

Daniel McCay proposes the following substitute bill:

Property Tax Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: Jason B. Kyle

LONG TITLE

General Description:

This bill modifies provisions related to property tax.

Highlighted Provisions:

This bill:

- defines terms;
- prohibits taxpayers from receiving the homeowner's credit unless the taxpayer received the credit within the previous two years, beginning in 2026;
- removes requirements for annual inflation adjustments for the homeowner's credit;
- increases the household income limits and maximum credit amounts allowed for a renter's credit;
- changes the qualifications, scope, duration, and rates of interest applicable to the discretionary and nondiscretionary property tax deferral programs;
- prohibits taxpayers from receiving indigent abatement unless the taxpayer received the abatement within the previous two years, beginning in 2026;
- requires a county auditor to include information on the property tax valuation notice regarding the availability of tax deferral programs and the amount of outstanding taxes and interest for taxpayers who receive a deferral;
- includes a coordination clause to address substantive and technical conflicts if this bill and H.B. 20, Property Tax Code Recodification, both pass and become law; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a coordination clause.

This bill provides retrospective operation.

Utah Code Sections Affected:**AMENDS:**

- 59-2-919.1**, as last amended by Laws of Utah 2024, Chapter 246
- 59-2-1331**, as last amended by Laws of Utah 2024, Chapter 263
- 59-2-1343**, as last amended by Laws of Utah 2024, Chapter 263
- 59-2-1801**, as last amended by Laws of Utah 2024, Chapters 241, 263
- 59-2-1803**, as last amended by Laws of Utah 2023, Chapter 471
- 59-2-1804**, as last amended by Laws of Utah 2023, Chapter 354
- 63J-1-602.2**, as last amended by Laws of Utah 2024, Chapters 241, 285, 425, and 467

REPEALS AND REENACTS:

- 59-2-1208**, as last amended by Laws of Utah 2021, Chapter 391
- 59-2-1209**, as last amended by Laws of Utah 2024, Chapter 272
- 59-2-1802**, as last amended by Laws of Utah 2024, Chapter 241
- 59-2-1802.5**, as last amended by Laws of Utah 2024, Chapter 241

Utah Code Sections affected by Coordination Clause:

- 59-2-1208**, as last amended by Laws of Utah 2021, Chapter 391
- 59-2-1209**, as last amended by Laws of Utah 2024, Chapter 272
- 59-2-1801**, as last amended by Laws of Utah 2024, Chapters 241, 263
- 59-2-1802**, as last amended by Laws of Utah 2024, Chapter 241
- 59-2-1802.5**, as last amended by Laws of Utah 2024, Chapter 241
- 59-2-1804**, as last amended by Laws of Utah 2023, Chapter 354

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

Section 1. Section **59-2-919.1** is amended to read:

59-2-919.1 . Notice of property valuation and tax changes.

- (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or before July 22 of each year, shall notify each owner of real estate who is listed on the assessment roll.
- (2) The notice described in Subsection (1) shall:
 - (a) except as provided in Subsection (4), be sent to all owners of real property by mail 10 or more days before the day on which:
 - (i) the county board of equalization meets; and
 - (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax rate;

- (b) be on a form that is:
- (i) approved by the commission; and
 - (ii) uniform in content in all counties in the state; and
- (c) contain for each property:
- (i) the assessor's determination of the value of the property;
 - (ii) the taxable value of the property;
 - (iii)(A) the deadline for the taxpayer to make an application to appeal the valuation or equalization of the property under Section 59-2-1004; or
 - (B) for property assessed by the commission, the deadline for the taxpayer to apply to the commission for a hearing on an objection to the valuation or equalization of the property under Section 59-2-1007;
 - (iv) for a property assessed by the commission, a statement that the taxpayer may not appeal the valuation or equalization of the property to the county board of equalization;
 - (v) itemized tax information for all applicable taxing entities, including:
 - (A) the dollar amount of the taxpayer's tax liability for the property in the prior year; and
 - (B) the dollar amount of the taxpayer's tax liability under the current rate;
 - (vi) the following, stated separately:
 - (A) the charter school levy described in Section 53F-2-703;
 - (B) the multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
 - (C) the county assessing and collecting levy described in Subsection 59-2-1602(4);
 - (D) levies for debt service voted on by the public;
 - (E) levies imposed for special purposes under Section 10-6-133.4;
 - (F) for a fiscal year that begins on or after July 1, 2023, the combined basic rate as defined in Section 53F-2-301; and
 - (G) if applicable, the annual payment described in Subsection 63H-1-501(4)(a);
 - (vii) the tax impact on the property;
 - (viii) the date, time, and place of the required public hearing for each entity;
 - (ix) property tax information pertaining to:
 - (A) taxpayer relief;
 - (B) options for payment of taxes;
 - (C) collection procedures; and

- (D) the residential exemption described in Section 59-2-103;
- (x) information specifically authorized to be included on the notice under this chapter;
- (xi) the last property review date of the property as described in Subsection 59-2-303.1(1)(c);
- (xii) instructions on how the taxpayer may obtain additional information regarding the valuation of the property, including the characteristics and features of the property, from at least one the following sources:
- (A) a website maintained by the county; or
- (B) the county assessor's office; [and]
- (xiii) information describing the availability of property tax deferral options for qualifying residential property owners under Sections 59-2-1802 and 59-2-1802.5, including a telephone number, or a website address on which a telephone is prominently listed, that residential property owners may call to obtain additional information about applying for a deferral;
- (xiv) for an owner of residential property granted a property tax deferral under Section 59-2-1802 or 59-2-1802.5, the total amount of deferred taxes, deferred tax notice charges, and accrued interest that is outstanding; and
- ~~[(xiii)]~~ (xv) other information approved by the commission.
- (3) If a taxing entity that is subject to the notice and hearing requirements of Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall state, in addition to the information required by Subsection (2):
- (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;
- (b) the difference between the dollar amount of the taxpayer's tax liability if the proposed increase is approved and the dollar amount of the taxpayer's tax liability under the current rate, placed in close proximity to the information described in Subsection (2)(c)(viii);
- (c) the percentage increase that the dollar amount of the taxpayer's tax liability under the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability under the current tax rate; and
- (d) for each taxing entity proposing a tax increase, the dollar amount of additional ad valorem tax revenue, as defined in Section 59-2-919, that would be generated each year if the proposed tax increase is approved.
- (4)(a) Subject to the other provisions of this Subsection (4), a county auditor may, at the county auditor's discretion, provide the notice required by this section to a taxpayer

by electronic means if a taxpayer makes an election, according to procedures determined by the county auditor, to receive the notice by electronic means.

(b)(i) If a notice required by this section is sent by electronic means, a county auditor shall attempt to verify whether a taxpayer receives the notice.

(ii) If receipt of the notice sent by electronic means cannot be verified 14 days or more before the county board of equalization meets and the taxing entity holds a public hearing on a proposed increase in the certified tax rate, the notice required by this section shall also be sent by mail as provided in Subsection (2).

(c) A taxpayer may revoke an election to receive the notice required by this section by electronic means if the taxpayer provides written notice to the county auditor on or before April 30.

(d) An election or a revocation of an election under this Subsection (4):

(i) does not relieve a taxpayer of the duty to pay a tax due under this chapter on or before the due date for paying the tax; or

(ii) does not alter the requirement that a taxpayer appealing the valuation or the equalization of the taxpayer's real property submit the application for appeal within the time period provided in Subsection 59-2-1004(3).

(e) A county auditor shall provide the notice required by this section as provided in Subsection (2), until a taxpayer makes a new election in accordance with this Subsection (4), if:

(i) the taxpayer revokes an election in accordance with Subsection (4)(c) to receive the notice required by this section by electronic means; or

(ii) the county auditor finds that the taxpayer's electronic contact information is invalid.

(f) A person is considered to be a taxpayer for purposes of this Subsection (4) regardless of whether the property that is the subject of the notice required by this section is exempt from taxation.

The following section is affected by a coordination clause at the end of this bill.

Section 2. Section **59-2-1208** is repealed and reenacted to read:

59-2-1208 . Amount of homeowner's credit -- Limitations -- General Fund as source of credit.

(1) Subject to Subsections (2) and (3), for a calendar year beginning on or after January 1, 2025, a claimant may claim a homeowner's credit that does not exceed the following amounts:

165	<u>If household income is</u>	<u>Homeowner's credit</u>
166	<u>\$0 -- \$13,884</u>	<u>\$1,259</u>
167	<u>\$13,885 -- \$18,515</u>	<u>\$1,105</u>
168	<u>\$18,516 -- \$23,141</u>	<u>\$954</u>
169	<u>\$23,142 -- \$27,770</u>	<u>\$726</u>
170	<u>\$27,771 -- \$32,401</u>	<u>\$577</u>
171	<u>\$32,402 -- \$36,754</u>	<u>\$351</u>
172	<u>\$36,755 -- \$40,840</u>	<u>\$197</u>

173 (2) For a calendar year beginning on or after January 1, 2026, an individual may receive the
 174 homeowner's credit under this section only if the individual received the homeowner's
 175 credit for the same residence at least once within the previous two calendar years.

176 (3)(a) An individual may not receive the homeowner's credit under this section or the
 177 abatement described in Subsection 59-2-1202(10)(a) on 20% of the fair market value
 178 of the residence if:

179 (i) the individual is claimed as a personal exemption on another individual's federal
 180 income tax return during any portion of a calendar year for which the individual
 181 seeks to claim the homeowner's credit;

182 (ii) the individual is a dependent with respect to whom another individual claims a
 183 tax credit under Section 24(h)(4), Internal Revenue Code, during any portion of a
 184 calendar year for which the individual seeks to claim the homeowner's credit; or

185 (iii) the individual did not own the residence for the entire calendar year for which
 186 the individual claims the homeowner's credit.

187 (b) For a calendar year in which a residence is sold, the amount received as a
 188 homeowner's credit under this section or as an abatement described in Subsection
 189 59-2-1202(10)(a) on 20% of the fair market value of the residence shall be repaid to
 190 the county on or before the day on which the sale of the residence closes.

191 (4) A payment for a homeowner's credit allowed by this section, and authorized by Section
 192 59-2-1204, shall be paid from the General Fund.

193 *The following section is affected by a coordination clause at the end of this bill.*

194 Section 3. Section **59-2-1209** is repealed and reenacted to read:

195 **59-2-1209 . Amount of renter's credit -- Adjustments -- Renter's credit may be**
 196 **claimed only for gross rent that does not constitute a rental assistance payment --**

Calculation of credit when rent includes utilities -- Limitation -- General Fund as source of credit.

(1)(a) Subject to Subsections (2) and (3), for a calendar year beginning on or after January 1, 2025, a claimant may claim a renter's credit for the previous calendar year that does not exceed the following amounts:

<u>If household income is</u>	<u>Percentage of gross rent allowed as a credit</u>	<u>Maximum credit amount</u>
<u>\$0 -- \$14,500</u>	<u>9.5%</u>	<u>\$2,000</u>
<u>\$14,501 -- \$18,750</u>	<u>8.5%</u>	<u>\$1,750</u>
<u>\$18,751 -- \$23,000</u>	<u>7.0%</u>	<u>\$1,500</u>
<u>\$23,001 -- \$27,250</u>	<u>5.5%</u>	<u>\$1,250</u>
<u>\$27,251 -- \$31,500</u>	<u>4.0%</u>	<u>\$1,000</u>
<u>\$31,501 -- \$35,750</u>	<u>3.0%</u>	<u>\$750</u>
<u>\$35,751 -- \$40,000</u>	<u>2.5%</u>	<u>\$500</u>
<u>\$40,001 -- \$46,000</u>	<u>2.0%</u>	<u>\$250</u>

(b) For a calendar year beginning on or after January 1, 2026, the commission shall increase or decrease the household income eligibility amounts and the maximum credit amounts under Subsection (1)(a) by a percentage equal to the percentage difference between the consumer price index housing for the preceding calendar year and the consumer price index housing for calendar year 2024.

(c) After the commission has adjusted the maximum credit amounts under Subsection (1)(b), the commission shall increase each maximum credit amount under Subsection (1)(a) by \$49.

(2)(a) A claimant may claim a renter's credit under this section only for gross rent that does not constitute a rental assistance payment.

(b) For purposes of determining whether a claimant receives a rental assistance payment and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the terms:

(i) "charitable organization";

(ii) "governmental entity"; or

(iii) "religious organization."

(3) For purposes of calculating gross rent when a claimant's rent includes electricity or

natural gas and the utility amount is not itemized in the statement provided in accordance with Section 59-2-1213, the commission shall deduct from rent:

(a) 7% of rent if the rent includes electricity or natural gas but not both; or

(b) 13% of rent if the rent includes both electricity and natural gas.

(4) An individual may not receive the renter's credit under this section if the individual is:

(a) claimed as a personal exemption on another individual's federal income tax return during any portion of a calendar year for which the individual seeks to claim the renter's credit; or

(b) a dependent with respect to whom another individual claims a tax credit under Section 24(h)(4), Internal Revenue Code, during any portion of a calendar year for which the individual seeks to claim the renter's credit.

(5) A payment for a renter's credit allowed by this section, and authorized by Section 59-2-1204, shall be paid from the General Fund.

Section 4. Section **59-2-1331** is amended to read:

59-2-1331 . Property tax due date -- Date tax is delinquent -- Penalty -- Interest -- Payments -- Refund of prepayment.

(1)(a) Except as provided in Subsection (1)(b) and subject to Subsections (1)(c) and (d), all property taxes, unless otherwise specifically provided for under Section 59-2-1332, or other law, and any tax notice charges, are due on November 30 of each year following the date of levy.

(b) If November 30 falls on a Saturday, Sunday, or holiday:

(i) the date of the next following day that is not a Saturday, Sunday, or holiday shall be substituted in Subsection (1)(a) and Subsection 59-2-1332(1) for November 30; and

(ii) the date of the day occurring 30 days after the date under Subsection (1)(b)(i) shall be substituted in Subsection 59-2-1332(1) for December 30.

(c) If a property tax is paid or postmarked after the due date described in this Subsection (1) the property tax is delinquent.

(d) A county treasurer or other public official, public entity, or public employee may not require the payment of a property tax before the due date described in this Subsection (1).

(2)(a) Except as provided in Subsections (2)(e), (f), and ~~[(g)(i)]~~ (g), for each parcel, all delinquent taxes and tax notice charges on each separately assessed parcel are subject to a penalty of 2.5% of the amount of the delinquent taxes and tax notice charges or

\$10, whichever is greater.

(b) Unless the delinquent taxes and tax notice charges, together with the penalty, are paid on or before January 31, the amount of taxes and tax notice charges and penalty shall bear interest on a per annum basis from the January 1 immediately following the delinquency date.

(c) Except as provided in Subsection (2)(d), for purposes of Subsection (2)(b), the interest rate is equal to the sum of:

(i) 6%; and

(ii) the federal funds rate target:

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

(B) that exists on the January 1 immediately following the date of delinquency.

(d) The interest rate described in Subsection (2)(c) may not be:

(i) less than 7%; or

(ii) more than 10%.

(e) The penalty described in Subsection (2)(a) is 1% of the amount of the delinquent taxes and tax notice charges or \$10, whichever is greater, if all delinquent taxes, all tax notice charges, and the penalty are paid on or before the January 31 immediately following the delinquency date.

(f) This section does not apply to the costs, charges, and interest rate accruing on any tax notice charge related to an assessment assessed in accordance with:

(i) Title 11, Chapter 42, Assessment Area Act; or

(ii) Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act.

(g)(i) The county shall waive any penalty or interest for a property granted a deferral in accordance with Section 59-2-1802.1 from the day of the delinquency through the end of the deferral period.

(ii) For a property granted a deferral in accordance with Section 59-2-1802 or 59-2-1802.5, from the day of the delinquency through the end of the deferral period:

(A) the county shall waive the penalty described in Subsection (2)(a); and

(B) interest accrues on deferred taxes and tax notice charges in accordance with Subsection 59-2-1802(8) or 59-2-1802.5(8), as applicable.

~~[(ii)]~~ (iii) Penalties and interest accrue in accordance with this Subsection (2) on any tax or tax notice charge that is delinquent after the deferral period ends.

(3)(a) If the delinquency exceeds one year, the amount of taxes, tax notice charges, and

penalties for that year and all succeeding years shall bear interest until settled in full through redemption or tax sale.

(b) The interest rate to be applied shall be calculated for each year as established under Subsection (2) and shall apply on each individual year's delinquency until paid.

(4) The county treasurer may accept and credit on account against taxes and tax notice charges becoming due during the current year, at any time before or after the tax rates are adopted, but not subsequent to the date of delinquency, either:

(a) payments in amounts of not less than \$10; or

(b) the full amount of the unpaid tax and tax notice charges.

(5)(a) At any time before the county treasurer provides the tax notice described in Section 59-2-1317, the county treasurer may refund amounts accepted and credited on account against taxes and tax notice charges becoming due during the current year.

(b) Upon recommendation by the county treasurer, the county legislative body shall adopt rules or ordinances to implement the provisions of this Subsection (5).

Section 5. Section **59-2-1343** is amended to read:

59-2-1343 . Tax sale listing.

(1)(a) If any property is not redeemed by March 15 following the lapse of four years from the date when any item in Subsection (1)(b) became delinquent, the county treasurer shall immediately file a listing with the county auditor of all properties whose redemption period is expiring in the nearest forthcoming tax sale to pay all outstanding property taxes and tax notice charges.

(b) Except as provided in Subsection (1)(c), a delinquency of any of the following triggers the tax sale process described in Subsection (1)(a):

(i) property tax; or

(ii) a tax notice charge.

(c) A property tax or a tax notice charge that is deferred in accordance with Section 59-2-1802.1 is delinquent only if full payment of the property tax and any tax notice charges is not made before the end of the five-year deferral period.

(d) Taxes and tax notice charges deferred in accordance with Section 59-2-1802 or 59-2-1802.5 become delinquent only if full payment of the following is not made before the end of the deferral period:

(i) the taxes and tax notice charges deferred during the deferral period; and

(ii) interest accrued on the taxes and tax notice charges described in Subsection

(1)(d)(i).

(2) The listing is known as the "tax sale listing."

The following section is affected by a coordination clause at the end of this bill.

Section 6. Section **59-2-1801** is amended to read:

59-2-1801 . Definitions.

As used in this part:

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

(2) "Adjusted property tax amount" means the amount of property taxes levied on an eligible owner's primary residence that the eligible owner is required to pay for a calendar year in which the eligible owner receives a deferral under this part.

(3) "Base year property tax amount" means:

(a) for a calendar year in which an eligible owner did not receive a deferral under this part for the preceding calendar year, the amount of property taxes levied on the eligible owner's primary residence for the preceding calendar year; and

(b) for a calendar year in which an eligible owner received a deferral under this part for the preceding calendar year, the amount of property taxes levied on the eligible owner's primary residence for the calendar year immediately preceding the calendar year for which the eligible owner first received the deferral.

(4) "Current year property tax amount" means the amount of property taxes levied on an eligible owner's primary residence for the current calendar year.

~~[(2)]~~ (5) "Deferral" means a postponement of a tax due date or a tax notice charge granted in accordance with Section 59-2-1802, 59-2-1802.1, or 59-2-1802.5.

~~[(3) "Eligible owner" means an owner of an attached or a detached single-family residence:]~~

~~[(a)(i) who is 75 years old or older on or before December 31 of the year in which the individual applies for a deferral under this part;]~~

~~[(ii) whose household income does not exceed 200% of the maximum household income certified to a homeowner's credit described in Section 59-2-1208; and]~~

~~[(iii) whose household liquid resources do not exceed 20 times the amount of property taxes levied on the owner's residence for the preceding calendar year; or]~~

~~[(b) that is a trust described in Section 59-2-1805 if the grantor of the trust is an individual described in Subsection (3)(a).]~~

(6) "Eligible owner" means:

(a) for a deferral under Section 59-2-1802, an owner of an attached or detached single-family residence:

(i)(A) who uses the residence as the owner's primary residence as of January 1 of

- the calendar year for which the owner applies for the deferral;
- (B) who owns the residence for at least one year as of January 1 of the calendar year for which the owner applies for the deferral;
- (C) whose household income does not exceed \$50,000; and
- (D) whose household liquid resources do not exceed 20 times the amount of property taxes levied on the residence for the preceding calendar year; or
- (ii) that is a trust described in Section 59-2-1805 if the grantor of the trust is an individual described in Subsection (6)(a)(i); and
- (b) for a deferral under Section 59-2-1802.5, an owner of an attached or detached single-family residence:
- (i)(A) who uses the residence as the owner's primary residence as of January 1 of the calendar year for which the owner applies for the deferral;
- (B) who owns the residence for at least one year as of January 1 of the calendar year for which the owner applies for the deferral;
- (C) who is 65 years old or older on or before December 31 of the calendar year for which the owner applies for the deferral;
- (D) whose household income does not exceed \$60,000; and
- (E) whose household liquid resources do not exceed 20 times the amount of property taxes levied on the residence for the preceding calendar year; or
- (ii) that is a trust described in Section 59-2-1805 if the grantor of the trust is an individual described in Subsection (6)(b)(i).
- ~~[(4)]~~ (7) "Household" means the same as that term is defined in Section 59-2-1202.
- ~~[(5)]~~ (8) "Household income" means the same as that term is defined in Section 59-2-1202.
- ~~[(6)]~~ (9) "Household liquid resources" means the following resources that are not included in an individual's household income and held by one or more members of the individual's household:
- (a) cash on hand;
- (b) money in a checking or savings account;
- (c) savings certificates; and
- (d) stocks or bonds.
- ~~[(7)]~~ (10) "Indigent individual" means a poor individual as described in Utah Constitution, Article XIII, Section 3, Subsection (4), who:
- (a)(i) is at least 65 years old; or
- (ii) is less than 65 years old and:

- 398 (A) the county finds that extreme hardship would prevail on the individual if the
399 county does not defer or abate the individual's taxes; or
400 (B) the individual has a disability;
- 401 (b) has a total household income, as defined in Section 59-2-1202, of less than the
402 maximum household income certified to a homeowner's credit described in Section
403 59-2-1208;
- 404 (c) resides for at least 10 months of the year in the residence that would be subject to the
405 requested abatement or deferral; and
- 406 (d) cannot pay the tax assessed on the individual's residence when the tax becomes due.
- 407 ~~[(8)]~~ (11) "Property taxes due" means the taxes due on an indigent individual's property:
- 408 (a) for which a county granted an abatement under Section 59-2-1803; and
409 (b) for the calendar year for which the county grants the abatement.
- 410 ~~[(9)]~~ (12) "Property taxes paid" means an amount equal to the sum of:
- 411 (a) the amount of property taxes the indigent individual paid for the taxable year for
412 which the indigent individual applied for the abatement; and
413 (b) the amount of the abatement the county grants under Section 59-2-1803.
- 414 ~~[(10)]~~ (13) "Qualifying increase" means a valuation that is equal to or more than 150%
415 higher than the previous year's valuation for property that:
- 416 (a) is county assessed; and
417 (b) on or after January 1 of the previous year and before January 1 of the current year
418 has not had:
- 419 (i) a physical improvement if the fair market value of the physical improvement
420 increases enough to result in the valuation increase solely as a result of the
421 physical improvement;
- 422 (ii) a zoning change if the fair market value of the real property increases enough to
423 result in the valuation increase solely as a result of the zoning change; or
424 (iii) a change in the legal description of the real property, if the fair market value of
425 the real property increases enough to result in the valuation increase solely as a
426 result of the change in the legal description of the real property.
- 427 ~~[(11)]~~ (14) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister,
428 parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a
429 spouse of any of these individuals.
- 430 ~~[(12)]~~ (15) "Residence" means real property where an individual resides, including:
- 431 (a) a mobile home, as defined in Section 41-1a-102; or

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

~~[(13)]~~ (16) "Tax notice charge" means the same as that term is defined in Section 59-2-1301.5.

The following section is affected by a coordination clause at the end of this bill.

Section 7. Section **59-2-1802** is repealed and reenacted to read:

59-2-1802 . Discretionary deferral for eligible owners.

(1) An owner of an attached or detached single-family residence may apply to the county for a discretionary deferral under this section for postponement of a portion of the property taxes due on the owner's residence if:

- (a) the owner qualifies as an eligible owner under Subsection 59-2-1801(6)(a); and
- (b) there are no delinquent property taxes, delinquent tax notice charges, or outstanding penalties, interest, or administrative costs related to a delinquent property tax or a delinquent tax notice charge due on the owner's residence, other than:
 - (i) taxes and tax notice charges previously deferred under this section; and
 - (ii) interest accrued on the taxes and tax notice charges described in Subsection (1)(b)(i).

(2) A county may grant an application for a deferral under this section if:

- (a) the county determines that the applicant meets the conditions of Subsection (1); and
- (b) the applicant complies with the other applicable provisions of this part.

(3) Of the total amount of taxes and tax notice charges levied on an eligible owner's primary residence for a calendar year in which the eligible owner receives a deferral under this section:

- (a) the adjusted property tax amount is 75% of the lesser of:
 - (i) the base year property tax amount; and
 - (ii) the current year property tax amount; and
- (b) the amount deferred is the amount exceeding the adjusted property tax amount.

(4)(a) Except as provided in Subsection (4)(b), the deferral period under this section is one year.

(b) The county may extend the deferral period for one or more subsequent one-year periods if, for each subsequent calendar year in which the eligible owner seeks to extend the deferral period:

- (i) the eligible owner applies for an extension of the deferral;
- (ii) the county determines that the eligible owner has continued to meet the conditions of Subsection (1); and

- (iii) the eligible owner complies with the other applicable provisions of this part.
- (c) For purposes of Subsections 59-2-1331(2)(g)(ii) and 59-2-1343(1)(d), the deferral period ends on the last day of:
- (i) the initial one-year deferral period, if the county does not extend the deferral period under Subsection (4)(b); or
- (ii) the final one-year deferral period subsequently granted, if the county extends the deferral period under Subsection (4)(b).
- (5)(a) Taxes and tax notice charges deferred under this section accumulate with interest and applicable recording fees as a lien against the residential property.
- (b) A lien described in this Subsection (5) has the same legal status as a lien described in Section 59-2-1325.
- (c) To release the lien described in this Subsection (5), an eligible owner shall pay the total amount subject to the lien:
- (i) upon the eligible owner selling or otherwise disposing of the residential property;
- or
- (ii) when the residential property is no longer the eligible owner's primary residence.
- (d)(i) Notwithstanding Subsection (5)(c), an eligible owner that receives a deferral under this section does not have to pay the deferred taxes, deferred tax notice charges, or applicable recording fees when the residential property transfers to the eligible owner's surviving spouse as a result of the eligible owner's death.
- (ii) After the residential property transfers to the eligible owner's surviving spouse, the deferred taxes, deferred tax notice charges, and applicable recording fees are due:
- (A) upon the surviving spouse selling or otherwise disposing of the residential property; or
- (B) when the residential property is no longer the surviving spouse's primary residence.
- (e)(i) Notwithstanding Subsection (5)(c), an eligible owner that receives a deferral under this section does not have to pay the deferred taxes, deferred tax notice charges, or applicable recording fees when the residential property transfers between the eligible owner and a trust described in Section 59-2-1805 if:
- (A) the eligible owner is the grantor of the trust; and
- (B) the residential property remains the eligible owner's primary residence.
- (ii) After the residential property transfers between the eligible owner and a trust as

- provided in Subsection (5)(e)(i), the deferred taxes, deferred tax notice charges, and applicable recording fees are due when the residential property is no longer the eligible owner's primary residence.
- (f) When the deferral period ends:
- (i) the lien becomes due and subject to the collection procedures described in Section 59-2-1331; and
- (ii) the date of levy is the date that the deferral period ends.
- (6)(a) If a county grants an eligible owner more than one deferral under this section for the same residential property, including an extension of the deferral period under Subsection (4)(b), the county is not required to submit for recording more than one lien.
- (b) Each subsequent deferral relates back to the date of the initial lien filing.
- (7)(a) For each residential property for which the county grants a deferral under this section, the county treasurer shall maintain a record that is an itemized account of the total amount of deferred property taxes and deferred tax notice charges subject to the lien.
- (b) The record described in this Subsection (7) is the official record of the amount of the lien.
- (8) Notwithstanding Subsection 59-2-1331(2)(c), taxes and tax notice charges deferred under this section bear interest at a rate equal to the greater of:
- (a) two percentage points below the federal funds rate:
- (i) published by the Federal Reserve Bank of New York; and
- (ii) that exists on January 1 of the calendar year immediately following the calendar year for which the deferral is granted; and
- (b) 1%.
- (9) A county may not require approval from lien holders for residential property that is subject to a mortgage or trust deed to receive a deferral under this section.
- (10) A county that grants a deferral to an eligible owner under this section shall:
- (a) provide notice of the adjusted property tax amount to the holder of each mortgage or trust deed outstanding on the residential property; and
- (b) refund to the eligible owner any amount of property taxes paid by the eligible owner during the deferral period in excess of the adjusted property tax amount.
- The following section is affected by a coordination clause at the end of this bill.*
- Section 8. Section **59-2-1802.5** is repealed and reenacted to read:

59-2-1802.5 . Nondiscretionary deferral for eligible owners.

- (1) An owner of an attached or detached single-family residence may apply to the county for a nondiscretionary deferral under this section for postponement of a portion of the property taxes due on the eligible owner's residence if:
- (a) the owner qualifies as an eligible owner under Subsection 59-2-1801(6)(b);
 - (b) the current year property tax amount exceeds the base year property tax amount; and
 - (c) there are no delinquent property taxes, delinquent tax notice charges, or outstanding penalties, interest, or administrative costs related to a delinquent property tax or a delinquent tax notice charge due on the owner's residence, other than:
 - (i) taxes and tax notice charges previously deferred under this section; and
 - (ii) accrued interest on the taxes and tax notice charges described in Subsection (1)(c)(i).
- (2) A county shall grant an application for a deferral under this section if:
- (a) the county determines that the applicant meets the conditions of Subsection (1); and
 - (b) the applicant complies with the other applicable provisions of this part.
- (3) Of the total amount of taxes and tax notice charges levied on an eligible owner's primary residence for a calendar year in which the eligible owner receives a deferral under this section:
- (a) the adjusted property tax amount is the base year property tax amount; and
 - (b) the amount deferred is the difference between:
 - (i) the current year property tax amount; and
 - (ii) the base year property tax amount.
- (4)(a) Except as provided in Subsection (4)(b), the deferral period under this section is one year.
- (b) The county shall extend the deferral period for one or more subsequent one-year periods if, for each subsequent calendar year in which the eligible owner seeks to extend the deferral period:
- (i) the eligible owner applies for an extension of the deferral;
 - (ii) the county determines that the eligible owner has continued to meet the conditions of Subsection (1); and
 - (iii) the eligible owner complies with the other applicable provisions of this part.
- (c) For purposes of Subsections 59-2-1331(2)(g)(ii) and 59-2-1343(1)(d), the deferral period ends on the last day of:
- (i) the initial one-year deferral period, if the county does not extend the deferral

- 568 period under Subsection (4)(b); or
- 569 (ii) the final one-year deferral period subsequently granted, if the county extends the
- 570 deferral period under Subsection (4)(b).
- 571 (5)(a) Taxes and tax notice charges deferred under this section accumulate with interest
- 572 and applicable recording fees as a lien against the residential property.
- 573 (b) A lien described in this Subsection (5) has the same legal status as a lien described in
- 574 Section 59-2-1325.
- 575 (c) To release the lien described in this Subsection (5), an eligible owner shall pay the
- 576 total amount subject to the lien:
- 577 (i) upon the eligible owner selling or otherwise disposing of the residential property;
- 578 or
- 579 (ii) when the residential property is no longer the eligible owner's primary residence.
- 580 (d)(i) Notwithstanding Subsection (5)(c), an eligible owner that receives a deferral
- 581 under this section does not have to pay the deferred taxes, deferred tax notice
- 582 charges, or applicable recording fees when the residential property transfers to the
- 583 eligible owner's surviving spouse as a result of the eligible owner's death.
- 584 (ii) After the residential property transfers to the eligible owner's surviving spouse,
- 585 the deferred taxes, deferred tax notice charges, and applicable recording fees are
- 586 due:
- 587 (A) upon the surviving spouse selling or otherwise disposing of the residential
- 588 property; or
- 589 (B) when the residential property is no longer the surviving spouse's primary
- 590 residence.
- 591 (e) Notwithstanding Subsection (5)(c), an eligible owner that receives a deferral under
- 592 this section does not have to pay the deferred taxes, deferred tax notice charges, or
- 593 applicable recording fees when the residential property transfers between the eligible
- 594 owner and a trust described in Section 59-2-1805 if:
- 595 (i) the eligible owner is the grantor of the trust; and
- 596 (ii) the residential property remains the eligible owner's primary residence.
- 597 (f) After the residential property transfers between the eligible owner and a trust as
- 598 provided in Subsection (5)(e)(i), the deferred taxes, deferred tax notice charges, and
- 599 applicable recording fees are due when the residential property is no longer the
- 600 eligible owner's primary residence.
- 601 (g) When the deferral period ends:

(i) the lien becomes due and subject to the collection procedures described in Section 59-2-1331; and

(ii) the date of levy is the date that the deferral period ends.

(6)(a) If a county grants an eligible owner more than one deferral under this section for the same residential property, including an extension of the deferral period under Subsection (4)(b), the county is not required to submit for recording more than one lien.

(b) Each subsequent deferral relates back to the date of the initial lien filing.

(7)(a) For each residential property for which the county grants a deferral under this section, the county treasurer shall maintain a record that is an itemized account of the total amount of deferred property taxes and deferred tax notice charges subject to the lien.

(b) The record described in this Subsection (7) is the official record of the amount of the lien.

(8) Notwithstanding Subsection 59-2-1331(2)(c), taxes and tax notice charges deferred under this section bear interest at a rate equal to the greater of:

(a) one percentage point below the federal funds rate:

(i) published by the Federal Reserve Bank of New York; and

(ii) that exists on January 1 of the calendar year immediately following the calendar year for which the deferral is granted; and

(b) 1%.

(9) A county may not require approval from lien holders for residential property that is subject to a mortgage or trust deed to receive a deferral under this section.

(10) A county that grants a deferral to an eligible owner under this section shall:

(a) provide notice of the adjusted property tax amount to the holder of each mortgage or trust deed outstanding on the residential property; and

(b) refund to the eligible owner any amount of property taxes paid by the eligible owner during the deferral period in excess of the adjusted property tax amount.

Section 9. Section **59-2-1803** is amended to read:

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

(1) In accordance with this part, a county may remit or abate the taxes of an indigent individual:

(a) if the indigent individual owned the property as of January 1 of the year for which

- 636 the county remits or abates the taxes; ~~[and]~~
- 637 (b) if the indigent individual, for a calendar year beginning on or after January 1, 2026,
- 638 received an abatement under this section for the same property at least once within
- 639 the previous two calendar years; and
- 640 ~~[(b)]~~ (c) in an amount not more than the lesser of:
- 641 (i) the ~~[amount provided as a homeowner's]~~ maximum amount available as a renter's
- 642 credit for the lowest household income bracket as described in Section [59-2-1208]
- 643 59-2-1209; or
- 644 (ii) 50% of the total tax levied for the indigent individual for the current year.
- 645 (2) A county that grants an abatement to an indigent individual shall refund to the indigent
- 646 individual an amount that is equal to the amount by which the indigent individual's
- 647 property taxes paid exceed the indigent individual's property taxes due, if the amount is
- 648 at least \$1.

649 *The following section is affected by a coordination clause at the end of this bill.*

650 Section 10. Section **59-2-1804** is amended to read:

651 **59-2-1804 . Application for tax deferral or tax abatement.**

- 652 (1)(a) Except as provided in Subsection (1)(b) or (2), an applicant for deferral or
- 653 abatement for the current tax year shall annually file an application on or before
- 654 September 1 with the county in which the applicant's property is located.
- 655 (b) If a county finds good cause exists, the county may extend until December 31 the
- 656 deadline described in Subsection (1)(a).
- 657 (c) An indigent individual may apply and potentially qualify for deferral, abatement, or
- 658 both.
- 659 (2)(a) A county shall extend the default application deadline by one additional year if the
- 660 applicant had been approved for a deferral under this part in the prior year; or
- 661 (b) the county determines that:
- 662 (i) the applicant or a member of the applicant's immediate family had an illness or
- 663 injury that prevented the applicant from filing the application on or before the
- 664 default application deadline;
- 665 (ii) a member of the applicant's immediate family died during the calendar year of the
- 666 default application deadline;
- 667 (iii) the failure of the applicant to file the application on or before the default
- 668 application deadline was beyond the reasonable control of the applicant; or
- 669 (iv) denial of an application would be unjust or unreasonable.

- (3)~~[(a)]~~ An applicant shall include in an application a signed statement that describes the eligibility of the applicant for deferral or abatement.
- ~~[(b) For an application for a deferral under Section 59-2-1802.5, the requirements described in Subsection (3)(a) include:]~~
- ~~[(i) proof that the applicant resides at the single-family residence for which the applicant seeks the deferral;]~~
- ~~[(ii) proof of age; and]~~
- ~~[(iii) proof of household income.]~~
- (4) Both spouses shall sign an application if the application seeks a deferral or abatement on a residence:
- (a) in which both spouses reside; and
- (b) that the spouses own as joint tenants.
- (5) If an applicant is dissatisfied with a county's decision on the applicant's application for deferral or abatement, the applicant may appeal the decision to the commission in accordance with Section 59-2-1006.
- (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.
- Section 11. Section **63J-1-602.2** is amended to read:
- 63J-1-602.2 . List of nonlapsing appropriations to programs.**
- Appropriations made to the following programs are nonlapsing:
- (1) The Legislature and the Legislature's committees.
- (2) The State Board of Education, including all appropriations to agencies, line items, and programs under the jurisdiction of the State Board of Education, in accordance with Section 53F-9-103.
- (3) The Rangeland Improvement Act created in Section 4-20-101.
- (4) The Percent-for-Art Program created in Section 9-6-404.
- (5) The LeRay McAllister Working Farm and Ranch Fund created in Section 4-46-301.
- (6) The Utah Lake Authority created in Section 11-65-201.
- (7) Dedicated credits accrued to the Utah Marriage Commission as provided under Subsection 17-16-21(2)(d)(ii).
- (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection 26B-3-108(7).
- (10) The primary care grant program created in Section 26B-4-310.

- 704 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 705 (12) The Utah Health Care Workforce Financial Assistance Program created in Section
706 26B-4-702.
- 707 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 708 (14) The Utah Medical Education Council for the:
- 709 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
- 710 (b) provision of medical residency grants described in Section 26B-4-711; and
- 711 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 712 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 713 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program
714 created in Section 26B-7-122.
- 715 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with
716 Subsection 32B-2-301(8)(a) or (b).
- 717 (18) The General Assistance program administered by the Department of Workforce
718 Services, as provided in Section 35A-3-401.
- 719 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 720 (20) The Search and Rescue Financial Assistance Program, as provided in Section
721 53-2a-1102.
- 722 (21) The Emergency Medical Services Grant Program in Section 53-2d-207.
- 723 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 724 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in
725 Section 53B-6-104.
- 726 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection
727 53G-10-608(6).
- 728 (25) The Division of Fleet Operations for the purpose of upgrading underground storage
729 tanks under Section 63A-9-401.
- 730 (26) The Division of Technology Services for technology innovation as provided under
731 Section 63A-16-903.
- 732 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 733 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 734 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado
735 River Authority of Utah Act.
- 736 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as
737 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

- 738 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion
739 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion
740 Program.
- 741 (32) County correctional facility contracting program for state inmates as described in
742 Section 64-13e-103.
- 743 (33) County correctional facility reimbursement program for state probationary inmates and
744 state parole inmates as described in Section 64-13e-104.
- 745 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 746 (35) The Division of Human Resource Management user training program, as provided in
747 Section 63A-17-106.
- 748 (36) A public safety answering point's emergency telecommunications service fund, as
749 provided in Section 69-2-301.
- 750 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 751 (38) The money appropriated from the Navajo Water Rights Negotiation Account to the
752 Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a
753 settlement of federal reserved water right claims.
- 754 (39) The Judicial Council for compensation for special prosecutors, as provided in Section
755 77-10a-19.
- 756 (40) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 757 (41) The Utah Geological Survey, as provided in Section 79-3-401.
- 758 (42) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 759 (43) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and
760 78B-6-144.5.
- 761 (44) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense
762 Commission.
- 763 (45) The program established by the Division of Facilities Construction and Management
764 under Section 63A-5b-703 under which state agencies receive an appropriation and pay
765 lease payments for the use and occupancy of buildings owned by the Division of
766 Facilities Construction and Management.
- 767 [~~(46) The State Tax Commission for reimbursing counties for deferrals in accordance with~~
768 ~~Section 59-2-1802.5.]~~
- 769 [(47)] (46) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
770 Section 12. **Effective Date.**
771 This bill takes effect on May 7, 2025.

Section 13. **Retrospective operation.**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2025.

Section 14. **Coordinating S.B. 197 with H.B. 20.**

If S.B. 197, Property Tax Amendments, and H.B. 20, Property Tax Code Recodification, both pass and become law, the Legislature intends that, on January 1, 2026:

(1) Section 59-2-1208, repealed and reenacted in S.B. 197, be renumbered to Section 59-2a-305;

(2)(a) Section 59-2-1209, repealed and reenacted in S.B. 197, be renumbered to Section 59-2a-205; and

(b) Subsection 59-2-1209(1)(b), enacted in S.B. 197, be replaced with the following language:

"(b) For a calendar year beginning on or after January 1, 2026, the commission shall increase or decrease the household income eligibility amounts and the maximum credit amounts under Subsection (1)(a) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2024.";

(3) the following definition be inserted alphabetically as a new subsection in Section 59-2a-101 (renumbered from Section 59-2-1202 in H.B. 20) and that the remaining subsections be renumbered accordingly:

""Adjusted property tax amount" means the amount of property taxes levied on an eligible owner's primary residence that the eligible owner is required to pay for a calendar year in which the eligible owner receives a deferral under this chapter.";

(4) the following definition be inserted alphabetically as a new subsection in Section 59-2a-101 (renumbered from Section 59-2-1202 in H.B. 20) and that the remaining subsections be renumbered accordingly:

""Base year property tax amount" means:

(a) for a calendar year in which an eligible owner did not receive a deferral under this chapter for the preceding calendar year, the amount of property taxes levied on the eligible owner's primary residence for the preceding calendar year; and

(b) for a calendar year in which an eligible owner received a deferral under this chapter for the preceding calendar year, the amount of property taxes levied on the eligible owner's primary residence for the calendar year immediately preceding the calendar year for which the eligible owner first received the deferral.";

- 806 (5) the following definition be inserted alphabetically as a new subsection in Section
807 59-2a-101 (renumbered from Section 59-2-1202 in H.B. 20) and that the remaining
808 subsections be renumbered accordingly:
809 ""Current year property tax amount" means the amount of property taxes levied on an
810 eligible owner's primary residence for the current calendar year.";
- 811 (6) Subsection 59-2a-101(9), enacted in H.B. 20, be replaced with the following language:
812 ""Eligible owner" means:
813 (a) for a deferral under Section 59-2a-701, an owner of an attached or detached
814 single-family residence:
815 (i) (A) who uses the residence as the owner's primary residence as of January 1 of the
816 calendar year for which the owner applies for the deferral;
817 (B) who owns the residence for at least one year as of January 1 of the calendar year
818 for which the owner applies for the deferral;
819 (C) whose household income does not exceed \$50,000; and
820 (D) whose household liquid resources do not exceed 20 times the amount of property
821 taxes levied on the residence for the preceding calendar year; or
822 (ii) that is a trust described in Section 59-2a-109 if the grantor of the trust is an
823 individual described in Subsection (6)(a)(i); and
824 (b) for a deferral under Section 59-2a-901, an owner of an attached or detached
825 single-family residence:
826 (i) (A) who uses the residence as the owner's primary residence as of January 1 of the
827 calendar year for which the owner applies for the deferral;
828 (B) who owns the residence for at least one year as of January 1 of the calendar year
829 for which the owner applies for the deferral;
830 (C) who is 65 years old or older on or before December 31 of the calendar year for
831 which the owner applies for the deferral;
832 (D) whose household income does not exceed \$60,000; and
833 (E) whose household liquid resources do not exceed 20 times the amount of property
834 taxes levied on the residence for the preceding calendar year; or
835 (ii) that is a trust described in Section 59-2a-109 if the grantor of the trust is an
836 individual described in Subsection (6)(b)(i).";
- 837 (7) Section 59-2-1802, repealed and reenacted in S.B. 197, be renumbered to Section
838 59-2a-701; and
- 839 (8) Section 59-2-1802.5, repealed and reenacted in S.B. 197, be renumbered to Section

840 59-2a-901.