

Senator Keith Grover proposes the following substitute bill:

**PROPERTY TAX ADMINISTRATION AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Keith Grover**

House Sponsor: Kay J. Christofferson

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**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



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) (A) In addition to the declaration, a county assessor may request from an owner  
129 a current lease agreement signed by the tenant.  
130           (B) If the lease agreement is insufficient for a county assessor to make a determination  
131 about eligibility for a residential exemption, a county assessor may request a copy of the real  
132 estate insurance policy for the property.  
133           (C) If the real estate insurance policy is insufficient for a county assessor to make a  
134 determination about eligibility for a residential exemption, a county assessor may request a  
135 copy of a filing from the most recent federal tax return showing that the owner had profit or  
136 loss from the residential property as a rental.  
137           (ii) A county assessor may not request information from an owner's tenant.  
138           ~~[(4)]~~ (6) Except as provided in Subsection ~~[(5)]~~ (7), if a property owner no longer  
139 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property  
140 owner's primary residence, the property owner shall:  
141           (a) file a written statement with the county board of equalization of the county in which  
142 the property is located:  
143           (i) on a form provided by the county board of equalization; and  
144           (ii) notifying the county board of equalization that 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; and  
147           (b) declare on the property owner's individual income tax return under Chapter 10,  
148 Individual Income Tax Act, for the taxable year for which the property owner no longer  
149 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property

150 owner's primary residence, that the property owner no longer qualifies to receive a residential  
151 exemption authorized under Section 59-2-103 for the property owner's primary residence.

152 ~~[(5)]~~ (7) A property owner is not required to file a written statement or make the  
153 declaration described in Subsection ~~[(4)]~~ (6) if the property owner:

154 (a) changes primary residences;

155 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for  
156 the residence that was the property owner's former primary residence; and

157 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for  
158 the residence that is the property owner's current primary residence.

159 ~~[(6)]~~ (8) Subsections (2) through ~~[(5)]~~ (7) do not apply to qualifying exempt primary  
160 residential rental personal property.

161 ~~[(7)]~~ (9) (a) Subject to Subsection ~~[(8)]~~ (10), for the first calendar year in which a  
162 property owner qualifies to receive a residential exemption under Section 59-2-103, a county  
163 assessor may require the property owner to file a signed statement described in Section  
164 59-2-306.

165 (b) Subject to Subsection ~~[(8)]~~ (10) and notwithstanding Section 59-2-306, for a  
166 calendar year after the calendar year described in Subsection ~~[(7)(a)]~~ (9)(a) in which a property  
167 owner qualifies for an exemption ~~[described in Subsection 59-2-1115(2)]~~ authorized under  
168 Section 59-2-1115 for qualifying exempt primary residential rental personal property, a signed  
169 statement described in Section 59-2-306 with respect to the qualifying exempt primary  
170 residential rental personal property may only require the property owner to certify, under  
171 penalty of perjury, that the property owner qualifies for the exemption ~~[under Subsection~~  
172 ~~59-2-1115(2)]~~ authorized under Section 59-2-1115.

173 ~~[(8)]~~ (10) (a) After an ownership interest in residential property changes, the county  
174 assessor shall:

175 (i) notify the owner of the residential property that the owner is required to submit a  
176 written declaration described in Subsection ~~[(8)(d)]~~ (10)(d) within 90 days after the day on  
177 which the county assessor mails the notice under this Subsection ~~[(8)(a)]~~ (10)(a); and

178 (ii) provide the owner of the residential property with the form described in Subsection  
179 ~~[(8)(e)]~~ (10)(e) to make the written declaration described in Subsection ~~[(8)(d)]~~ (10)(d).

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

181 property under Subsection ~~[(8)(a)]~~ (10)(a) if the situs address of the residential property is the  
182 same as any one of the following:

183 (i) the mailing address of the residential property owner or the tenant of the residential  
184 property;

185 (ii) the address listed on the:

186 (A) residential property owner's driver license; or

187 (B) tenant of the residential property's driver license; or

188 (iii) the address listed on the:

189 (A) residential property owner's voter registration; or

190 (B) tenant of the residential property's voter registration.

191 (c) A county assessor is not required to provide a notice to an owner of residential  
192 property under Subsection ~~[(8)(a)]~~ (10)(a) if:

193 (i) the owner is using a post office box or rural route box located in the county where  
194 the residential property is located; and

195 (ii) the residential property is located in a county of the fourth, fifth, or sixth class.

196 (d) An owner of residential property that receives a notice described in Subsection  
197 ~~[(8)(a)]~~ (10)(a) shall submit a written declaration to the county assessor under penalty of  
198 perjury certifying the information contained in the form ~~[provided]~~ described in Subsection  
199 ~~[(8)(c)]~~ (10)(e).

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

201 (i) signed by the owner of the residential property; and

202 (ii) in substantially the following form:

203 "Residential Property Declaration

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

208 Residential Property Owner Information

209 Name(s): \_\_\_\_\_

210 Home Phone: \_\_\_\_\_

211 Work Phone: \_\_\_\_\_

212 Mailing Address: \_\_\_\_\_

213 Residential Property Information

214 Physical Address: \_\_\_\_\_

215 Certification

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

218 "Part-year residential property" means owned property that is not residential property on  
219 January 1 of a calendar year but becomes residential property after January 1 of the calendar  
220 year.

221 Yes No

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

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

226 Yes No

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

234 Signature

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

237 \_\_\_\_\_(Owner signature) \_\_\_\_\_Date (mm/dd/yyyy)

238 \_\_\_\_\_(Owner printed name)

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

242 (g) (i) If, after receiving a written declaration filed under Subsection [(8)(d)] (10)(d),



243 the county determines that the property has been incorrectly qualified or disqualified to receive  
244 a residential exemption, the county shall:

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

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

247 redetermination.

248 (ii) The redetermination provided in Subsection [~~(8)(g)(i)(A)~~] (10)(g)(i)(A) is final

249 unless:

250 (A) except as provided in Subsection [~~(8)(g)(iii)~~] (10)(g)(iii), the property owner

251 appeals the redetermination to the board of equalization in accordance with Subsection

252 [59-2-1004\(2\)](#); or

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

254 exemption as part-year residential property.

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

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

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

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

259 (h) (i) If a residential property owner fails to file a written declaration required by

260 Subsection [~~(8)(d)~~] (10)(d), the county assessor shall mail to the owner of the residential

261 property a notice that:

262 (A) the property owner failed to file a written declaration as required by Subsection

263 [~~(8)(d)~~] (10)(d); and

264 (B) the property owner will no longer qualify to receive the residential exemption

265 authorized under Section [59-2-103](#) for the property that is the subject of the written declaration

266 if the property owner does not file the written declaration required by Subsection [~~(8)(d)~~]

267 (10)(d) within 30 days after the day on which the county assessor mails the notice under this

268 Subsection [~~(8)(h)(i)~~] (10)(h)(i).

269 (ii) If a property owner fails to file a written declaration required by Subsection [~~(8)(d)~~]

270 (10)(d) after receiving the notice described in Subsection [~~(8)(h)(i)~~] (10)(h)(i), the property

271 owner no longer qualifies to receive the residential exemption authorized under Section

272 [59-2-103](#) in the calendar year for the property that is the subject of the written declaration

273 unless:

274 (A) except as provided in Subsection [~~(8)(h)(iii)~~] (10)(h)(iii), the property owner  
275 appeals the redetermination to the board of equalization in accordance with Subsection  
276 59-2-1004(2); or

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

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

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

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

283 (iv) A property owner that is disqualified to receive the residential exemption under  
284 Subsection [~~(8)(h)(ii)~~] (10)(h)(ii) may file an application described in Subsection (1) to  
285 determine whether the owner is eligible to receive the residential exemption.

286 (i) The requirements of this Subsection [~~(8)~~] (10) do not apply to a county assessor in a  
287 county that has, for the five calendar years prior to 2019, had in place and enforced an  
288 ordinance described in Subsection (1).

289 Section 3. **Effective date.**

290 This bill takes effect on May 1, 2024.