

Property Tax Act Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill modifies provisions in the Property Tax Act.

Highlighted Provisions:

This bill:

- establishes an application deadline for the residential property tax exemption;
- modifies the contents of the residential property declaration signed by an owner of residential property;
- clarifies the circumstances under which land that is less than five acres in area may qualify for agricultural property tax assessment;
- clarifies a taxpayer's ability to appeal decisions related to tax deferral and tax abatement to the State Tax Commission;
- requires the State Tax Commission to report to the Legislature if certain rules are promulgated; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-103.5 (Effective 05/07/25) (Retrospective 01/01/25), as last amended by Laws of Utah 2024, Chapter 253

59-2-503 (Effective 05/07/25) (Retrospective 01/01/25), as last amended by Laws of Utah 2024, Chapter 89

28 **59-2-507 (Effective 05/07/25) (Retrospective 01/01/25)**, as last amended by Laws of
29 Utah 2015, Chapter 129

30 **59-2-924 (Effective 05/07/25) (Retrospective 01/01/25)**, as last amended by Laws of
31 Utah 2024, Chapter 258

32 **59-2-1006 (Effective 05/07/25) (Retrospective 01/01/25)**, as last amended by Laws
33 of Utah 2020, Chapter 86

34
35 *Be it enacted by the Legislature of the state of Utah:*

36 Section 1. Section **59-2-103.5** is amended to read:

37 **59-2-103.5 (Effective 05/07/25) (Retrospective 01/01/25). Procedures to**
38 **obtain an exemption for residential property -- Procedure if property owner or property**
39 **no longer qualifies to receive a residential exemption.**

40 (1) Subject to Subsections (4), (5), [~~and (10)~~] (6), and (11), for residential property other
41 than part-year residential property, a county legislative body may adopt an ordinance
42 that requires an owner to file an application with the county board of equalization before
43 the county applies a residential exemption authorized under Section 59-2-103 to the
44 value of the residential property if:

45 (a) the residential property was ineligible for the residential exemption during the
46 calendar year immediately preceding the calendar year for which the owner is
47 seeking to have the residential exemption applied to the value of the residential
48 property;

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

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

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

53 (i) shall be on a form the commission provides by rule and makes available to the
54 counties;

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

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

57 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
58 commission may make rules providing the contents of the form described in
59 Subsection (2)(a).

60 (c) For purposes of the application described in Subsection (1), a county may not request
61 information from an owner of a residential property beyond the information in the

form provided by the commission under this Subsection (2).

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

(i) subject to Subsection (6), file the application described in Subsection (2)(a) with the county board of equalization; and

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

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

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

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

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

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

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

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

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

(5)(a) Before a county allows residential property described in Subsection 59-2-103(6)(b) a residential exemption authorized under Section 59-2-103, an owner of the residential property shall file with the county assessor a written declaration that:

(i) states under penalty of perjury that, to the best of each owner's knowledge, the

- 96 residential property will be used for residential purposes as a primary residence of
97 a tenant;
- 98 (ii) is signed by each owner of the residential property; and
99 (iii) is on a form approved by the commission.
- 100 (b)(i)(A) In addition to the declaration, a county assessor may request from an
101 owner a current lease agreement signed by the tenant.
- 102 (B) If the lease agreement is insufficient for a county assessor to make a
103 determination about eligibility for a residential exemption, a county assessor
104 may request a copy of the real estate insurance policy for the property.
- 105 (C) If the real estate insurance policy is insufficient for a county assessor to make
106 a determination about eligibility for a residential exemption, a county assessor
107 may request a copy of a filing from the most recent federal tax return showing
108 that the owner had profit or loss from the residential property as a rental.
- 109 (ii) A county assessor may not request information from an owner's tenant.
- 110 (6)(a) Except as provided in Subsection (6)(b), the county board of equalization may not
111 accept from a property owner an application to receive a residential exemption
112 authorized under Section 59-2-103 for the property owner's primary residence that is
113 filed after the later of:
- 114 (i) September 15 of the calendar year for which the property owner seeks to receive
115 the residential exemption; or
- 116 (ii) the last day of a 45-day period beginning on the day on which the county auditor
117 provides the notice under Section 59-2-919.1.
- 118 (b)(i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
119 the commission may make rules providing for circumstances under which the
120 county board of equalization is required to accept a property owner's application
121 for a residential exemption authorized under Section 59-2-103 that is filed after
122 the time period described in Subsection (6)(a).
- 123 (ii) The commission shall report to the Revenue and Taxation Interim Committee on
124 any rules promulgated under this Subsection (6)(b).
- 125 [(6)] (7) Except as provided in Subsection [(7)] (8), if a property owner no longer qualifies to
126 receive a residential exemption authorized under Section 59-2-103 for the property
127 owner's primary residence, the property owner shall:
- 128 (a) file a written statement with the county board of equalization of the county in which
129 the property is located:

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

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

~~[(7)]~~ (8) A property owner is not required to file a written statement or make the declaration described in Subsection ~~[(6)]~~ (7) if the property owner:

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

~~[(8)]~~ (9) Subsections (2) through ~~[(7)]~~ (8) do not apply to qualifying exempt primary residential rental personal property.

~~[(9)]~~ (10)(a) Subject to Subsection ~~[(10)]~~ (11), for the first calendar year in which a property owner qualifies to receive a residential exemption under Section 59-2-103, a county assessor may require the property owner to file a signed statement described in Section 59-2-306.

- (b) Subject to Subsection ~~[(10)]~~ (11) and notwithstanding Section 59-2-306, for a calendar year after the calendar year described in Subsection ~~[(9)(a)]~~ (10)(a) in which a property owner qualifies for an exemption authorized under Section 59-2-1115 for qualifying exempt primary residential rental personal property, a signed statement described in Section 59-2-306 with respect to the qualifying exempt primary residential rental personal property may only require the property owner to certify, under penalty of perjury, that the property owner qualifies for the exemption authorized under Section 59-2-1115.

~~[(10)]~~ (11)(a) After an ownership interest in residential property changes, the county assessor shall:

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

- 164 written declaration described in Subsection [~~(10)(d)~~] (11)(d) within 90 days after
165 the day on which the county assessor mails the notice under this Subsection [
166 ~~(10)(a)~~] (11)(a); and
- 167 (ii) provide the owner of the residential property with the form described in
168 Subsection [~~(10)(e)~~] (11)(e) to make the written declaration described in
169 Subsection [~~(10)(d)~~] (11)(d).
- 170 (b) A county assessor is not required to provide a notice to an owner of residential
171 property under Subsection [~~(10)(a)~~] (11)(a) if the situs address of the residential
172 property is the same as any one of the following:
- 173 (i) the mailing address of the residential property owner or the tenant of the
174 residential property;
- 175 (ii) the address listed on the:
- 176 (A) residential property owner's driver license; or
177 (B) tenant of the residential property's driver license; or
- 178 (iii) the address listed on the:
- 179 (A) residential property owner's voter registration; or
180 (B) tenant of the residential property's voter registration.
- 181 (c) A county assessor is not required to provide a notice to an owner of residential
182 property under Subsection [~~(10)(a)~~] (11)(a) if:
- 183 (i) the owner is using a post office box or rural route box located in the county where
184 the residential property is located; and
- 185 (ii) the residential property is located in a county of the fourth, fifth, or sixth class.
- 186 (d) An owner of residential property that receives a notice described in Subsection [
187 ~~(10)(a)~~] (11)(a) shall submit a written declaration to the county assessor under penalty
188 of perjury certifying the information contained in the form described in Subsection [
189 ~~(10)(e)~~] (11)(e).
- 190 (e) The written declaration required by Subsection [~~(10)(d)~~] (11)(d) shall be:
- 191 (i) signed by the owner of the residential property; and
- 192 (ii) in substantially the following form:
- 193 "Residential Property Declaration
- 194 This form must be submitted to the County Assessor's office where your new residential
195 property is located within 90 days of receipt. Failure to do so will result in the county assessor
196 taking action that could result in the withdrawal of the primary residential exemption from
197 your residential property.

Residential Property Owner Information

Name(s): _____

Home Phone: _____

Work Phone: _____

Mailing Address: _____

Residential Property Information

Physical Address: _____

Certification

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

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

Yes No

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

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

Yes No

If a property owner or a property owner's spouse claims a residential exemption under Utah Code Ann. §59-2-103 for property in this state that is the primary residence of the property owner or the property owner's spouse, that claim of a residential exemption ~~[creates a rebuttable presumption that]~~ shall be considered in determining whether the property owner and the property owner's spouse have domicile in Utah for income tax purposes. ~~[The rebuttable presumption of domicile does not apply if the residential property is the primary residence of a tenant of the property owner or the property owner's spouse.]~~

Signature

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

_____ (Owner signature) _____ Date (mm/dd/yyyy)

_____ (Owner printed name)

(f) For purposes of a written declaration described in this Subsection ~~[(10)]~~ (11), a county may not request information from a property owner beyond the information described in the form provided in Subsection ~~[(10)(e)]~~ (11)(e).

(g) (i) If, after receiving a written declaration filed under Subsection ~~[(10)(d)]~~ (11)(d), the county determines that the property has been incorrectly qualified or disqualified to receive a residential exemption, the county shall:

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

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

(ii) The redetermination provided in Subsection ~~[(10)(g)(i)(A)]~~ (11)(g)(i)(A) is final unless:

(A) except as provided in Subsection ~~[(10)(g)(iii)]~~ (11)(g)(iii), the property owner appeals the redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or

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

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

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

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

(h) (i) If a residential property owner fails to file a written declaration required by Subsection ~~[(10)(d)]~~ (11)(d), the county assessor shall mail to the owner of the residential property a notice that:

(A) the property owner failed to file a written declaration as required by Subsection ~~[(10)(d)]~~ (11)(d); and

(B) the property owner will no longer qualify to receive the residential exemption authorized under Section 59-2-103 for the property that is the subject of the written declaration if the property owner does not file the written declaration required by Subsection ~~[(10)(d)]~~ (11)(d) within 30 days after the day on which the county assessor mails the notice under this Subsection ~~[(10)(h)(i)]~~ (11)(h)(i).

(ii) If a property owner fails to file a written declaration required by Subsection ~~[(10)(d)]~~ (11)(d) after receiving the notice described in Subsection ~~[(10)(h)(i)]~~ (11)(h)(i), the property owner no longer qualifies to receive the residential exemption authorized under Section 59-2-103 in the calendar year for the property that is the subject of the written declaration unless:

(A) except as provided in Subsection ~~[(10)(h)(iii)]~~ (11)(h)(iii), the property owner appeals the redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or

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

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

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

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

(iv) A property owner that is disqualified to receive the residential exemption under Subsection ~~[(10)(h)(ii)]~~ (11)(h)(ii) may file an application described in Subsection (1) to determine whether the owner is eligible to receive the residential exemption.

(i) The requirements of this Subsection ~~[(10)]~~ (11) do not apply to a county assessor in a county that ~~[has, for the five calendar years prior to 2019, had in place and enforced]~~ adopts and enforces an ordinance described in Subsection (1).

Section 2. Section **59-2-503** is amended to read:

59-2-503 (Effective 05/07/25) (Retrospective 01/01/25). Qualifications for agricultural use assessment.

(1) ~~[For]~~ Subject to Subsections (2) through (10), for general property tax purposes, land may be assessed on the basis of the value that the land has for agricultural use if the land:

(a) is not less than five contiguous acres in area~~[- except that land may be assessed on the basis of the value that the land has for agricultural use:]~~ ;

~~[(i) if:]~~

~~[(A) the land is devoted to agricultural use in conjunction with other eligible acreage; and]~~

~~[(B) the land and the other eligible acreage described in Subsection (1)(a)(i)(A) have identical legal ownership; or]~~

~~[(ii) as provided under Subsections (4) and (5); and]~~

~~[(b) except as provided in Subsection (6) or (7):]~~

~~[(i)]~~ (b) is actively devoted to agricultural use; and

~~[(ii)]~~ (c) has been actively devoted to agricultural use for at least two successive years immediately preceding the tax year for which the land is being assessed under this part.

(2) In determining whether land is actively devoted to agricultural use, production per acre for a given county or area and a given type of land shall be determined by using the first applicable of the following:

(a) production levels reported in the current publication of the Utah Agricultural

Statistics;

(b) current crop budgets developed and published by Utah State University; and

(c) other acceptable standards of agricultural production designated by the commission by rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(3)(a) Notwithstanding Subsection (1)(a) and except as provided in Subsection (3)(b),

land that is less than five contiguous acres in area may be assessed on the basis of the value that the land has for agricultural use if:

(i) the land is devoted to agricultural use in conjunction with other eligible acreage; and

(ii) the land and the other eligible acreage described in Subsection (3)(a)(i) have identical legal ownership.

(b)(i) Land on which a residence is located may not be assessed on the basis of the value that the land has for agricultural use under Subsection (3)(a) unless the land significantly contributes to overall agricultural operations.

(ii) Land devoted to agricultural use in conjunction with land on which a residence is located is excluded from any determination under Subsection (3)(b)(i) as to whether the land on which a residence is located significantly contributes to overall agricultural operations.

(iii)(A) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules prescribing the circumstances under which land on which a residence is located significantly contributes to overall agricultural operations under Subsection (3)(b)(i).

(B) The commission shall report to the Revenue and Taxation Interim Committee on any rules promulgated under this Subsection (3)(b)(iii).

~~[(3)]~~ (4) Land may be assessed on the basis of the land's agricultural value if the land:

(a) is subject to the privilege tax imposed by Section 59-4-101;

(b) is owned by the state or any of the state's political subdivisions; and

(c) meets the requirements of Subsection (1).

~~[(4)]~~ (5) Notwithstanding Subsection (1)(a), the commission or a county board of equalization may grant a waiver of the acreage limitation for land upon:

(a) appeal by the owner; and

(b) submission of proof that 80% or more of the owner's, purchaser's, or lessee's income is derived from agricultural products produced on the property in question.

334 ~~[(5)]~~ (6) Notwithstanding Subsection (1)(a), the commission or a county board of
335 equalization shall grant a waiver of the acreage limitation for land upon:

336 (a) appeal by the owner; and

337 (b) submission of proof that:

338 (i) the failure to meet the acreage requirement arose solely as a result of an
339 acquisition by a public utility or a governmental entity by:

340 (A) eminent domain; or

341 (B) the threat or imminence of an eminent domain proceeding; and

342 (ii) the land is actively devoted to agricultural use.

343 ~~[(6)]~~ (7)(a) The commission or a county board of equalization may grant a waiver of the
344 requirement that the land is actively devoted to agricultural use for the tax year for
345 which the land is being assessed under this part upon:

346 (i) appeal by the owner; and

347 (ii) submission of proof that:

348 (A) the land was assessed on the basis of agricultural use for at least two years
349 immediately preceding that tax year; and

350 (B) the failure to meet the agricultural production requirements for that tax year
351 was due to no fault or act of the owner, purchaser, or lessee.

352 (b) As used in Subsection ~~[(6)(a)]~~ (7)(a), "fault" does not include:

353 (i) intentional planting of crops or trees which, because of the maturation period, do
354 not give the owner, purchaser, or lessee a reasonable opportunity to satisfy the
355 production levels required for land actively devoted to agricultural use; or

356 (ii) implementation of a bona fide range improvement program, crop rotation
357 program, or other similar accepted cultural practices which do not give the owner,
358 purchaser, or lessee a reasonable opportunity to satisfy the production levels
359 required for land actively devoted to agricultural use.

360 ~~[(7)]~~ (8) Land that otherwise qualifies for assessment under this part qualifies for assessment
361 under this part in the first year the land resumes being actively devoted to agricultural
362 use if:

363 (a) the land becomes ineligible for assessment under this part only as a result of a split
364 estate mineral rights owner exercising the right to extract a mineral; and

365 (b) the land qualified for assessment under this part in the year immediately preceding
366 the year the land became ineligible for assessment under this part only as a result of a
367 split estate mineral rights owner exercising the right to extract a mineral.

368 ~~[(8)]~~ (9) Land that otherwise qualifies under Subsection (1) to be assessed on the basis of the
369 value that the land has for agricultural use does not lose that qualification by becoming
370 subject to a forest stewardship plan developed under Section 65A-8a-106 under which
371 the land is subject to a temporary period of limited use or nonuse.

372 ~~[(9)]~~ (10)(a) Notwithstanding Subsection (1) and except as provided in Subsection ~~[(9)(d)]~~
373 (10)(d), land in agricultural use that is intentionally allowed to lay fallow for one or
374 more growing seasons qualifies for assessment under this part if the fallowing is
375 conducted:

- 376 (i) during periods of limited water supply;
- 377 (ii) as part of a prudent farm management practice, including crop rotation, rotational
378 grazing, or soil water management; or
- 379 (iii) to facilitate voluntary participation in a water management or agricultural water
380 optimization program.

381 (b) If the owner of land assessed under this part fallows the land during any period in a
382 calendar year, the owner may, on or before December 31 of the year in which the
383 land is fallowed, provide to the county assessor written notice that:

- 384 (i) identifies the land that was fallowed during any period of the year in which the
385 notice is provided, including the acreage of the fallowed land;
- 386 (ii) demonstrates how the land qualifies under Subsection ~~[(9)(a)]~~ (10)(a); and
- 387 (iii) specifies whether the owner intends to fallow the land during any period in the
388 following calendar year, and, if so, the intended duration of the fallowing period.

389 (c)(i) If the written notice under Subsection ~~[(9)(b)]~~ (10)(b) indicates that the owner
390 intends to fallow the land during any period in the following calendar year, the
391 county assessor may, within 45 days of receiving the written notice, require the
392 owner to submit to the county assessor a land management plan in a form
393 prescribed by the county assessor that:

- 394 (A) identifies the owner's objectives in fallowing the land for the intended
395 duration of the fallowing period;
- 396 (B) provides adequate assurances to the county assessor that the fallowed land will
397 become actively devoted to agricultural use upon the expiration of the intended
398 fallowing period; and
- 399 (C) includes any other information required by the county assessor.

400 (ii) If the owner submits to the county assessor a land management plan for fallowed
401 land that meets the requirements of Subsection ~~[(9)(e)(i)]~~ (10)(c)(i), the county

assessor may not require the owner to submit a new or additional land management plan for the same land within three years from the day on which the owner submitted the plan.

(d) Fallowed land is withdrawn from this part if:

(i) the county assessor determines that the land does not qualify under Subsection [~~(9)(a)~~] (10)(a);

(ii) the owner fails to return the fallowed land to active agricultural use upon the expiration of the intended fallowing period as specified in the written notice; or

(iii) the owner fails to comply with the requirements of Subsection [~~(9)(e)~~] (10)(c), if a land management plan is required.

Section 3. Section **59-2-507** is amended to read:

59-2-507 (Effective 05/07/25) (Retrospective 01/01/25). Land included as agricultural -- Site of residence excluded -- Taxation of structures and site of residence.

(1)(a) Land under barns, sheds, silos, cribs, greenhouses and like structures, lakes, dams, ponds, streams, and irrigation ditches and like facilities is included in determining the total area of land actively devoted to agricultural use.

(b) Land that is under a [~~farmhouse~~] residence and land used in connection with a [~~farmhouse~~] residence is excluded from the determination described in Subsection (1)(a).

(2) The following shall be valued, assessed, and taxed using the same standards, methods, and procedures that apply to other taxable structures and other land in the county:

(a) a structure, except as provided in Subsection (3), that is located on land in agricultural use;

(b) a [~~farmhouse~~] residence and the land on which the [~~farmhouse~~] residence is located; and

(c) land used in connection with a [~~farmhouse~~] residence.

(3) A high tunnel, as defined in Section 10-9a-525, is exempt from assessment for taxation purposes.

Section 4. Section **59-2-924** is amended to read:

59-2-924 (Effective 05/07/25) (Retrospective 01/01/25). Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.

(1) As used in this section:

- 436 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
437 this chapter.
- 438 (ii) "Ad valorem property tax revenue" does not include:
- 439 (A) interest;
- 440 (B) penalties;
- 441 (C) collections from redemptions; or
- 442 (D) revenue received by a taxing entity from personal property that is
443 semiconductor manufacturing equipment assessed by a county assessor in
444 accordance with Part 3, County Assessment.
- 445 (b) "Adjusted tax increment" means the same as that term is defined in Section
446 17C-1-102.
- 447 (c)(i) "Aggregate taxable value of all property taxed" means:
- 448 (A) the aggregate taxable value of all real property a county assessor assesses in
449 accordance with Part 3, County Assessment, for the current year;
- 450 (B) the aggregate taxable value of all real and personal property the commission
451 assesses in accordance with Part 2, Assessment of Property, for the current
452 year; and
- 453 (C) the aggregate year end taxable value of all personal property a county assessor
454 assesses in accordance with Part 3, County Assessment, contained on the prior
455 year's tax rolls of the taxing entity.
- 456 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
457 year end taxable value of personal property that is:
- 458 (A) semiconductor manufacturing equipment assessed by a county assessor in
459 accordance with Part 3, County Assessment; and
- 460 (B) contained on the prior year's tax rolls of the taxing entity.
- 461 (d) "Base taxable value" means:
- 462 (i) for an authority created under Section 11-58-201, the same as that term is defined
463 in Section 11-58-102;
- 464 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
465 the same as that term is defined in Section 11-59-207;
- 466 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
467 11-70-201, the same as that term is defined in Section 11-70-101;
- 468 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
469 defined in Section 17C-1-102;

- 470 (v) for an authority created under Section 63H-1-201, the same as that term is defined
471 in Section 63H-1-102;
- 472 (vi) for a host local government, the same as that term is defined in Section
473 63N-2-502;
- 474 (vii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
475 Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as
476 shown upon the assessment roll last equalized during the base year, as that term is
477 defined in Section 63N-3-602;
- 478 (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
479 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
480 27a, Part 12, Home Ownership Promotion Zone for Counties, a property's taxable
481 value as shown upon the assessment roll last equalized during the base year, as
482 that term is defined in Section 10-9a-1001 or Section 17-27a-1201; or
- 483 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
484 First Home Investment Zone Act, a property's taxable value as shown upon the
485 assessment roll last equalized during the base year, as that term is defined in
486 Section 63N-3-1601.
- 487 (e) "Centrally assessed benchmark value" means an amount equal to the average year
488 end taxable value of real and personal property the commission assesses in
489 accordance with Part 2, Assessment of Property, for the previous three calendar
490 years, adjusted for taxable value attributable to:
- 491 (i) an annexation to a taxing entity;
- 492 (ii) an incorrect allocation of taxable value of real or personal property the
493 commission assesses in accordance with Part 2, Assessment of Property; or
- 494 (iii) a change in value as a result of a change in the method of apportioning the value
495 prescribed by the Legislature, a court, or the commission in an administrative rule
496 or administrative order.
- 497 (f)(i) "Centrally assessed new growth" means the greater of:
- 498 (A) zero; or
- 499 (B) the amount calculated by subtracting the centrally assessed benchmark value
500 adjusted for prior year end incremental value from the taxable value of real and
501 personal property the commission assesses in accordance with Part 2,
502 Assessment of Property, for the current year, adjusted for current year
503 incremental value.

- (ii) "Centrally assessed new growth" does not include a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.
- (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- (h) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- (i) "Eligible new growth" means the greater of:
- (i) zero; or
 - (ii) the sum of:
 - (A) locally assessed new growth;
 - (B) centrally assessed new growth; and
 - (C) project area new growth or hotel property new growth.
- (j) "Host local government" means the same as that term is defined in Section 63N-2-502.
- (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- (l) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.
- (m) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.
- (n) "Incremental value" means:
- (i) for an authority created under Section 11-58-201, the amount calculated by multiplying:
 - (A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and
 - (B) the number that represents the percentage of the property tax differential that is paid to the authority;
 - (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:
 - (A) the difference between the current assessed value of the property and the base taxable value; and
 - (B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;

- (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:
- (A) the difference between the taxable value for the current year and the base taxable value of the property that is located within a project area; and
 - (B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;
- (iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and
 - (B) the number that represents the adjusted tax increment from that project area that is paid to the agency;
- (v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which property tax allocation is collected; and
 - (B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;
- (vi) for a housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within a housing and transit reinvestment zone and on which tax increment is collected; and
 - (B) the number that represents the percentage of the tax increment that is paid to the housing and transit reinvestment zone;
- (vii) for a host local government, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the hotel property on which incremental property tax revenue is collected; and
 - (B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government;
- (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part

- 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within a home ownership promotion zone and on which tax increment is collected; and
 - (B) the number that represents the percentage of the tax increment that is paid to the home ownership promotion zone; or
- (ix) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within a first home investment zone and on which tax increment is collected; and
 - (B) the number that represents the percentage of the tax increment that is paid to the first home investment zone.
- (o)(i) "Locally assessed new growth" means the greater of:
- (A) zero; or
 - (B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.
- (ii) "Locally assessed new growth" does not include a change in:
- (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;
 - (B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;
 - (C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or
 - (D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.
- (p) "Project area" means:
- (i) for an authority created under Section 11-58-201, the same as that term is defined

- 606 in Section 11-58-102;
- 607 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 608 11-70-201, the same as that term is defined in Section 11-70-101;
- 609 (iii) for an agency created under Section 17C-1-201.5, the same as that term is
- 610 defined in Section 17C-1-102; or
- 611 (iv) for an authority created under Section 63H-1-201, the same as that term is
- 612 defined in Section 63H-1-102.
- 613 (q) "Project area new growth" means:
- 614 (i) for an authority created under Section 11-58-201, an amount equal to the
- 615 incremental value that is no longer provided to an authority as property tax
- 616 differential;
- 617 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 618 an amount equal to the incremental value that is no longer provided to the Point of
- 619 the Mountain State Land Authority as property tax augmentation, as defined in
- 620 Section 11-59-207;
- 621 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 622 11-70-201, an amount equal to the incremental value that is no longer provided to
- 623 the Utah Fairpark Area Investment and Restoration District;
- 624 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
- 625 incremental value that is no longer provided to an agency as tax increment;
- 626 (v) for an authority created under Section 63H-1-201, an amount equal to the
- 627 incremental value that is no longer provided to an authority as property tax
- 628 allocation;
- 629 (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
- 630 Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the
- 631 incremental value that is no longer provided to a housing and transit reinvestment
- 632 zone as tax increment;
- 633 (vii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
- 634 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
- 635 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount equal to
- 636 the incremental value that is no longer provided to a home ownership promotion
- 637 zone as tax increment; or
- 638 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 639 First Home Investment Zone Act, an amount equal to the incremental value that is

- no longer provided to a first home investment zone as tax increment.
- (r) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.
- (s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- (t) "Property tax differential" means the same as that term is defined in Section 11-58-102.
- ~~[(u) "Qualifying exempt revenue" means revenue received:]~~
- ~~[(i) for the previous calendar year;]~~
- ~~[(ii) by a taxing entity;]~~
- ~~[(iii) from tangible personal property contained on the prior year's tax rolls that is exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on January 1, 2022; and]~~
- ~~[(iv) on the aggregate 2021 year end taxable value of the tangible personal property that exceeds \$15,300.]~~
- ~~[(v)]~~ (u) "Tax increment" means:
- (i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- (ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- (iii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that term is defined in Section 10-9a-1001 or Section 17-27a-1201; or
- (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601.
- (2) Before June 1 of each year,~~[the county assessor of]~~ each county assessor shall deliver to the county auditor and the commission the following statements:
- (a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and
- (b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end

- 674 values.
- 675 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
676 taxing entity:
- 677 (a) the statements described in Subsections (2)(a) and (b);
- 678 (b) an estimate of the revenue from personal property;
- 679 (c) the certified tax rate; and
- 680 (d) all forms necessary to submit a tax levy request.
- 681 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be
682 calculated by dividing the ad valorem property tax revenue that a taxing entity
683 budgeted for the prior year[~~minus the qualifying exempt revenue~~] by the amount
684 calculated under Subsection (4)(b).
- 685 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
686 calculate an amount as follows:
- 687 (i) calculate for the taxing entity the difference between:
- 688 (A) the aggregate taxable value of all property taxed; and
- 689 (B) any adjustments for current year incremental value;
- 690 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
691 determined by increasing or decreasing the amount calculated under Subsection
692 (4)(b)(i) by the average of the percentage net change in the value of taxable
693 property for the equalization period for the three calendar years immediately
694 preceding the current calendar year;
- 695 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
696 product of:
- 697 (A) the amount calculated under Subsection (4)(b)(ii); and
- 698 (B) the percentage of property taxes collected for the five calendar years
699 immediately preceding the current calendar year; and
- 700 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
701 amount determined by:
- 702 (A) multiplying the percentage of property taxes collected for the five calendar
703 years immediately preceding the current calendar year by eligible new growth;
704 and
- 705 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
706 amount calculated under Subsection (4)(b)(iii).
- 707 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated

as follows:

(a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;

(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

(i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(23);

(c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and

(d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6)(a) A taxing entity may impose a judgment levy~~imposed~~ under Section 59-2-1328 or 59-2-1330~~may be imposed~~ at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

(ii) the year end taxable value of personal property:

(A) a county assessor assesses in accordance with Part 3, County Assessment; and

- 742 (B) contained on the prior year's assessment roll; and
- 743 (iii) the taxable value of real and personal property the commission assesses in
- 744 accordance with Part 2, Assessment of Property.
- 745 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
- 746 growth.
- 747 (8)(a) On or before June 30 of each year, a taxing entity shall~~[-annually]~~ adopt a
- 748 tentative budget.
- 749 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
- 750 the county auditor of:
- 751 (i) the taxing entity's intent to exceed the certified tax rate; and
- 752 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 753 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
- 754 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 755 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
- 756 electronic means on or before July 31, to a taxing entity and the Revenue and
- 757 Taxation Interim Committee if:
- 758 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
- 759 taxable value of the real and personal property the commission assesses in
- 760 accordance with Part 2, Assessment of Property, for the previous year, adjusted
- 761 for prior year end incremental value; and
- 762 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
- 763 end taxable value of the real and personal property of a taxpayer the commission
- 764 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 765 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
- 766 subtracting the taxable value of real and personal property the commission assesses
- 767 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
- 768 current year incremental value, from the year end taxable value of the real and
- 769 personal property the commission assesses in accordance with Part 2, Assessment of
- 770 Property, for the previous year, adjusted for prior year end incremental value.
- 771 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
- 772 subtracting the total taxable value of real and personal property of a taxpayer the
- 773 commission assesses in accordance with Part 2, Assessment of Property, for the
- 774 current year, from the total year end taxable value of the real and personal property of
- 775 a taxpayer the commission assesses in accordance with Part 2, Assessment of

Property, for the previous year.

- (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

Section 5. Section **59-2-1006** is amended to read:

59-2-1006 (Effective 05/07/25) (Retrospective 01/01/25). Appeal to commission -- Duties of auditor -- Decision by commission.

- (1) Any person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, or a tax relief decision made under designated decision-making authority as described in Section 59-2-1101 or Part 18, Tax Deferral and Tax Abatement, may appeal that decision to the commission by:
- (a) filing a notice of appeal specifying the grounds for the appeal with the county auditor within 30 days after the final action of the county board or entity with designated decision-making authority described in Section 59-2-1101 or Part 18, Tax Deferral and Tax Abatement; and
 - (b) if the county assessor valued the property in accordance with Section 59-2-301.8 and the taxpayer intends to contest the value of personal property located in a multi-tenant residential property, as that term is defined in Section 59-2-301.8, submitting a signed statement of the personal property with the notice of appeal.
- (2) The auditor shall:
- (a) file one notice with the commission;
 - (b) certify and transmit to the commission:
 - (i) the minutes of the proceedings of the county board of equalization or entity with designated decision-making authority for the matter appealed;
 - (ii) all documentary evidence received in that proceeding; and
 - (iii) a transcript of any testimony taken at that proceeding that was preserved;
 - (c) if the appeal is from a hearing where an exemption was granted or denied, certify and transmit to the commission the written decision of:
 - (i) the board of equalization as required by Section 59-2-1102; or
 - (ii) the entity with designated decision-making authority; and
 - (d) any signed statement submitted in accordance with Subsection (1)(b).
- (3) In reviewing a decision described in Subsection (1), the commission may:
- (a) admit additional evidence;
 - (b) issue orders that it considers to be just and proper; and

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

(4) In reviewing evidence submitted to the commission to decide an appeal under this section, the commission shall consider and weigh:

(a) the accuracy, reliability, and comparability of the evidence presented;

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

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

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

(5) In reviewing a decision described in Subsection (1), the commission shall adjust property valuations to reflect a value equalized with the assessed value of other comparable properties if:

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

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

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

Section 6. Effective Date.

This bill takes effect on May 7, 2025.

Section 7. Retrospective operation.

This bill has retrospective operation to January 1, 2025.