

Senator Keith Grover proposes the following substitute bill:

PROPERTY TAX ADMINISTRATION AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keith Grover

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the procedures for obtaining a residential property exemption on a primary residence.

Highlighted Provisions:

This bill:

- ▶ requires an owner of a residential property occupied by a tenant to submit a written declaration that the property is the primary residence of the tenant;
 - ▶ provides the form of the written declaration and limits the information a county assessor may obtain from the owner or the tenant;
 - ▶ recodifies a similar declaration requirement for residential property under construction in the procedures for obtaining a residential property exemption code;
- and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



26 AMENDS:

27 **59-2-103**, as last amended by Laws of Utah 2020, Chapters 38, 40

28 **59-2-103.5**, as last amended by Laws of Utah 2022, Chapter 239

29

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

31 Section 1. Section **59-2-103** is amended to read:

32 **59-2-103. Rate of assessment of property -- Residential property.**

33 (1) As used in this section:

34 (a) (i) "Household" means the association of individuals who live in the same dwelling,
35 sharing the dwelling's furnishings, facilities, accommodations, and expenses.

36 (ii) "Household" includes married individuals, who are not legally separated, who have
37 established domiciles at separate locations within the state.

38 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
39 commission may make rules defining the term "domicile."

40 (2) All tangible taxable property located within the state shall be assessed and taxed at
41 a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless
42 otherwise provided by law.

43 (3) Subject to Subsections (4) through ~~(7)~~ (6) and Section **59-2-103.5**, for a calendar
44 year, the fair market value of residential property located within the state is allowed a
45 residential exemption equal to a 45% reduction in the value of the property.

46 (4) Part-year residential property located within the state is allowed the residential
47 exemption described in Subsection (3) if the part-year residential property is used as residential
48 property for 183 or more consecutive calendar days during the calendar year for which the
49 owner seeks to obtain the residential exemption.

50 (5) No more than one acre of land per residential unit may qualify for the residential
51 exemption described in Subsection (3).

52 (6) (a) Except as provided in Subsections (6)(b)(ii) and (iii), a residential exemption
53 described in Subsection (3) is limited to one primary residence per household.

54 (b) An owner of multiple primary residences located within the state is allowed a
55 residential exemption under Subsection (3) for:

56 (i) subject to Subsection (6)(a), the primary residence of the owner;

- 57 (ii) each residential property that is the primary residence of a tenant; and
 58 (iii) subject to Subsection ~~[(7)]~~ 59-2-103.5(4), each residential property described in
 59 Subsection 59-2-102(34)(b)(ii).

60 ~~[(7) Before residential property described in Subsection 59-2-102(34)(b)(ii) is allowed~~
 61 ~~a residential exemption described in Subsection (3), an owner of the residential property shall~~
 62 ~~file with the county assessor a written declaration that:]~~

63 ~~[(a) states under penalty of perjury that, to the best of each owner's knowledge, upon~~
 64 ~~completion of construction or occupancy of the residential property, the residential property~~
 65 ~~will be used for residential purposes as a primary residence;]~~

66 ~~[(b) is signed by each owner of the residential property; and]~~

67 ~~[(c) is on a form prescribed by the commission.]~~

68 Section 2. Section **59-2-103.5** is amended to read:

69 **59-2-103.5. Procedures to obtain an exemption for residential property --**

70 **Procedure if property owner or property no longer qualifies to receive a residential**
 71 **exemption.**

72 (1) Subject to ~~[Subsection (8)]~~ Subsections (4), (5), and (10), for residential property
 73 other than part-year residential property, a county legislative body may adopt an ordinance that
 74 requires an owner to file an application with the county board of equalization before the county
 75 applies a residential exemption ~~[under Section 59-2-103 may be applied]~~ authorized under
 76 Section 59-2-103 to the value of the residential property if:

77 (a) the residential property was ineligible for the residential exemption during the
 78 calendar year immediately preceding the calendar year for which the owner is seeking to have
 79 the residential exemption applied to the value of the residential property;

80 (b) an ownership interest in the residential property changes; or

81 (c) the county board of equalization determines that there is reason to believe that the
 82 residential property no longer qualifies for the residential exemption.

83 (2) (a) The application described in Subsection (1):

84 (i) shall be on a form the commission ~~[prescribes]~~ provides by rule and makes
 85 available to the counties;

86 (ii) shall be signed by the owner of the residential property; and

87 (iii) may not request the sales price of the residential property.

88 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
89 commission may make rules [~~prescribing~~] providing the contents of the form described in
90 Subsection (2)(a).

91 (c) For purposes of the application described in Subsection (1), a county may not
92 request information from an owner of a residential property beyond the information [~~provided~~]
93 in the form [~~prescribed~~] provided by the commission under this Subsection (2).

94 (3) (a) Regardless of whether a county legislative body adopts an ordinance described
95 in Subsection (1), before a county may apply a residential exemption [~~may be applied~~] to the
96 value of part-year residential property, an owner of the property shall:

97 (i) file the application described in Subsection (2)(a) with the county board of
98 equalization; and

99 (ii) include as part of the application described in Subsection (2)(a) a statement that
100 certifies:

101 (A) the date the part-year residential property became residential property;

102 (B) that the part-year residential property will be used as residential property for 183 or
103 more consecutive calendar days during the calendar year for which the owner seeks to obtain
104 the residential exemption; and

105 (C) that the owner, or a member of the owner's household, may not claim a residential
106 exemption for any property for the calendar year for which the owner seeks to obtain the
107 residential exemption, other than the part-year residential property, or as allowed under Section
108 [59-2-103](#) with respect to the primary residence or household furnishings, furniture, and
109 equipment of the owner's tenant.

110 (b) If an owner files an application under this Subsection (3) on or after May 1 of the
111 calendar year for which the owner seeks to obtain the residential exemption, the county board
112 of equalization may require the owner to pay an application fee not to exceed \$50.

113 (4) Before a county allows residential property described in Subsection
114 [59-2-102](#)(34)(b)(ii) a residential exemption authorized under Section [59-2-103](#), an owner of the
115 residential property shall file with the county assessor a written declaration that:

116 (a) states under penalty of perjury that, to the best of each owner's knowledge, upon
117 completion of construction or occupancy of the residential property, the residential property
118 will be used for residential purposes as a primary residence;

119 (b) is signed by each owner of the residential property; and

120 (c) is on a form approved by the commission.

121 (5) (a) Before a county allows residential property described in Subsection

122 59-2-103(6)(b) a residential exemption authorized under Section 59-2-103, an owner of the

123 residential property shall file with the county assessor a written declaration that:

124 (i) states under penalty of perjury that, to the best of each owner's knowledge, the
125 residential property will be used for residential purposes as a primary residence of a tenant;

126 (ii) is signed by each owner of the residential property; and

127 (iii) is on a form approved by the commission.

128 (b) (i) In addition to the declaration, a county assessor may request from an owner:

129 (A) a current lease agreement signed by the tenant;

130 (B) a copy of a filing from the most recent federal tax return showing that the owner

131 had profit or loss from the residential property as a rental; or

132 (C) a copy of the real estate insurance policy for the property.

133 (ii) A county assessor may not request information from an owner's tenant.

134 ~~[(4)]~~ (6) Except as provided in Subsection ~~[(5)]~~ (7), if a property owner no longer
135 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
136 owner's primary residence, the property owner shall:

137 (a) file a written statement with the county board of equalization of the county in which
138 the property is located:

139 (i) on a form provided by the county board of equalization; and

140 (ii) notifying the county board of equalization that the property owner no longer
141 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
142 owner's primary residence; and

143 (b) declare on the property owner's individual income tax return under Chapter 10,
144 Individual Income Tax Act, for the taxable year for which the property owner no longer
145 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
146 owner's primary residence, that the property owner no longer qualifies to receive a residential
147 exemption authorized under Section 59-2-103 for the property owner's primary residence.

148 ~~[(5)]~~ (7) A property owner is not required to file a written statement or make the
149 declaration described in Subsection ~~[(4)]~~ (6) if the property owner:

- 150 (a) changes primary residences;
- 151 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for
- 152 the residence that was the property owner's former primary residence; and
- 153 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for
- 154 the residence that is the property owner's current primary residence.

155 ~~[(6)]~~ (8) Subsections (2) through ~~[(5)]~~ (7) do not apply to qualifying exempt primary

156 residential rental personal property.

157 ~~[(7)]~~ (9) (a) Subject to Subsection ~~[(8)]~~ (10), for the first calendar year in which a

158 property owner qualifies to receive a residential exemption under Section 59-2-103, a county

159 assessor may require the property owner to file a signed statement described in Section

160 59-2-306.

161 (b) Subject to Subsection ~~[(8)]~~ (10) and notwithstanding Section 59-2-306, for a

162 calendar year after the calendar year described in Subsection ~~[(7)(a)]~~ (9)(a) in which a property

163 owner qualifies for an exemption ~~[described in Subsection 59-2-1115(2)]~~ authorized under

164 Section 59-2-1115 for qualifying exempt primary residential rental personal property, a signed

165 statement described in Section 59-2-306 with respect to the qualifying exempt primary

166 residential rental personal property may only require the property owner to certify, under

167 penalty of perjury, that the property owner qualifies for the exemption ~~[under Subsection~~

168 59-2-1115(2)] authorized under Section 59-2-1115.

169 ~~[(8)]~~ (10) (a) After an ownership interest in residential property changes, the county

170 assessor shall:

171 (i) notify the owner of the residential property that the owner is required to submit a

172 written declaration described in Subsection ~~[(8)(d)]~~ (10)(d) within 90 days after the day on

173 which the county assessor mails the notice under this Subsection ~~[(8)(a)]~~ (10)(a); and

174 (ii) provide the owner of the residential property with the form described in Subsection

175 ~~[(8)(e)]~~ (10)(e) to make the written declaration described in Subsection ~~[(8)(d)]~~ (10)(d).

176 (b) A county assessor is not required to provide a notice to an owner of residential

177 property under Subsection ~~[(8)(a)]~~ (10)(a) if the situs address of the residential property is the

178 same as any one of the following:

179 (i) the mailing address of the residential property owner or the tenant of the residential

180 property;

181 (ii) the address listed on the:
 182 (A) residential property owner's driver license; or
 183 (B) tenant of the residential property's driver license; or
 184 (iii) the address listed on the:
 185 (A) residential property owner's voter registration; or
 186 (B) tenant of the residential property's voter registration.
 187 (c) A county assessor is not required to provide a notice to an owner of residential
 188 property under Subsection ~~[(8)(a)]~~ (10)(a) if:

189 (i) the owner is using a post office box or rural route box located in the county where
 190 the residential property is located; and
 191 (ii) the residential property is located in a county of the fourth, fifth, or sixth class.
 192 (d) An owner of residential property that receives a notice described in Subsection
 193 ~~[(8)(a)]~~ (10)(a) shall submit a written declaration to the county assessor under penalty of
 194 perjury certifying the information contained in the form ~~[provided]~~ described in Subsection
 195 ~~[(8)(e)]~~ (10)(e).

196 (e) The written declaration required by Subsection ~~[(8)(d)]~~ (10)(d) shall be:

197 (i) signed by the owner of the residential property; and
 198 (ii) in substantially the following form:

199 "Residential Property Declaration

200 This form must be submitted to the County Assessor's office where your new residential
 201 property is located within 90 days of receipt. Failure to do so will result in the county assessor
 202 taking action that could result in the withdrawal of the primary residential exemption from your
 203 residential property.

204 Residential Property Owner Information

205 Name(s): _____
 206 Home Phone: _____
 207 Work Phone: _____
 208 Mailing Address: _____

209 Residential Property Information

210 Physical Address: _____

211 Certification

212 1. Is this property used as a primary residential property or part-year residential
213 property for you or another person?

214 "Part-year residential property" means owned property that is not residential property on
215 January 1 of a calendar year but becomes residential property after January 1 of the calendar
216 year.

217 Yes No

218 2. Will this primary residential property or part-year residential property be occupied
219 for 183 or more consecutive calendar days by the owner or another person?

220 A part-year residential property occupied for 183 or more consecutive calendar days in
221 a calendar year by the owner(s) or a tenant is eligible for the exemption.

222 Yes No

223 If a property owner or a property owner's spouse claims a residential exemption under
224 Utah Code Ann. §59-2-103 for property in this state that is the primary residence of the
225 property owner or the property owner's spouse, that claim of a residential exemption creates a
226 rebuttable presumption that the property owner and the property owner's spouse have domicile
227 in Utah for income tax purposes. The rebuttable presumption of domicile does not apply if the
228 residential property is the primary residence of a tenant of the property owner or the property
229 owner's spouse.

230 Signature

231 Under penalties of perjury, I declare to the best of my knowledge and belief, this
232 declaration and accompanying pages are true, correct, and complete.

233 _____(Owner signature) _____Date (mm/dd/yyyy)

234 _____(Owner printed name)

235 (f) For purposes of a written declaration described in this Subsection [~~(8)~~] (10), a
236 county may not request information from a property owner beyond the information described in
237 the form provided in Subsection [~~(8)(e)~~] (10)(e).

238 (g) (i) If, after receiving a written declaration filed under Subsection [~~(8)(d)~~] (10)(d),
239 the county determines that the property has been incorrectly qualified or disqualified to receive
240 a residential exemption, the county shall:

241 (A) redetermine the property's qualification to receive a residential exemption; and

242 (B) notify the claimant of the redetermination and the county's reason for the

243 redetermination.

244 (ii) The redetermination provided in Subsection [~~(8)(g)(i)(A)~~] (10)(g)(i)(A) is final
245 unless:

246 (A) except as provided in Subsection [~~(8)(g)(iii)~~] (10)(g)(iii), the property owner
247 appeals the redetermination to the board of equalization in accordance with Subsection
248 59-2-1004(2); or

249 (B) the county determines that the property is eligible to receive a primary residential
250 exemption as part-year residential property.

251 (iii) The board of equalization may not accept an appeal that is filed after the later of:

252 (A) September 15 of the current calendar year; or

253 (B) the last day of the 45-day period beginning on the day on which the county auditor
254 provides the notice under Section 59-2-919.1.

255 (h) (i) If a residential property owner fails to file a written declaration required by
256 Subsection [~~(8)(d)~~] (10)(d), the county assessor shall mail to the owner of the residential
257 property a notice that:

258 (A) the property owner failed to file a written declaration as required by Subsection
259 [~~(8)(d)~~] (10)(d); and

260 (B) the property owner will no longer qualify to receive the residential exemption
261 authorized under Section 59-2-103 for the property that is the subject of the written declaration
262 if the property owner does not file the written declaration required by Subsection [~~(8)(d)~~]
263 (10)(d) within 30 days after the day on which the county assessor mails the notice under this
264 Subsection [~~(8)(h)(i)~~] (10)(h)(i).

265 (ii) If a property owner fails to file a written declaration required by Subsection [~~(8)(d)~~]
266 (10)(d) after receiving the notice described in Subsection [~~(8)(h)(i)~~] (10)(h)(i), the property
267 owner no longer qualifies to receive the residential exemption authorized under Section
268 59-2-103 in the calendar year for the property that is the subject of the written declaration
269 unless:

270 (A) except as provided in Subsection [~~(8)(h)(iii)~~] (10)(h)(iii), the property owner
271 appeals the redetermination to the board of equalization in accordance with Subsection
272 59-2-1004(2); or

273 (B) the county determines that the property is eligible to receive a primary residential

274 exemption as part-year residential property.

275 (iii) The board of equalization may not accept an appeal that is filed after the later of:

276 (A) September 15 of the current calendar year; or

277 (B) the last day of the 45-day period beginning on the day on which the county auditor

278 provides the notice under Section [59-2-919.1](#).

279 (iv) A property owner that is disqualified to receive the residential exemption under

280 Subsection [~~(8)(h)(ii)~~] (10)(h)(ii) may file an application described in Subsection (1) to

281 determine whether the owner is eligible to receive the residential exemption.

282 (i) The requirements of this Subsection [~~(8)~~] (10) do not apply to a county assessor in a

283 county that has, for the five calendar years prior to 2019, had in place and enforced an

284 ordinance described in Subsection (1).

285 Section 3. **Effective date.**

286 This bill takes effect on May 1, 2024.