

Property Tax Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jill Koford

Senate Sponsor:

LONG TITLE**General Description:**

This bill modifies the property tax exemption for primary residential property.

Highlighted Provisions:

This bill:

- contingent on passage of a proposed constitutional amendment, increases the percentage of the fair market value of primarily residential property that is exempt from property tax.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-2-103 (Contingently Effective 1/1/27), as last amended by Laws of Utah 2025, Chapter 234

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

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

59-2-103 (Contingently Effective 1/1/27). Rate of assessment of property -- Residential property.

(1) As used in this section:

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

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

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

- (2) All tangible taxable property located within the state shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provided by law.
- (3) Subject to Subsections (4) through (6) and Section 59-2-103.5, for a calendar year, the fair market value of residential property located within the state is allowed a residential exemption equal to a [45%] 60% reduction in the value of the property.
- (4) Part-year residential property located within the state is allowed the residential exemption described in Subsection (3) if the part-year residential property is 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.
- (5) No more than one acre of land per residential unit may qualify for the residential exemption described in Subsection (3).
- (6)(a) Except as provided in Subsections (6)(b)(ii) and (iii), a residential exemption described in Subsection (3) is limited to one primary residence per household.
- (b) An owner of multiple primary residences located within the state is allowed a residential exemption under Subsection (3) for:
- (i) subject to Subsection (6)(a), the primary residence of the owner;
 - (ii) each residential property that is the primary residence of a tenant; and
 - (iii) subject to Subsection 59-2-103.5(4), each residential property described in Subsection 59-2-102(35)(b)(ii).

Section 2. Effective Date.

This bill takes effect on January 1, 2027, if the amendment to the Utah Constitution proposed by H.J.R. 7, Proposal to Amend Utah Constitution - Property Tax Modifications, 2026 General Session, passes the Legislature and is approved by a majority of those voting on it at the next regular general election.