-2-1803**, Utah Code Annotated 1953

39 **59-2-1804**, Utah Code Annotated 1953

40 **59-2-1805**, Utah Code Annotated 1953

41 **59-2-1901**, Utah Code Annotated 1953

42 **59-2-1902**, Utah Code Annotated 1953

43 **59-2-1903**, Utah Code Annotated 1953

44 **59-2-1904**, Utah Code Annotated 1953

45 **59-2-1905**, Utah Code Annotated 1953

46 REPEALS:

47 **59-2-1104**, as last amended by Laws of Utah 2018, Chapter 39

48 **59-2-1105**, as last amended by Laws of Utah 2017, Chapter 189

49 **59-2-1107**, as last amended by Laws of Utah 2001, Chapters 221 and 310

50 **59-2-1108**, as last amended by Laws of Utah 2013, Chapter 19

51 **59-2-1109**, as last amended by Laws of Utah 2018, Chapter 310



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

54 Section 1. Section **59-2-1006** is amended to read:

55 **59-2-1006. Appeal to commission -- Duties of auditor -- Decision by commission.**

56 (1) Any person dissatisfied with the decision of the county board of equalization  
57 concerning the assessment and equalization of any property, or the determination of any  
58 exemption in which the person has an interest, or a tax relief decision made under designated

59 decision-making authority as described in Section 59-2-1101, may appeal that decision to the  
60 commission by filing a notice of appeal specifying the grounds for the appeal with the county  
61 auditor within 30 days after the final action of the county board or entity with designated  
62 decision-making authority described in Section 59-2-1101.

63 (2) The auditor shall:

64 (a) file one notice with the commission;

65 (b) certify and transmit to the commission:

66 (i) the minutes of the proceedings of the county board of equalization or entity with  
67 designated decision-making authority for the matter appealed;

68 (ii) all documentary evidence received in that proceeding; and

69 (iii) a transcript of any testimony taken at that proceeding that was preserved; and

70 (c) if the appeal is from a hearing where an exemption was granted or denied, certify  
71 and transmit to the commission the written decision of:

72 (i) the board of equalization as required by Section 59-2-1102; or

73 (ii) the entity with designated decision-making authority.

74 (3) In reviewing [~~the county board's decision~~] a decision described in Subsection (1),  
75 the commission may:

76 (a) admit additional evidence;

77 (b) issue orders that it considers to be just and proper; and

78 (c) make any correction or change in the assessment or order of the county board of  
79 equalization or entity with decision-making authority.

80 (4) In reviewing evidence submitted to the commission [~~by or on behalf of an owner or~~  
81 ~~a county~~] to decide an appeal under this section, the commission shall consider and weigh:

82 (a) the accuracy, reliability, and comparability of the evidence presented [~~by the owner~~  
83 ~~or the county~~];

84 (b) if submitted, the sales price of relevant property that was under contract for sale as  
85 of the lien date but sold after the lien date;

86 (c) if submitted, the sales offering price of property that was offered for sale as of the  
87 lien date but did not sell, including considering and weighing the amount of time for which,  
88 and manner in which, the property was offered for sale; and

89 (d) if submitted, other evidence that is relevant to determining the fair market value of

90 the property.

91 (5) In reviewing [~~the county board's decision~~] a decision described in Subsection (1),  
92 the commission shall adjust property valuations to reflect a value equalized with the assessed  
93 value of other comparable properties if:

94 (a) the issue of equalization of property values is raised; and

95 (b) the commission determines that the property that is the subject of the appeal  
96 deviates in value plus or minus 5% from the assessed value of comparable properties.

97 (6) The commission shall decide all appeals taken pursuant to this section not later than  
98 March 1 of the following year for real property and within 90 days for personal property, and  
99 shall report its decision, order, or assessment to the county auditor, who shall make all changes  
100 necessary to comply with the decision, order, or assessment.

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

102 **59-2-1101. Definitions -- Exemption of certain property -- Proportional payments**  
103 **for certain property -- County legislative body authority to adopt rules or ordinances.**

104 (1) As used in this section:

105 (a) "Educational purposes" includes:

106 (i) the physical or mental teaching, training, or conditioning of competitive athletes by  
107 a national governing body of sport recognized by the United States Olympic Committee that  
108 qualifies as being tax exempt under Section 501(c)(3), Internal Revenue Code; and

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

111 (b) "Exclusive use exemption" means a property tax exemption under Subsection  
112 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for religious, charitable, or  
113 educational purposes.

114 (c) "Government exemption" means a property tax exemption provided under  
115 Subsection (3)(a)(i), (ii), or (iii).

116 (d) "Nonprofit entity" includes an entity if the:

117 (i) entity is treated as a disregarded entity for federal income tax purposes;

118 (ii) entity is wholly owned by, and controlled under the direction of, a nonprofit entity;

119 and

120 (iii) net earnings and profits of the entity irrevocably inure to the benefit of a nonprofit

121 entity.

122 (e) "Tax relief" means an exemption, deferral, or abatement that is authorized by this  
123 part, Part 18, Tax Deferral and Tax Abatement, or Part 19, Armed Forces Exemptions.

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

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

128 (i) the claimant is a federal, state, or political subdivision entity described in

129 Subsection (3)(a)(i), (ii), or (iii); or

130 (ii) pursuant to Subsection (3)(a)(iv):

131 (A) the claimant is a nonprofit entity; and

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

133 (c) Subsection (2)(a) does not apply to an exemption [~~under Section 59-2-1104~~]

134 described in Part 19, Armed Forces Exemptions.

135 (3) (a) The following property is exempt from taxation:

136 (i) property exempt under the laws of the United States;

137 (ii) property of:

138 (A) the state;

139 (B) school districts; and

140 (C) public libraries;

141 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property of:

142 (A) counties;

143 (B) cities;

144 (C) towns;

145 (D) local districts;

146 (E) special service districts; and

147 (F) all other political subdivisions of the state;

148 (iv) property owned by a nonprofit entity used exclusively for religious, charitable, or  
149 educational purposes;

150 (v) places of burial not held or used for private or corporate benefit;

151 (vi) farm machinery and equipment;

152 (vii) a high tunnel, as defined in Section 10-9a-525;

153 (viii) intangible property; and

154 (ix) the ownership interest of an out-of-state public agency, as defined in Section

155 11-13-103:

156 (A) if that ownership interest is in property providing additional project capacity, as

157 defined in Section 11-13-103; and

158 (B) on which a fee in lieu of ad valorem property tax is payable under Section

159 11-13-302.

160 (b) For purposes of a property tax exemption for property of school districts under

161 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter Schools, is

162 considered to be a school district.

163 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or

164 a government exemption ceases to qualify for the exemption because of a change in the

165 ownership of the property:

166 (a) the new owner of the property shall pay a proportional tax based upon the period of

167 time:

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

169 (ii) ending on the last day of the calendar year during which the new owner acquired

170 the property; and

171 (b) the new owner of the property and the person from whom the new owner acquires

172 the property shall notify the county assessor, in writing, of the change in ownership of the

173 property within 30 days from the day that the new owner acquires the property.

174 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection

175 (4)(a):

176 (a) is subject to any exclusive use exemption or government exemption that the

177 property is entitled to under the new ownership of the property; and

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

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

180 (a) effectuate the exemptions, deferrals, abatements, or other relief from taxation

181 provided in this part, Part 18, Tax Deferral and Tax Abatement, or Part 19, Armed Forces

182 Exemptions; and

183 (b) designate one or more persons to perform the functions given the county under this  
184 part, Part 18, Tax Deferral and Tax Abatement, or Part 19, Armed Forces Exemptions.

185 (7) If a person is dissatisfied with a tax relief decision made under designated  
186 decision-making authority as described in Subsection (6)(b), that person may appeal the  
187 decision to the commission under Section [59-2-1006](#).

188 Section 3. Section **59-2-1102** is amended to read:

189 **59-2-1102. Determination of exemptions by board of equalization -- Appeal --**  
190 **Application for exemption -- Annual statement -- Exceptions.**

191 (1) (a) For property assessed under Part 3, County Assessment, the county board of  
192 equalization may, after giving notice in a manner prescribed by rule, determine whether certain  
193 property within the county is exempt from taxation.

194 (b) The decision of the county board of equalization described in Subsection (1)(a)  
195 shall:

196 (i) be in writing; and

197 (ii) include:

198 (A) a statement of facts; and

199 (B) the statutory basis for its decision.

200 (c) Except as provided in Subsection (11)(a), a copy of the decision described in  
201 Subsection (1)(a) shall be sent on or before May 15 to the person applying for the exemption.

202 (2) The county board of equalization shall notify an owner of exempt property that has  
203 previously received an exemption but failed to file an annual statement in accordance with  
204 Subsection (9)(c), of the county board of equalization's intent to revoke the exemption on or  
205 before April 1.

206 (3) (a) Except as provided in Subsection (8) and subject to Subsection (9), a reduction  
207 may not be made under this part or Part 18, Tax Deferral and Tax Abatement, in the value of  
208 property and an exemption may not be granted under this part or Part 19, Armed Forces  
209 Exemptions, unless the party affected or the party's agent:

210 (i) makes and files with the county board of equalization a written application for the  
211 reduction or exemption, verified by signed statement; and

212 (ii) appears before the county board of equalization and shows facts upon which it is  
213 claimed the reduction should be made, or exemption granted.

214 (b) Notwithstanding Subsection (9), the county board of equalization may waive:  
215 (i) the application or personal appearance requirements of Subsection (3)(a), (4)(b), or  
216 (9)(a); or

217 (ii) the annual statement requirements of Subsection (9)(c).

218 (4) (a) Before the county board of equalization grants any application for exemption or  
219 reduction, the county board of equalization may examine under oath the person or agent  
220 making the application.

221 (b) Except as provided in Subsection (3)(b), a reduction may not be made or exemption  
222 granted unless the person or the agent making the application attends and answers all questions  
223 pertinent to the inquiry.

224 (5) For the hearing on the application, the county board of equalization may subpoena  
225 any witnesses, and hear and take any evidence in relation to the pending application.

226 (6) Except as provided in Subsection (11)(b), the county board of equalization shall  
227 hold hearings and render a written decision to determine any exemption on or before May 1 in  
228 each year.

229 (7) Any property owner dissatisfied with the decision of the county board of  
230 equalization regarding any reduction or exemption may appeal to the commission under  
231 Section 59-2-1006.

232 (8) Notwithstanding Subsection (3)(a), a county board of equalization may not require  
233 an owner of property to file an application in accordance with this section in order to claim an  
234 exemption for the property under the following:

235 (a) Subsections 59-2-1101(3)(a)(i) through (iii);

236 (b) Subsection 59-2-1101(3)(a)(vi) or (viii);

237 (c) Section 59-2-1110;

238 (d) Section 59-2-1111;

239 (e) Section 59-2-1112;

240 (f) Section 59-2-1113; or

241 (g) Section 59-2-1114.

242 (9) (a) Except as provided in Subsections (3)(b) and (9)(b), for property described in  
243 Subsection 59-2-1101(3)(a)(iv) or (v), a county board of equalization shall, consistent with  
244 Subsection (10), require an owner of that property to file an application in accordance with this



245 section in order to claim an exemption for that property.

246 (b) Notwithstanding Subsection (9)(a), a county board of equalization may not require  
247 an owner of property described in Subsection 59-2-1101(3)(a)(iv) or (v) to file an application  
248 under Subsection (9)(a) if:

249 (i) (A) the owner filed an application under Subsection (9)(a); or

250 (B) the county board of equalization waived the application requirements in accordance  
251 with Subsection (3)(b);

252 (ii) the county board of equalization determines that the owner may claim an  
253 exemption for that property; and

254 (iii) the exemption described in Subsection (9)(b)(ii) is in effect.

255 (c) (i) Except as provided in Subsection (3)(b), for the time period that an owner is  
256 granted an exemption in accordance with this section for property described in Subsection  
257 59-2-1101(3)(a)(iv) or (v), a county board of equalization shall require the owner to file an  
258 annual statement on a form prescribed by the commission establishing that the property  
259 continues to be eligible for the exemption.

260 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
261 commission shall make rules providing:

262 (A) the form for the annual statement required by Subsection (9)(c)(i);

263 (B) the contents of the form for the annual statement required by Subsection (9)(c)(i);  
264 and

265 (C) procedures and requirements for making the annual statement required by  
266 Subsection (9)(c)(i).

267 (iii) The commission shall make the form described in Subsection (9)(c)(ii)(A)  
268 available to counties.

269 (10) (a) For purposes of this Subsection (10), "exclusive use exemption" is as defined  
270 in Section 59-2-1101.

271 (b) (i) For purposes of Subsection (1)(a), and except as provided in Subsections  
272 (10)(b)(ii) and (iii), when a person acquires property on or after January 1 that qualifies for an  
273 exclusive use exemption, that person may apply for the exclusive use exemption on or before  
274 the later of:

275 (A) the day set by rule as the deadline for filing a property tax exemption application;

276 or

277 (B) 30 days after the day on which the property is acquired.

278 (ii) Notwithstanding Subsection (10)(b)(i), a person who acquires property on or after  
279 January 1, 2004, and before January 1, 2005, that qualifies for an exclusive use exemption, may  
280 apply for the exclusive use exemption for the 2004 calendar year on or before September 30,  
281 2005.

282 (iii) Notwithstanding Subsection (10)(b)(i), a person who acquires property on or after  
283 January 1, 2005, and before January 1, 2006, that qualifies for an exclusive use exemption, may  
284 apply for the exclusive use exemption for the 2005 calendar year on or before the later of:

285 (A) September 30, 2005; or

286 (B) 30 days after the day on which the property is acquired.

287 (11) (a) Notwithstanding Subsection (1)(c), if an application for an exemption is filed  
288 under Subsection (10), a county board of equalization shall send a copy of the decision  
289 described in Subsection (1)(c) to the person applying for the exemption on or before the later  
290 of:

291 (i) May 15; or

292 (ii) 45 days after the day on which the application for the exemption is filed.

293 (b) Notwithstanding Subsection (6), if an application for an exemption is filed under  
294 Subsection (10), a county board of equalization shall hold the hearing and render the decision  
295 described in Subsection (6) on or before the later of:

296 (i) May 1; or

297 (ii) 30 days after the day on which the application for the exemption is filed.

298 Section 4. Section **59-2-1202** is amended to read:

299 **59-2-1202. Definitions.**

300 As used in this part:

301 (1) (a) "Claimant" means a homeowner or renter who:

302 (i) files a claim under this part;

303 (ii) is domiciled in this state for the entire calendar year for which a claim for relief is  
304 filed under this part; and

305 (iii) on or before the December 31 of the year for which a claim for relief is filed under  
306 this part, is:

- 307 (A) 65 years of age or older if the person was born on or before December 31, 1942;
- 308 (B) 66 years of age or older if the person was born on or after January 1, 1943, but on  
309 or before December 31, 1959; or
- 310 (C) 67 years of age or older if the person was born on or after January 1, 1960.
- 311 (b) Notwithstanding Subsection (1)(a), "claimant" includes a surviving spouse:
- 312 (i) regardless of:
- 313 (A) the age of the surviving spouse; or
- 314 (B) the age of the deceased spouse at the time of death;
- 315 (ii) if the surviving spouse meets the requirements of this part except for the age  
316 requirement;
- 317 (iii) if the surviving spouse is part of the same household of the deceased spouse at the  
318 time of death of the deceased spouse; and
- 319 (iv) if the surviving spouse is unmarried at the time the surviving spouse files the  
320 claim.
- 321 (c) If two or more individuals of a household are able to meet the qualifications for a  
322 claimant, they may determine among them as to who the claimant shall be, but if they are  
323 unable to agree, the matter shall be referred to the county legislative body for a determination  
324 of the claimant of an owned residence and to the commission for a determination of the  
325 claimant of a rented residence.
- 326 (2) (a) "Gross rent" means rental actually paid in cash or its equivalent solely for the  
327 right of occupancy, at arm's-length, of a residence, exclusive of charges for any utilities,  
328 services, furniture, furnishings, or personal appliances furnished by the landlord as a part of the  
329 rental agreement.
- 330 (b) If a claimant occupies two or more residences in the year and does not own the  
331 residence as of the lien date, "gross rent" means the total rent paid for the residences during the  
332 one-year period for which the renter files a claim under this part.
- 333 (3) "Homeowner's credit" means a credit against a claimant's property tax liability.
- 334 (4) "Household" means the association of persons who live in the same dwelling,  
335 sharing its furnishings, facilities, accommodations, and expenses.
- 336 (5) "Household income" means all income received by all persons of a household in:
- 337 (a) the calendar year preceding the calendar year in which property taxes are due; or

338 (b) for purposes of the renter's credit authorized by this part, the year for which a claim  
339 is filed.

340 (6) (a) (i) "Income" means the sum of:

341 (A) federal adjusted gross income as defined in Section 62, Internal Revenue Code;

342 and

343 (B) all nontaxable income as defined in Subsection (6)(b).

344 (ii) "Income" does not include:

345 (A) aid, assistance, or contributions from a tax-exempt nongovernmental source;

346 (B) surplus foods;

347 (C) relief in kind supplied by a public or private agency; or

348 (D) relief provided under this part[, ~~Section 59-2-1108~~, or ~~Section 59-2-1109~~] or Part  
349 18, Tax Deferral and Tax Abatement.

350 (b) For purposes of Subsection (6)(a)(i), "nontaxable income" means amounts excluded  
351 from adjusted gross income under the Internal Revenue Code, including:

352 (i) capital gains;

353 (ii) loss carry forwards claimed during the taxable year in which a claimant files for  
354 relief under this part[, ~~Section 59-2-1108~~, or ~~Section 59-2-1109~~] or Part 18, Tax Deferral and  
355 Tax Abatement;

356 (iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on the  
357 residence for which the claimant files for relief under this part[, ~~Section 59-2-1108~~, or ~~Section~~  
358 ~~59-2-1109~~] or Part 18, Tax Deferral and Tax Abatement;

359 (iv) support money received;

360 (v) nontaxable strike benefits;

361 (vi) cash public assistance or relief;

362 (vii) the gross amount of a pension or annuity, including benefits under the Railroad  
363 Retirement Act of 1974, 45 U.S.C. Sec. 231 et seq., and veterans disability pensions;

364 (viii) payments received under the Social Security Act;

365 (ix) state unemployment insurance amounts;

366 (x) nontaxable interest received from any source;

367 (xi) workers' compensation;

368 (xii) the gross amount of "loss of time" insurance; and

369 (xiii) voluntary contributions to a tax-deferred retirement plan.

370 (7) (a) "Property taxes accrued" means property taxes, exclusive of special  
371 assessments, delinquent interest, and charges for service, levied on a claimant's residence in  
372 this state.

373 (b) For a mobile home, "property taxes accrued" includes taxes imposed on both the  
374 land upon which the home is situated and on the structure of the home itself, whether classified  
375 as real property or personal property taxes.

376 (c) (i) Beginning on January 1, 1999, for a claimant who owns a residence, "property  
377 taxes accrued" are the property taxes described in Subsection (7)(a) levied for the calendar year  
378 on 35% of the fair market value of the residence as reflected on the assessment roll.

379 (ii) The amount described in Subsection (7)(c)(i) constitutes:

380 (A) a tax abatement for the poor in accordance with Utah Constitution, Article XIII,  
381 Section 3; and

382 (B) the residential exemption provided for in Section [59-2-103](#).

383 (d) (i) For purposes of this Subsection (7) property taxes accrued are levied on the lien  
384 date.

385 (ii) If a claimant owns a residence on the lien date, property taxes accrued mean taxes  
386 levied on the lien date, even if that claimant does not own a residence for the entire year.

387 (e) When a household owns and occupies two or more different residences in this state  
388 in the same calendar year, property taxes accrued shall relate only to the residence occupied on  
389 the lien date by the household as its principal place of residence.

390 (f) (i) If a residence is an integral part of a large unit such as a farm or a multipurpose  
391 or multidwelling building, property taxes accrued shall be the same percentage of the total  
392 property taxes accrued as the value of the residence is of the total value.

393 (ii) For purposes of this Subsection (7)(f), "unit" refers to the parcel of property  
394 covered by a single tax statement of which the residence is a part.

395 (8) (a) As used in this section, "rental assistance payment" means any payment that:

396 (i) is made by a:

397 (A) governmental entity; or

398 (B) (I) charitable organization; or

399 (II) religious organization; and

400 (ii) is specifically designated for the payment of rent of a claimant:  
 401 (A) for the calendar year for which the claimant seeks a renter's credit under this part;  
 402 and  
 403 (B) regardless of whether the payment is made to the:  
 404 (I) claimant; or  
 405 (II) landlord; and  
 406 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 407 commission may make rules defining the terms:  
 408 (i) "governmental entity";  
 409 (ii) "charitable organization"; or  
 410 (iii) "religious organization."  
 411 (9) (a) "Residence" means the dwelling, whether owned or rented, and so much of the  
 412 land surrounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling  
 413 as a home, and may consist of a part of a multidwelling or multipurpose building and a part of  
 414 the land upon which it is built and includes a mobile home or houseboat.  
 415 (b) "Residence" does not include personal property such as furniture, furnishings, or  
 416 appliances.  
 417 (c) For purposes of this Subsection (9), "owned" includes a vendee in possession under  
 418 a land contract or one or more joint tenants or tenants in common.

419 Section 5. Section **59-2-1801** is enacted to read:

420 **Part 18. Tax Deferral and Tax Abatement**

421 **59-2-1801. Definitions.**

422 As used in this part:

423 (1) "Abatement" means a tax abatement described in Section [59-2-1803](#).

424 (2) "Deferral" means a tax deferral described in Section [59-2-1802](#).

425 (3) "Indigent individual" is a poor individual as described in Utah Constitution, Article  
 426 XIII, Section 3, Subsection (4), who:

427 (a) (i) is at least 65 years old; or

428 (ii) is less than 65 years old and:

429 (A) the county finds that extreme hardship would prevail on the individual if the  
 430 county does not defer or abate the individual's taxes; or

- 431 (B) the individual has a disability;  
432 (b) has a total household income, as defined in Section 59-2-1202, of less than the  
433 maximum household income certified to a homeowner's credit described in Subsection  
434 59-2-1208(1);  
435 (c) resides for at least 10 months of the year in the residence that would be subject to  
436 the requested abatement or deferral; and  
437 (d) cannot pay the tax assessed on the individual's residence when the tax becomes due.  
438 (4) "Property taxes due" means the taxes due on an indigent individual's property:  
439 (a) for which a county granted an abatement under Section 59-2-1803; and  
440 (b) for the calendar year for which the county grants the abatement.  
441 (5) "Property taxes paid" means an amount equal to the sum of:  
442 (a) the amount of property taxes the indigent individual paid for the taxable year for  
443 which the indigent individual applied for the abatement; and  
444 (b) the amount of the abatement the county grants under Section 59-2-1803.  
445 (6) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister,  
446 parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a spouse  
447 of any of these individuals.  
448 (7) "Residence" means real property where an individual resides, including:  
449 (a) a mobile home, as defined in Section 41-1a-102; or  
450 (b) a manufactured home, as defined in Section 41-1a-102.  
451 Section 6. Section 59-2-1802 is enacted to read:  
452 **59-2-1802. Tax deferral.**  
453 (1) (a) In accordance with this part, a county may defer a tax on residential property  
454 after giving notice to the taxpayer.  
455 (b) In determining a deferral, a county shall consider an asset transferred to a relative  
456 by an applicant for deferral, if the transfer took place during the three years prior to the day on  
457 which the applicant applied for deferral.  
458 (2) A county may grant a deferral at any time:  
459 (a) after the holder of each mortgage or trust deed outstanding on the property gives  
460 written approval of the application; and  
461 (b) if the applicant is not the owner of income-producing assets that could be liquidated

462 to pay the tax.

463 (3) Taxes deferred by the county accumulate with interest as a lien against the  
464 residential property, as described in Subsection (4), until the owner sells or otherwise disposes  
465 of the residential property.

466 (4) Deferred taxes under this section:

467 (a) bear interest at an interest rate equal to the lesser of:

468 (i) 6%; or

469 (ii) the federal funds rate target:

470 (A) established by the Federal Open Markets Committee; and

471 (B) that exists on the January 1 immediately preceding the day on which the taxes are  
472 deferred; and

473 (b) have the same status as a lien as described in Sections [59-2-1301](#) and [59-2-1325](#).

474 (5) If the owner of residential property that is granted deferral under this section is an  
475 indigent individual, during the period of deferral the county may not subject the residential  
476 property to a tax sale.

477 Section 7. Section **59-2-1803** is enacted to read:

478 **59-2-1803. Tax abatement for indigent individuals-- Maximum amount -- Refund.**

479 (1) In accordance with this part, a county may remit or abate the taxes of an indigent  
480 individual in an amount not more than the lesser of:

481 (a) the amount provided as a homeowner's credit for the lowest household income  
482 bracket as described in Section [59-2-1208](#); or

483 (b) 50% of the total tax levied for the indigent individual for the current year.

484 (2) A county that grants an abatement to an indigent individual shall refund to the  
485 indigent individual an amount that is equal to the amount by which the indigent individual's  
486 property taxes paid exceed the indigent individual's property taxes due, if the amount is at least  
487 \$1.

488 Section 8. Section **59-2-1804** is enacted to read:

489 **59-2-1804. Application for tax deferral or tax abatement.**

490 (1) (a) Except as provided in Subsection (1)(b), an applicant for deferral or abatement  
491 for the current tax year shall file an application on or before September 1 with the county in  
492 which the applicant's property is located.



493 (b) If a county finds good cause exists, the county may extend until December 31 the  
494 deadline described in Subsection (1)(a).

495 (c) An indigent individual may apply and potentially qualify for deferral, abatement, or  
496 both.

497 (2) An applicant shall include in an application a signed statement that describes the  
498 eligibility of the applicant for deferral or abatement.

499 (3) Both spouses shall sign an application if the application seeks a deferral or  
500 abatement on a residence:

501 (a) in which both spouses reside; and

502 (b) that the spouses own as joint tenants.

503 (4) If an applicant is dissatisfied with a county's decision on the applicant's application  
504 for deferral or abatement, the applicant may appeal the decision to the commission in  
505 accordance with Section [59-2-1006](#).

506 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
507 commission may make rules to implement this section.

508 Section 9. Section **59-2-1805** is enacted to read:

509 **59-2-1805. Treatment of trusts.**

510 If an applicant for deferral or abatement is the grantor of a trust holding title to real or  
511 tangible personal property for which a deferral or abatement is claimed, a county may allow the  
512 applicant to claim a portion of the deferral or abatement and be treated as the owner of that  
513 portion of the property held in trust, if the applicant proves to the satisfaction of the county  
514 that:

515 (1) title to the portion of the trust will revert in the applicant upon the exercise of a  
516 power by:

517 (a) the claimant as grantor of the trust;

518 (b) a nonadverse party; or

519 (c) both the claimant and a nonadverse party;

520 (2) title will revert as described in Subsection (1), regardless of whether the power  
521 described in Subsection (1) is a power to revoke, terminate, alter, amend, or appoint;

522 (3) the applicant is obligated to pay the taxes on that portion of the trust property  
523 beginning January 1 of the year the claimant claims the deferral or abatement; and

524 (4) the claimant satisfies the requirements described in this part for deferral or  
525 abatement.

526 Section 10. Section **59-2-1901** is enacted to read:

527 **Part 19. Armed Forces Exemptions**

528 **59-2-1901. Definitions.**

529 As used in this section:

530 (1) "Active component of the United States Armed Forces" means the same as that  
531 term is defined in Section [59-10-1027](#).

532 (2) "Active duty claimant" means a member of an active component of the United  
533 States Armed Forces or a reserve component of the United States Armed Forces who:

534 (a) performed qualifying active duty military service; and

535 (b) applies for an exemption described in Section [59-2-1902](#).

536 (3) "Adjusted taxable value limit" means:

537 (a) for the calendar year that begins on January 1, 2015, \$252,126; or

538 (b) for each calendar year after the calendar year that begins on January 1, 2015, the  
539 amount of the adjusted taxable value limit for the previous year plus an amount calculated by  
540 multiplying the amount of the adjusted taxable value limit for the previous year by the actual  
541 percent change in the consumer price index during the previous calendar year.

542 (4) "Consumer price index" means the same as that term is described in Section 1(f)(4),  
543 Internal Revenue Code, and defined in Section 1(f)(5), Internal Revenue Code.

544 (5) "Deceased veteran with a disability" means a deceased individual who was a  
545 veteran with a disability at the time the individual died.

546 (6) "Military entity" means:

547 (a) the United States Department of Veterans Affairs;

548 (b) an active component of the United States Armed Forces; or

549 (c) a reserve component of the United States Armed Forces.

550 (7) "Primary residence" includes the residence of a individual who does not reside in  
551 the residence if the individual:

552 (a) does not reside in the residence because the individual is admitted as an inpatient at  
553 a health care facility as defined in Section [26-55-102](#); and

554 (b) otherwise meets the requirements of this part.

555 (8) "Qualifying active duty military service" means at least 200 days, regardless of  
556 whether consecutive, in any continuous 365-day period of active duty military service outside  
557 the state in an active component of the United States Armed Forces or a reserve component of  
558 the United States Armed Forces, if the days of active duty military service:

559 (a) were completed in the year before an individual applies for an exemption described  
560 in Section 59-2-1902; and

561 (b) have not previously been counted as qualifying active duty military service for  
562 purposes of qualifying for an exemption described in Section 59-2-1902 or applying for the  
563 exemption described in Section 59-2-1902.

564 (9) "Statement of disability" means the statement of disability described in Section  
565 59-2-1904.

566 (10) "Reserve component of the United States Armed Forces" means the same as that  
567 term is defined in Section 59-10-1027.

568 (11) "Residence" means real property where an individual resides, including:

569 (a) a mobile home, as defined in Section 41-1a-102; or

570 (b) a manufactured home, as defined in Section 41-1a-102.

571 (12) "Veteran claimant" means one of the following individuals who applies for an  
572 exemption described in Section 59-2-1903:

573 (a) a veteran with a disability;

574 (b) the unmarried surviving spouse:

575 (i) of a deceased veteran with a disability; or

576 (ii) a veteran who was killed in action or died in the line of duty; or

577 (c) a minor orphan:

578 (i) of a deceased veteran with a disability; or

579 (ii) a veteran who was killed in action or died in the line of duty.

580 (13) "Veteran who was killed in action or died in the line of duty" means an individual  
581 who was killed in action or died in the line of duty in an active component of the United States  
582 Armed Forces or a reserve component of the United States Armed Forces, regardless of  
583 whether that individual had a disability at the time that individual was killed in action or died  
584 in the line of duty.

585 (14) "Veteran with a disability" means an individual with a disability who, during

586 military training or a military conflict, acquired a disability in the line of duty in an active  
587 component of the United States Armed Forces or a reserve component of the United States  
588 Armed Forces, as determined by a military entity.

589 Section 11. Section **59-2-1902** is enacted to read:

590 **59-2-1902. Active duty armed forces exemption -- Amount -- Application.**

591 (1) As used in this section, "default application deadline" means the application  
592 deadline described in Subsection (4)(a).

593 (2) (a) The total taxable value of an active duty claimant's primary residence is exempt  
594 from taxation for the calendar year after the year in which the active duty claimant completed  
595 qualifying military service.

596 (b) An active duty claimant may claim an exemption in accordance with this section if  
597 the active duty claimant owns the property at any time during the calendar year for which the  
598 active duty claimant claims the exemption.

599 (3) An active duty claimant shall:

600 (a) file an application as described in Subsection (4) in the year after the year during  
601 which the active duty claimant completes the qualifying active duty military service; and

602 (b) if the active duty claimant meets the requirements of this section, claim one  
603 exemption only in the year the active duty claimant files the application.

604 (4) (a) Except as provided in Subsection (5) or (6), an active duty claimant shall, on or  
605 before September 1 of the calendar year for which the active duty claimant is applying for the  
606 exemption, file an application for an exemption with the county in which the active duty  
607 claimant resides.

608 (b) An application described in Subsection (4)(a) shall include:

609 (i) orders for qualifying active duty military service or other satisfactory evidence of  
610 eligible military services; and

611 (ii) a statement that lists the dates on which the 200 days of qualifying active duty  
612 military service began and ended.

613 (c) A county that receives an application described in Subsection (4)(a) shall, within 30  
614 days after the day on which the county received the application, provide the active duty  
615 claimant with a receipt that states that the county received the active duty claimant's  
616 application.

617 (5) A county may extend the default application deadline for an application described  
618 in Subsection (4)(a) until December 31 of the year for which the active duty claimant is  
619 applying for the exemption if the county finds that good cause exists to extend the default  
620 application deadline.

621 (6) A county shall extend the default application deadline by one additional year if the  
622 county legislative body determines that:

623 (a) the active duty claimant or a member of the active duty claimant's immediate family  
624 had an illness or injury that prevented the active duty claimant from filing the application on or  
625 before the default application deadline;

626 (b) a member of the active duty claimant's immediate family died during the calendar  
627 year of the default application deadline;

628 (c) the active duty claimant was not physically present in the state for a time period of  
629 at least six consecutive months during the calendar year of the default application deadline; or

630 (d) the failure of the active duty claimant to file the application on or before the default  
631 application deadline:

632 (i) would be against equity or good conscience; and

633 (ii) was beyond the reasonable control of the active duty claimant.

634 (7) After issuing the receipt described in Subsection (4)(c), a county may not require an  
635 active duty claimant to file another application under Subsection (4)(a), except under the  
636 following circumstances:

637 (a) a change in the active duty claimant's ownership of the active duty claimant's  
638 primary residence; or

639 (b) a change in the active duty claimant's occupancy of the primary residence for which  
640 the active duty claimant claims an exemption under this section.

641 (8) A county may verify that real property for which an active duty claimant applies for  
642 an exemption is the active duty claimant's primary residence.

643 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
644 commission may by rule:

645 (a) establish procedures and requirements for amending an application described in  
646 Subsection (4);

647 (b) for purposes of Subsection (6), define the terms:

648 (i) "immediate family"; or  
 649 (ii) "physically present"; or  
 650 (c) for purposes of Subsection (6)(d), prescribe the circumstances under which the  
 651 failure of an active duty claimant to file an application on or before the default application  
 652 deadline:

653 (i) would be against equity or good conscience; and  
 654 (ii) is beyond the reasonable control of an active duty claimant.

655 Section 12. Section **59-2-1903** is enacted to read:

656 **59-2-1903. Veteran armed forces exemption -- Amount.**

657 (1) As used in this section, "eligible property" means property owned by a veteran  
 658 claimant that is:

659 (a) the veteran claimant's primary residence; or

660 (b) tangible personal property that:

661 (i) is held exclusively for personal use; and

662 (ii) is not used in a trade or business.

663 (2) In accordance with this part, the amount of taxable value of eligible property  
 664 described in Subsection (3) or (4) is exempt from taxation if the eligible property is owned by a  
 665 veteran claimant.

666 (3) (a) Except as provided in Subsection (4) and in accordance with this Subsection (3),  
 667 the amount of taxable value of eligible property that is exempt under Subsection (2) is equal to  
 668 the percentage of disability described in the statement of disability multiplied by the adjusted  
 669 taxable value limit.

670 (b) The amount of an exemption calculated under Subsection (3)(a) may not exceed the  
 671 taxable value of the eligible property.

672 (c) A county shall consider a veteran with a disability to have a 100% disability,  
 673 regardless of the percentage of disability described on the statement of disability, if the United  
 674 States Department of Veterans Affairs certifies the veteran in the classification of individual  
 675 unemployability.

676 (d) A county may not allow an exemption claimed under this section if the percentage  
 677 of disability listed on the statement of disability is less than 10%.

678 (4) The amount of taxable value of eligible property that is exempt under Subsection

679 (2) is equal to the total taxable value of the veteran claimant's eligible property if the property  
680 is owned by:

681 (a) the unmarried surviving spouse of a veteran who was killed in action or died in the  
682 line of duty;

683 (b) a minor orphan of a veteran who was killed in action or died in the line of duty; or

684 (c) the unmarried surviving spouse or minor orphan of a deceased veteran with a  
685 disability:

686 (i) who served in the military service of the United States or the state prior to January  
687 1, 1921; and

688 (ii) whose percentage of disability described in the statement of disability is 10% or  
689 more.

690 (5) For purposes of this section and Section [59-2-1904](#), an individual who received an  
691 honorable or general discharge from military service of an active component of the United  
692 States Armed Forces or a reserve component of the United States Armed Forces:

693 (a) is presumed to be a citizen of the United States; and

694 (b) may not be required to provide additional proof of citizenship to establish that the  
695 individual is a citizen of the United States.

696 (6) The Department of Veterans and Military Affairs created in Section [71-8-2](#) shall,  
697 through an informal hearing held in accordance with Title 63G, Chapter 4, Administrative  
698 Procedures Act, resolve each dispute arising under this section concerning an individual's  
699 status as a veteran with a disability.

700 Section 13. Section **59-2-1904** is enacted to read:

701 **59-2-1904. Veteran armed forces exemption -- Application.**

702 (1) As used in this section, "default application deadline" means the application  
703 deadline described in Subsection (3)(a).

704 (2) A veteran claimant may claim an exemption in accordance with Section [59-2-1903](#)  
705 and this section if the veteran claimant owns the property eligible for the exemption at any time  
706 during the calendar year for which the veteran claimant claims the exemption.

707 (3) (a) Except as provided in Subsection (4) or (5), a veteran claimant shall, on or  
708 before September 1 of the year for which the veteran claimant is applying for the exemption,  
709 file an application for an exemption described in Section [59-2-1903](#) with the county in which

710 the veteran claimant resides.

711 (b) An application described in Subsection (3)(a) shall include:

712 (i) a copy of the veteran's certificate of discharge from military service or other  
713 satisfactory evidence of eligible military service; and

714 (ii) for an application submitted under the circumstances described in Subsection  
715 (5)(a), a statement, issued by a military entity, that gives the date on which the written decision  
716 described in Subsection (5)(a) takes effect.

717 (c) A veteran claimant who is claiming an exemption for a veteran with a disability or a  
718 deceased veteran with a disability, shall ensure that as part of the application described in this  
719 Subsection (3), the county has on file, for the veteran related to the exemption, a statement of  
720 disability:

721 (i) issued by a military entity; and

722 (ii) that lists the percentage of disability for the veteran with a disability or deceased  
723 veteran with a disability.

724 (d) If a veteran claimant is in compliance with Subsection (3)(c), a county may not  
725 require the veteran claimant to file another statement of disability, except under the following  
726 circumstances:

727 (i) the percentage of disability has changed for the veteran with a disability or the  
728 deceased veteran with a disability; or

729 (ii) the veteran claimant is not the same individual who filed an application for the  
730 exemption for the calendar year immediately preceding the current calendar year.

731 (e) A county that receives an application described in Subsection (3)(a) shall, within 30  
732 days after the day on which the county received the application, provide the veteran claimant  
733 with a receipt that states that the county received the veteran claimant's application.

734 (4) A county may extend the default application deadline for an initial or amended  
735 application until December 31 of the year for which the veteran claimant is applying for the  
736 exemption if the county finds that good cause exists to extend the default application deadline.

737 (5) A county shall extend the default application deadline by one additional year if, on  
738 or after January 4, 2004:

739 (a) a military entity issues a written decision that:

740 (i) (A) for a potential claimant who is a living veteran, determines the veteran is a



741 veteran with a disability; or  
742 (B) for a potential claimant who is the unmarried surviving spouse or minor orphan of  
743 a deceased veteran, determines the deceased veteran was a deceased veteran with a disability at  
744 the time the deceased veteran with a disability died; and  
745 (ii) takes effect in a year before the current calendar year; or  
746 (b) the county legislative body determines that:  
747 (i) the veteran claimant or a member of the veteran claimant's immediate family had an  
748 illness or injury that prevented the veteran claimant from filing the application on or before the  
749 default application deadline;  
750 (ii) a member of the veteran claimant's immediate family died during the calendar year  
751 of the default application deadline;  
752 (iii) the veteran claimant was not physically present in the state for a time period of at  
753 least six consecutive months during the calendar year of the default application deadline; or  
754 (iv) the failure of the veteran claimant to file the application on or before the default  
755 application deadline:  
756 (A) would be against equity or good conscience; and  
757 (B) was beyond the reasonable control of the veteran claimant.  
758 (6) (a) A county shall allow a veteran claimant to amend an application described in  
759 Subsection (3)(a) after the default application deadline if, on or after January 4, 2004, a military  
760 entity issues a written decision:  
761 (i) that the percentage of disability has changed:  
762 (A) for a veteran with a disability, if the veteran with a disability is the veteran  
763 claimant; or  
764 (B) for a deceased veteran with a disability, if the claimant is the unmarried surviving  
765 spouse or minor orphan of a deceased veteran with a disability; and  
766 (ii) that takes effect in a year before the current calendar year.  
767 (b) A veteran claimant who files an amended application under Subsection (6)(a) shall  
768 include a statement, issued by a military entity, that gives the date on which the written  
769 decision described in Subsection (6)(a) takes effect.  
770 (7) After issuing the receipt described in Subsection (3)(e), a county may not require a  
771 veteran claimant to file another application under Subsection (3)(a), except under the following

772 circumstances relating to the veteran claimant:

773 (a) the veteran claimant applies all or a portion of an exemption to tangible personal  
774 property;

775 (b) the percentage of disability changes for a veteran with a disability or a deceased  
776 veteran with a disability;

777 (c) the veteran with a disability dies;

778 (d) a change in the veteran claimant's ownership of the veteran claimant's primary  
779 residence;

780 (e) a change in the veteran claimant's occupancy of the primary residence for which the  
781 veteran claimant claims an exemption under this section; or

782 (f) for an exemption relating to a deceased veteran with a disability or a veteran who  
783 was killed in action or died in the line of duty, the veteran claimant is not the same individual  
784 who filed an application for the exemption for the calendar year immediately preceding the  
785 current calendar year.

786 (8) If a veteran claimant is the grantor of a trust holding title to real or tangible personal  
787 property for which an exemption described in Section 59-2-1903 is claimed, a county may  
788 allow the veteran claimant to claim a portion of the exemption and be treated as the owner of  
789 that portion of the property held in trust, if the veteran claimant proves to the satisfaction of the  
790 county that:

791 (a) title to the portion of the trust will revert in the veteran claimant upon the exercise  
792 of a power by:

793 (i) the veteran claimant as grantor of the trust;

794 (ii) a nonadverse party; or

795 (iii) both the veteran claimant and a nonadverse party;

796 (b) title will revert as described in Subsection (8)(a), regardless of whether the power  
797 described in Subsection (8)(a) is a power to revoke, terminate, alter, amend, or appoint; and

798 (c) the veteran claimant satisfies the requirements described in this part for the  
799 exemption described in Section 59-2-1903.

800 (9) A county may verify that real property for which a veteran claimant applies for an  
801 exemption is the veteran claimant's primary residence.

802 (10) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

803 the commission may, by rule:

804 (a) establish procedures and requirements for amending an application described in

805 Subsection (3)(a);

806 (b) for purposes of Subsection (5)(b), define the terms:

807 (i) "immediate family"; or

808 (ii) "physically present"; or

809 (c) for purposes of Subsection (5)(b), prescribe the circumstances under which the

810 failure of a veteran claimant to file an application on or before the default application deadline:

811 (i) would be against equity or good conscience; and

812 (ii) is beyond the reasonable control of a veteran claimant.

813 Section 14. Section **59-2-1905** is enacted to read:

814 **59-2-1905. Refund.**

815 (1) As used in this section:

816 (a) "Property taxes and fees due" means:

817 (i) the taxes due on an active duty claimant or veteran claimant's property:

818 (A) with respect to which a county grants an exemption under this part; and

819 (B) for the calendar year for which the county grants an exemption under this part; and

820 (ii) for a veteran claimant, a uniform fee on tangible personal property described in

821 Section [59-2-405](#) that is owned by the veteran claimant and assessed for the calendar year for

822 which the county grants an exemption under this part.

823 (b) "Property taxes and fees paid" is an amount equal to the sum of the following:

824 (i) the amount of property taxes that qualifies for an exemption under this part that the

825 active duty claimant or the veteran claimant paid for the calendar year for which the active duty

826 claimant or veteran claimant is applying for an exemption under this part;

827 (ii) the amount of the exemption the county grants for the calendar year for which the

828 active duty claimant or veteran claimant is applying for an exemption under this part; and

829 (iii) for a veteran claimant, the amount of a uniform fee on tangible personal property,

830 described in Section [59-2-405](#) and that qualifies for an exemption under this part, that is paid

831 by the veteran claimant for the calendar year for which the veteran claimant is applying for an

832 exemption under this part.

833 (2) A county shall refund to an active duty claimant or a veteran claimant an amount

834 equal to the amount by which the active duty claimant or veteran claimant's property taxes and  
835 fees paid exceed the active duty claimant or veteran claimant's property taxes and fees due, if  
836 that amount is \$1 or more.

837 Section 15. **Repealer.**

838 This bill repeals:

839 Section **59-2-1104, Definitions -- Armed forces exemption -- Amount of armed**  
840 **forces exemption.**

841 Section **59-2-1105, Application for United States armed forces exemption --**  
842 **Rulemaking authority -- Statement -- County authority to make refunds.**

843 Section **59-2-1107, Indigent persons -- Amount of abatement.**

844 Section **59-2-1108, Indigent persons -- Deferral of taxes -- Interest rate --**  
845 **Treatment of deferred taxes.**

846 Section **59-2-1109, Indigent persons -- Deferral or abatement -- Application --**  
847 **County authority to make refunds -- Appeal.**

848 Section 16. **Effective date.**

849 This bill takes effect on January 1, 2020.