

Property Tax Exemption Process Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keith Grover

House Sponsor:

LONG TITLE

General Description:

This bill modifies provisions related to the property tax exemption process.

Highlighted Provisions:

This bill:

- defines terms;
- establishes filing deadlines for application to the county board of equalization for a property tax exemption;

- authorizes a county board of equalization to request additional information from an applicant for a property tax exemption, in addition to or in lieu of a hearing on the application;

- establishes deadlines for a county board of equalization to render a written decision on a property tax exemption application;

- authorizes an applicant for a property tax exemption to appeal to the State Tax Commission on the basis of dissatisfaction with the decision of the county board of equalization or the county board of equalization's failure to timely render a written decision on the application;

- ▶ provides for a county board of equalization to revoke a property tax exemption if property no longer qualifies for an exemption;

- requires a county board of equalization to include notice of a property owner's appeal rights in certain written decisions; and

- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

31 **59-2-1102**, as last amended by Laws of Utah 2024, Chapter 254

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

33 Section 1. Section **59-2-1102** is amended to read:

34 **59-2-1102 . Application for exemption to county board of equalization -- Request**
35 **for additional information or hearing -- Appeal -- Exceptions -- Annual statement --**
36 **Revocation.**

37 [(1)(a) For property assessed under Part 3, County Assessment, the county board of
38 equalization may, after giving notice in a manner prescribed by rule, determine
39 whether certain property within the county is exempt from taxation.]

40 [(b) The decision of the county board of equalization described in Subsection (1)(a) shall:]

41 [(i) be in writing; and]

42 [(ii) include:]

43 [(A) a statement of facts; and]

44 [(B) the statutory basis for its decision.]

45 [(c) Except as provided in Subsection (10)(a), a copy of the decision described in
46 Subsection (1)(a) shall be sent on or before May 15 to the person applying for the
47 exemption.]

48 (1) As used in this section, "exclusive use exemption" means the same as that term is
49 defined in Section 59-2-1101.

50 (2) Except as provided in Subsection [(7) and subject to Subsection (8)] (5) or (7)(a), a
51 county board of equalization may not grant an exemption under this part unless the
52 person affected or the person's agent:

53 (a) submits a written application to the county board of equalization on or before March
54 1 of the year for which the exemption is sought; and

55 (b) verifies the application by signed statement.

56 (3)(a) The county board of equalization may require a person making an application for
57 exemption to provide additional information regarding the application, appear before
58 the county board of equalization [and] in a hearing to be examined under oath, or both.

59 (b) If the county board of equalization requires a person making an application for
60 exemption to provide additional information, appear before the county board of
61 equalization in a hearing, or both, the county board of equalization may not grant an
62 exemption unless the person affected or the person's agent appears and answers all
63 questions pertinent to the inquiry, as requested.

65 [4] (c) [For the] If the county board of equalization requests a hearing on the
66 application, the county board of equalization may subpoena any witnesses, and hear
67 and take any evidence in relation to the pending application.

68 [5] (4)(a) Except as provided in Subsection [40](b) (7)(b), if a person files an
69 application in accordance with this section for an exemption under this part, the
70 county board of equalization shall [hold hearings and] render to the applicant a
71 written decision [to determine any exemption on or before May 1 in each year] on the
72 application on or before May 1 of the year in which the application is filed.

73 [6] (b) Any person that made an exemption application and is dissatisfied with the
74 decision of the county board of equalization regarding any exemption] An applicant
75 for an exemption under this part may appeal to the commission [under] in accordance
76 with Section 59-2-1006[.] if:

- 77 (i) the applicant is dissatisfied with the county board of equalization's decision on the
78 application; or
- 79 (ii) the county board of equalization fails to render to the applicant a written decision
80 on the application on or before May 1 of the year in which the application is filed.

81 [7] (5)(a) A county board of equalization may not require an owner of property to file
82 an application in accordance with this section to claim an exemption for the property
83 under the following:

- 84 (i) Subsection 59-2-1101(3)(a)(i);
- 85 (ii) Subsection 59-2-1101(3)(a)(vi) or (viii);
- 86 (iii) Section 59-2-1110;
- 87 (iv) Section 59-2-1111;
- 88 (v) Section 59-2-1112;
- 89 (vi) Section 59-2-1113; or
- 90 (vii) Section 59-2-1114.

91 (b) A county board of equalization may not require an owner of property to file an
92 application in accordance with this section to claim an exemption for the property
93 described in Subsection 59-2-1101(3)(a)(ii) or (iii) unless the property is property
94 described in Subsection 59-2-1101(1)(j)(ii).

95 [8]

96 [(a) Except as provided in Subsection (8)(b), for property described in Subsection
97 59-2-1101(3)(a)(iv) or (v), a county board of equalization shall, consistent with
98 Subsection (9), require an owner of that property to file an application in accordance

99 with this section to claim an exemption for that property.]

100 [~~(b)~~] (c) A county board of equalization may not require an owner of property described
101 in Subsection 59-2-1101(3)(a)(iv) or (v) to file an application [~~under Subsection (8)(a)~~]
102 in accordance with this section to claim an exemption for that property if:

103 (i) the owner filed an application [~~under Subsection (8)(a)~~] for an exemption in
104 accordance with this section;
105 (ii) the county board of equalization determines that the owner may claim an
106 exemption for that property; and
107 (iii) the exemption described in Subsection [~~(8)(b)(ii)~~] (5)(c)(ii) is in effect.

108 [~~(e)~~] (6)[~~(i)~~] (a) For the time period that an owner is granted an exemption in accordance
109 with this section for property described in Subsection 59-2-1101(3)(a)(iv) or (v), a
110 county board of equalization shall require the owner to file an annual statement on or
111 before March 1 on a form prescribed by the commission establishing that the
112 property continues to be eligible for the exemption.

113 [~~(ii)~~] (b)(i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
114 Act, the commission shall make rules providing:

115 (A) the form for the annual statement required by Subsection [~~(8)(e)(i)~~] (6)(a);
116 (B) the contents of the form for the annual statement required by Subsection [
117 ~~(8)(e)(i)~~] (6)(a); and
118 (C) procedures and requirements for making the annual statement required by
119 Subsection [~~(8)(e)(i)~~] (6)(a).

120 [~~(iii)~~] (ii) The commission shall make the form described in Subsection [~~(8)(e)(ii)(A)~~]
121 (6)(b)(i)(A) available to counties.

122 [~~(d)~~] (c) [~~On or before April 1, a~~] If an owner of exempt property described in Subsection
123 59-2-1101(3)(a)(iv) or (v) fails to timely file the annual statement required by
124 Subsection (6)(a), the county board of equalization shall[~~notify each property owner~~
125 ~~that fails to timely file an annual statement in accordance with Subsection (8)(c) of~~
126 ~~the county board of equalization's intent to revoke the exemption.~~] :

127 (i) revoke the exemption for that property; and
128 (ii) notify the property owner of the revocation on or before April 1 of the year in
129 which the property owner fails to timely file the annual statement.

130 [~~(e)~~] (d) An owner of exempt property described in Subsection 59-2-1101(3)(a)(iv) or (v)
131 may file the annual statement [~~described in Subsection (8)(e)~~] required by Subsection
132 (6)(a) after March 1 if the property owner:

133 (i) files the annual statement on or before March 31; and
134 (ii) includes a statement of facts establishing that the property owner was unable to
135 file the annual statement on or before March 1 due to one of the following
136 conditions and no other responsible party was capable of filing the annual
137 statement:
138 (A) a medical emergency of the property owner, an immediate family member of
139 the property owner, or the property owner's agent;
140 (B) the death of the property owner, an immediate family member of the property
141 owner, or the property owner's agent; or
142 (C) other extraordinary and unanticipated circumstances.

143 [§9] (7)(a) For purposes of this Subsection (9), "exclusive use exemption" means the
144 same as that term is defined in Section 59-2-1101.]

145 [7] (a) For purposes of Subsection [(1)(a)] (2), when a person acquires property on or
146 after January 1 that qualifies for an exclusive use exemption, that person may apply
147 for the exclusive use exemption on or before the later of:
148 (i) [the day set by rule as the deadline for filing a property tax exemption application]
149 June 1 of the year in which the property is acquired; or
150 (ii) 120 days after the day on which the property is acquired.
151 [(10)]

152 [(a)] (b) Notwithstanding Subsection [(1)(e)] (4), if a person files an application for an
153 exclusive use exemption under this Subsection [(9), a] (7), the county board of
154 equalization shall [send a copy of the decision described in Subsection (1)(e) to the
155 person applying for the exemption] render to the applicant a written decision on the
156 application on or before the later of:

157 (i) May 15; or
158 (ii) [45] 90 days after the day on which the application for the exemption is filed.

159 (c) An applicant for an exclusive use exemption under this Subsection (7) may appeal to
160 the commission in accordance with Section 59-2-1006 if:
161 (i) the applicant is dissatisfied with the county board of equalization's decision on the
162 application; or
163 (ii) the county board of equalization fails to render to the applicant a written decision
164 on the application within the time period required by Subsection (7)(b).

165 [(b) Notwithstanding Subsection (5), if an application for an exemption is filed under
166 Subsection (9), a county board of equalization shall hold the hearing and render the

167 decision described in Subsection (5) on or before the later of:]

168 [(i) ~~May 1; or~~]

169 [(ii) ~~30 days after the day on which the application for the exemption is filed.~~]

170 (8)(a) If a county board of equalization has reason to believe that property granted an
171 exemption under this part may no longer qualify for an exemption, the county board
172 of equalization may, after giving notice to the property owner in a manner prescribed
173 by rule:

174 (i) determine whether the property continues to qualify for an exemption under this
175 part; and

176 (ii) render to the applicant a written decision revoking the exemption for that property
177 if the county board of equalization determines that the property no longer qualifies
178 for an exemption under this part.

179 (b) An owner of property for which a county board of equalization revokes an
180 exemption under this Subsection (8) may appeal the revocation to the commission in
181 accordance with Section 59-2-1006.

182 (9) A county board of equalization shall include a notice informing a property owner of the
183 option to file an appeal under Section 59-2-1006 if the property owner is dissatisfied
184 with the county board of equalization's decision in:

185 (a) a written decision on an application under Subsection (4)(a) or (7)(b); or

186 (b) a written decision to revoke an exemption for property under Subsection (8).

187 **Section 2. Effective Date.**

188 This bill takes effect on January 1, 2027.