

Property Tax Act Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor:

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; 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

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

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

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

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

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

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

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

- (a) the residential property was ineligible for the residential exemption during the calendar year immediately preceding the calendar year for which the owner is seeking to have the residential exemption applied to the value of the residential property;
- (b) an ownership interest in the residential property changes; or
- (c) the county board of equalization determines that there is reason to believe that the residential property no longer qualifies for the residential exemption.

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

- (i) shall be on a form the commission provides by rule and makes available to the counties;
- (ii) shall be signed by the owner of the residential property; and
- (iii) may not request the sales price of the residential property.

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

(c) For purposes of the application described in Subsection (1), a county may not request 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

- 66 (ii) include as part of the application described in Subsection (2)(a) a statement that
67 certifies:
- 68 (A) the date the part-year residential property became residential property;
69 (B) that the part-year residential property will be used as residential property for
70 183 or more consecutive calendar days during the calendar year for which the
71 owner seeks to obtain the residential exemption; and
72 (C) that the owner, or a member of the owner's household, may not claim a
73 residential exemption for any property for the calendar year for which the
74 owner seeks to obtain the residential exemption, other than the part-year
75 residential property, or as allowed under Section 59-2-103 with respect to the
76 primary residence or household furnishings, furniture, and equipment of the
77 owner's tenant.
- 78 (b) If an owner files an application under this Subsection (3) on or after May 1 of the
79 calendar year for which the owner seeks to obtain the residential exemption, the
80 county board of equalization may require the owner to pay an application fee not to
81 exceed \$50.
- 82 (4) Before a county allows residential property described in Subsection 59-2-102(34)(b)(ii)
83 a residential exemption authorized under Section 59-2-103, an owner of the residential
84 property shall file with the county assessor a written declaration that:
- 85 (a) states under penalty of perjury that, to the best of each owner's knowledge, upon
86 completion of construction or occupancy of the residential property, the residential
87 property will be used for residential purposes as a primary residence;
88 (b) is signed by each owner of the residential property; and
89 (c) is on a form approved by the commission.
- 90 (5)(a) Before a county allows residential property described in Subsection 59-2-103
91 (6)(b) a residential exemption authorized under Section 59-2-103, an owner of the
92 residential property shall file with the county assessor a written declaration that:
- 93 (i) states under penalty of perjury that, to the best of each owner's knowledge, the
94 residential property will be used for residential purposes as a primary residence of
95 a tenant;
96 (ii) is signed by each owner of the residential property; and
97 (iii) is on a form approved by the commission.
- 98 (b)(i)(A) In addition to the declaration, a county assessor may request from an
99 owner a current lease agreement signed by the tenant.

- 100 (B) If the lease agreement is insufficient for a county assessor to make a
101 determination about eligibility for a residential exemption, a county assessor
102 may request a copy of the real estate insurance policy for the property.
- 103 (C) If the real estate insurance policy is insufficient for a county assessor to make
104 a determination about eligibility for a residential exemption, a county assessor
105 may request a copy of a filing from the most recent federal tax return showing
106 that the owner had profit or loss from the residential property as a rental.
- 107 (ii) A county assessor may not request information from an owner's tenant.
- 108 (6)(a) Except as provided in Subsection (6)(b), the county board of equalization may
109 not accept from a property owner an application to receive a residential exemption
110 authorized under Section 59-2-103 for the property owner's primary residence that is
111 filed after the later of:
- 112 (i) September 15 of the calendar year for which the property owner seeks to receive
113 the residential exemption; or
- 114 (ii) the last day of a 45-day period beginning on the day on which the county auditor
115 provides the notice under Section 59-2-919.1.
- 116 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
117 commission may make rules providing for circumstances under which the county
118 board of equalization is required to accept a property owner's application for a
119 residential exemption authorized under Section 59-2-103 that is filed after the time
120 period described in Subsection (6)(a).
- 121 ~~[(6)]~~ (7) Except as provided in Subsection ~~[(7)]~~ (8), if a property owner no longer qualifies to
122 receive a residential exemption authorized under Section 59-2-103 for the property
123 owner's primary residence, the property owner shall:
- 124 (a) file a written statement with the county board of equalization of the county in which
125 the property is located:
- 126 (i) on a form provided by the county board of equalization; and
127 (ii) notifying the county board of equalization that the property owner no longer
128 qualifies to receive a residential exemption authorized under Section 59-2-103 for
129 the property owner's primary residence; and
- 130 (b) declare on the property owner's individual income tax return under Chapter 10,
131 Individual Income Tax Act, for the taxable year for which the property owner no
132 longer qualifies to receive a residential exemption authorized under Section 59-2-103
133 for the property owner's primary residence, that the property owner no longer

134 qualifies to receive a residential exemption authorized under Section 59-2-103 for the
135 property owner's primary residence.

136 ~~[(7)]~~ (8) A property owner is not required to file a written statement or make the declaration
137 described in Subsection ~~[(6)]~~ (7) if the property owner:

138 (a) changes primary residences;

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

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

143 ~~[(8)]~~ (9) Subsections (2) through ~~[(7)]~~ (8) do not apply to qualifying exempt primary
144 residential rental personal property.

145 ~~[(9)]~~ (10)(a) Subject to Subsection ~~[(10)]~~ (11), for the first calendar year in which a
146 property owner qualifies to receive a residential exemption under Section 59-2-103, a
147 county assessor may require the property owner to file a signed statement described
148 in Section 59-2-306.

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

157 ~~[(10)]~~ (11)(a) After an ownership interest in residential property changes, the county
158 assessor shall:

159 (i) notify the owner of the residential property that the owner is required to submit a
160 written declaration described in Subsection ~~[(10)(d)]~~ (11)(d) within 90 days after
161 the day on which the county assessor mails the notice under this Subsection [
162 ~~(10)(a)]~~ (11)(a); and

163 (ii) provide the owner of the residential property with the form described in
164 Subsection ~~[(10)(e)]~~ (11)(e) to make the written declaration described in
165 Subsection ~~[(10)(d)]~~ (11)(d).

166 (b) A county assessor is not required to provide a notice to an owner of residential
167 property under Subsection ~~[(10)(a)]~~ (11)(a) if the situs address of the residential

- 168 property is the same as any one of the following:
- 169 (i) the mailing address of the residential property owner or the tenant of the
- 170 residential property;
- 171 (ii) the address listed on the:
- 172 (A) residential property owner's driver license; or
- 173 (B) tenant of the residential property's driver license; or
- 174 (iii) the address listed on the:
- 175 (A) residential property owner's voter registration; or
- 176 (B) tenant of the residential property's voter registration.
- 177 (c) A county assessor is not required to provide a notice to an owner of residential
- 178 property under Subsection [~~(10)~~(a)] (11)(a) if:
- 179 (i) the owner is using a post office box or rural route box located in the county where
- 180 the residential property is located; and
- 181 (ii) the residential property is located in a county of the fourth, fifth, or sixth class.
- 182 (d) An owner of residential property that receives a notice described in Subsection [
- 183 ~~(10)~~(a)] (11)(a) shall submit a written declaration to the county assessor under penalty
- 184 of perjury certifying the information contained in the form described in Subsection [
- 185 ~~(10)~~(e)] (11)(e).
- 186 (e) The written declaration required by Subsection [~~(10)~~(d)] (11)(d) shall be:
- 187 (i) signed by the owner of the residential property; and
- 188 (ii) in substantially the following form:

"Residential Property Declaration

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

Residential Property Owner Information

195 Name(s): _____

196 Home Phone: _____

197 Work Phone: _____

198 Mailing Address: _____

Residential Property Information

200 Physical Address:_____

201 Certification

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

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

207 Yes No

208 2. Will this primary residential property or part-year residential property be occupied for
209 183 or more consecutive calendar days by the owner or another person?

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

212 Yes No

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

220 Signature

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

223 _____(Owner signature) _____Date (mm/dd/yyyy)

224 _____(Owner printed name)

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

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

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

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

233 (ii) The redetermination provided in Subsection [~~(10)(g)(i)(A)~~] (11)(g)(i)(A) is final unless:
234 (A) except as provided in Subsection [~~(10)(g)(iii)~~] (11)(g)(iii), the property owner appeals the
235 redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or
236 (B) the county determines that the property is eligible to receive a primary residential
237 exemption as part-year residential property.

238 (iii) The board of equalization may not accept an appeal that is filed after the later of:
239 (A) September 15 of the current calendar year; or
240 (B) the last day of the 45-day period beginning on the day on which the county auditor
241 provides the notice under Section 59-2-919.1.

242 (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
243 that:
244 (A) the property owner failed to file a written declaration as required by Subsection [~~(10)(d)~~] (11)(d); and
245 (B) the property owner will no longer qualify to receive the residential exemption authorized
246 under Section 59-2-103 for the property that is the subject of the written declaration if the
247 property owner does not file the written declaration required by Subsection [~~(10)(d)~~] (11)(d)
248 within 30 days after the day on which the county assessor mails the notice under this
249 Subsection [~~(10)(h)(i)~~] (11)(h)(i).

250 (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
251 owner no longer qualifies to receive the residential exemption authorized under Section
252 59-2-103 in the calendar year for the property that is the subject of the written declaration
253 unless:
254 (A) except as provided in Subsection [~~(10)(h)(iii)~~] (11)(h)(iii), the property owner appeals the
255 redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or
256 (B) the county determines that the property is eligible to receive a primary residential
257 exemption as part-year residential property.

258 (iii) The board of equalization may not accept an appeal that is filed after the later of:
259 (A) September 15 of the current calendar year; or
260 (B) the last day of the 45-day period beginning on the day on which the county auditor
261 provides the notice under Section 59-2-919.1.

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

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

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

272 **59-2-503 (Effective 05/07/25) (Retrospective 01/01/25). Qualifications for**
 273 **agricultural use assessment.**

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

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

278 ~~[(i) if:]~~

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

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

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

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

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

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

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

292 (a) production levels reported in the current publication of the Utah Agricultural
 293 Statistics;

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

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

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

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

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

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

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

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

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

316 [~~3~~] (4) Land may be assessed on the basis of the land's agricultural value if the land:

- 317 (a) is subject to the privilege tax imposed by Section 59-4-101;
- 318 (b) is owned by the state or any of the state's political subdivisions; and
- 319 (c) meets the requirements of Subsection (1).

320 [~~4~~] (5) Notwithstanding Subsection (1)(a), the commission or a county board of
 321 equalization may grant a waiver of the acreage limitation for land upon:

- 322 (a) appeal by the owner; and
- 323 (b) submission of proof that 80% or more of the owner's, purchaser's, or lessee's income
 324 is derived from agricultural products produced on the property in question.

325 [~~5~~] (6) Notwithstanding Subsection (1)(a), the commission or a county board of
 326 equalization shall grant a waiver of the acreage limitation for land upon:

- 327 (a) appeal by the owner; and
- 328 (b) submission of proof that:
 - 329 (i) the failure to meet the acreage requirement arose solely as a result of an
 330 acquisition by a public utility or a governmental entity by:

- 331 (A) eminent domain; or
- 332 (B) the threat or imminence of an eminent domain proceeding; and

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

334 [~~6~~] (7)(a) The commission or a county board of equalization may grant a waiver of the

335 requirement that the land is actively devoted to agricultural use for the tax year for
336 which the land is being assessed under this part upon:

337 (i) appeal by the owner; and

338 (ii) submission of proof that:

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

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

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

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

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

351 [~~(7)~~] (8) Land that otherwise qualifies for assessment under this part qualifies for assessment
352 under this part in the first year the land resumes being actively devoted to agricultural
353 use if:

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

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

359 [~~(8)~~] (9) Land that otherwise qualifies under Subsection (1) to be assessed on the basis of the
360 value that the land has for agricultural use does not lose that qualification by becoming
361 subject to a forest stewardship plan developed under Section 65A-8a-106 under which
362 the land is subject to a temporary period of limited use or nonuse.

363 [~~(9)~~] (10)(a) Notwithstanding Subsection (1) and except as provided in Subsection [~~(9)~~(d)]
364 (10)(d), land in agricultural use that is intentionally allowed to lay fallow for one or
365 more growing seasons qualifies for assessment under this part if the fallowing is
366 conducted:

367 (i) during periods of limited water supply;

368 (ii) as part of a prudent farm management practice, including crop rotation, rotational

- 369 grazing, or soil water management; or
- 370 (iii) to facilitate voluntary participation in a water management or agricultural water
371 optimization program.
- 372 (b) If the owner of land assessed under this part fallows the land during any period in a
373 calendar year, the owner may, on or before December 31 of the year in which the
374 land is fallowed, provide to the county assessor written notice that:
- 375 (i) identifies the land that was fallowed during any period of the year in which the
376 notice is provided, including the acreage of the fallowed land;
- 377 (ii) demonstrates how the land qualifies under Subsection [~~(9)(a)~~] (10)(a); and
- 378 (iii) specifies whether the owner intends to fallow the land during any period in the
379 following calendar year, and, if so, the intended duration of the fallowing period.
- 380 (c)(i) If the written notice under Subsection [~~(9)(b)~~] (10)(b) indicates that the owner
381 intends to fallow the land during any period in the following calendar year, the
382 county assessor may, within 45 days of receiving the written notice, require the
383 owner to submit to the county assessor a land management plan in a form
384 prescribed by the county assessor that:
- 385 (A) identifies the owner's objectives in fallowing the land for the intended
386 duration of the fallowing period;
- 387 (B) provides adequate assurances to the county assessor that the fallowed land will
388 become actively devoted to agricultural use upon the expiration of the intended
389 fallowing period; and
- 390 (C) includes any other information required by the county assessor.
- 391 (ii) If the owner submits to the county assessor a land management plan for fallowed
392 land that meets the requirements of Subsection [~~(9)(e)(i)~~] (10)(c)(i), the county
393 assessor may not require the owner to submit a new or additional land
394 management plan for the same land within three years from the day on which the
395 owner submitted the plan.
- 396 (d) Fallowed land is withdrawn from this part if:
- 397 (i) the county assessor determines that the land does not qualify under Subsection [~~(9)(a)~~] (10)(a);
- 398
- 399 (ii) the owner fails to return the fallowed land to active agricultural use upon the
400 expiration of the intended fallowing period as specified in the written notice; or
- 401 (iii) the owner fails to comply with the requirements of Subsection [~~(9)(e)~~] (10)(c), if
402 a land management plan is required.

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

404 **59-2-507 (Effective 05/07/25) (Retrospective 01/01/25). Land included as**
 405 **agricultural -- Site of residence excluded -- Taxation of structures and site of**
 406 **residence.**

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

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

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

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

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

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

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

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

423 **59-2-924 (Effective 05/07/25) (Retrospective 01/01/25). Definitions -- Report of**
 424 **valuation of property to county auditor and commission -- Transmittal by auditor**
 425 **to governing bodies -- Calculation of certified tax rate -- Rulemaking authority --**
 426 **Adoption of tentative budget -- Notice provided by the commission.**

427 (1) As used in this section:

428 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance
 429 with this chapter.

430 (ii) "Ad valorem property tax revenue" does not include:

431 (A) interest;

432 (B) penalties;

433 (C) collections from redemptions; or

434 (D) revenue received by a taxing entity from personal property that is
 435 semiconductor manufacturing equipment assessed by a county assessor in
 436 accordance with Part 3, County Assessment.

- 437 (b) "Adjusted tax increment" means the same as that term is defined in Section
438 17C-1-102.
- 439 (c)(i) "Aggregate taxable value of all property taxed" means:
- 440 (A) the aggregate taxable value of all real property a county assessor assesses in
441 accordance with Part 3, County Assessment, for the current year;
- 442 (B) the aggregate taxable value of all real and personal property the commission
443 assesses in accordance with Part 2, Assessment of Property, for the current
444 year; and
- 445 (C) the aggregate year end taxable value of all personal property a county assessor
446 assesses in accordance with Part 3, County Assessment, contained on the prior
447 year's tax rolls of the taxing entity.
- 448 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
449 year end taxable value of personal property that is:
- 450 (A) semiconductor manufacturing equipment assessed by a county assessor in
451 accordance with Part 3, County Assessment; and
- 452 (B) contained on the prior year's tax rolls of the taxing entity.
- 453 (d) "Base taxable value" means:
- 454 (i) for an authority created under Section 11-58-201, the same as that term is defined
455 in Section 11-58-102;
- 456 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
457 the same as that term is defined in Section 11-59-207;
- 458 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
459 11-70-201, the same as that term is defined in Section 11-70-101;
- 460 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
461 defined in Section 17C-1-102;
- 462 (v) for an authority created under Section 63H-1-201, the same as that term is defined
463 in Section 63H-1-102;
- 464 (vi) for a host local government, the same as that term is defined in Section
465 63N-2-502;
- 466 (vii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
467 Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as
468 shown upon the assessment roll last equalized during the base year, as that term is
469 defined in Section 63N-3-602;
- 470 (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part

- 471 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
472 27a, Part 12, Home Ownership Promotion Zone for Counties, a property's taxable
473 value as shown upon the assessment roll last equalized during the base year, as
474 that term is defined in Section 10-9a-1001 or Section 17-27a-1201; or
- 475 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
476 First Home Investment Zone Act, a property's taxable value as shown upon the
477 assessment roll last equalized during the base year, as that term is defined in
478 Section 63N-3-1601.
- 479 (e) "Centrally assessed benchmark value" means an amount equal to the average year
480 end taxable value of real and personal property the commission assesses in
481 accordance with Part 2, Assessment of Property, for the previous three calendar
482 years, adjusted for taxable value attributable to:
- 483 (i) an annexation to a taxing entity;
- 484 (ii) an incorrect allocation of taxable value of real or personal property the
485 commission assesses in accordance with Part 2, Assessment of Property; or
- 486 (iii) a change in value as a result of a change in the method of apportioning the value
487 prescribed by the Legislature, a court, or the commission in an administrative rule
488 or administrative order.
- 489 (f)(i) "Centrally assessed new growth" means the greater of:
- 490 (A) zero; or
- 491 (B) the amount calculated by subtracting the centrally assessed benchmark value
492 adjusted for prior year end incremental value from the taxable value of real and
493 personal property the commission assesses in accordance with Part 2,
494 Assessment of Property, for the current year, adjusted for current year
495 incremental value.
- 496 (ii) "Centrally assessed new growth" does not include a change in value as a result of
497 a change in the method of apportioning the value prescribed by the Legislature, a
498 court, or the commission in an administrative rule or administrative order.
- 499 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
500 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 501 (h) "Community reinvestment agency" means the same as that term is defined in Section
502 17C-1-102.
- 503 (i) "Eligible new growth" means the greater of:
- 504 (i) zero; or

- 505 (ii) the sum of:
- 506 (A) locally assessed new growth;
- 507 (B) centrally assessed new growth; and
- 508 (C) project area new growth or hotel property new growth.
- 509 (j) "Host local government" means the same as that term is defined in Section 63N-2-502.
- 510 (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 511 (l) "Hotel property new growth" means an amount equal to the incremental value that is
- 512 no longer provided to a host local government as incremental property tax revenue.
- 513 (m) "Incremental property tax revenue" means the same as that term is defined in
- 514 Section 63N-2-502.
- 515 (n) "Incremental value" means:
- 516 (i) for an authority created under Section 11-58-201, the amount calculated by
- 517 multiplying:
- 518 (A) the difference between the taxable value and the base taxable value of the
- 519 property that is located within a project area and on which property tax
- 520 differential is collected; and
- 521 (B) the number that represents the percentage of the property tax differential that
- 522 is paid to the authority;
- 523 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 524 an amount calculated by multiplying:
- 525 (A) the difference between the current assessed value of the property and the base
- 526 taxable value; and
- 527 (B) the number that represents the percentage of the property tax augmentation, as
- 528 defined in Section 11-59-207, that is paid to the Point of the Mountain State
- 529 Land Authority;
- 530 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 531 11-70-201, the amount calculated by multiplying:
- 532 (A) the difference between the taxable value for the current year and the base
- 533 taxable value of the property that is located within a project area; and
- 534 (B) the number that represents the percentage of enhanced property tax revenue,
- 535 as defined in Section 11-70-101;
- 536 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
- 537 multiplying:
- 538 (A) the difference between the taxable value and the base taxable value of the

- 539 property located within a project area and on which tax increment is collected;
540 and
- 541 (B) the number that represents the adjusted tax increment from that project area
542 that is paid to the agency;
- 543 (v) for an authority created under Section 63H-1-201, the amount calculated by
544 multiplying:
- 545 (A) the difference between the taxable value and the base taxable value of the
546 property located within a project area and on which property tax allocation is
547 collected; and
- 548 (B) the number that represents the percentage of the property tax allocation from
549 that project area that is paid to the authority;
- 550 (vi) for a housing and transit reinvestment zone created pursuant to Title 63N,
551 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount
552 calculated by multiplying:
- 553 (A) the difference between the taxable value and the base taxable value of the
554 property that is located within a housing and transit reinvestment zone and on
555 which tax increment is collected; and
- 556 (B) the number that represents the percentage of the tax increment that is paid to
557 the housing and transit reinvestment zone;
- 558 (vii) for a host local government, an amount calculated by multiplying:
- 559 (A) the difference between the taxable value and the base taxable value of the
560 hotel property on which incremental property tax revenue is collected; and
- 561 (B) the number that represents the percentage of the incremental property tax
562 revenue from that hotel property that is paid to the host local government;
- 563 (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
564 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
565 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount
566 calculated by multiplying:
- 567 (A) the difference between the taxable value and the base taxable value of the
568 property that is located within a home ownership promotion zone and on which
569 tax increment is collected; and
- 570 (B) the number that represents the percentage of the tax increment that is paid to
571 the home ownership promotion zone; or
- 572 (ix) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part

- 573 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 574 (A) the difference between the taxable value and the base taxable value of the
- 575 property that is located within a first home investment zone and on which tax
- 576 increment is collected; and
- 577 (B) the number that represents the percentage of the tax increment that is paid to
- 578 the first home investment zone.
- 579 (o)(i) "Locally assessed new growth" means the greater of:
- 580 (A) zero; or
- 581 (B) the amount calculated by subtracting the year end taxable value of real
- 582 property the county assessor assesses in accordance with Part 3, County
- 583 Assessment, for the previous year, adjusted for prior year end incremental
- 584 value from the taxable value of real property the county assessor assesses in
- 585 accordance with Part 3, County Assessment, for the current year, adjusted for
- 586 current year incremental value.
- 587 (ii) "Locally assessed new growth" does not include a change in:
- 588 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
- 589 or another adjustment;
- 590 (B) assessed value based on whether a property is allowed a residential exemption
- 591 for a primary residence under Section 59-2-103;
- 592 (C) assessed value based on whether a property is assessed under Part 5, Farmland
- 593 Assessment Act; or
- 594 (D) assessed value based on whether a property is assessed under Part 17, Urban
- 595 Farming Assessment Act.
- 596 (p) "Project area" means:
- 597 (i) for an authority created under Section 11-58-201, the same as that term is defined
- 598 in Section 11-58-102;
- 599 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 600 11-70-201, the same as that term is defined in Section 11-70-101;
- 601 (iii) for an agency created under Section 17C-1-201.5, the same as that term is
- 602 defined in Section 17C-1-102; or
- 603 (iv) for an authority created under Section 63H-1-201, the same as that term is
- 604 defined in Section 63H-1-102.
- 605 (q) "Project area new growth" means:
- 606 (i) for an authority created under Section 11-58-201, an amount equal to the

- 607 incremental value that is no longer provided to an authority as property tax
608 differential;
- 609 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
610 an amount equal to the incremental value that is no longer provided to the Point of
611 the Mountain State Land Authority as property tax augmentation, as defined in
612 Section 11-59-207;
- 613 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
614 11-70-201, an amount equal to the incremental value that is no longer provided to
615 the Utah Fairpark Area Investment and Restoration District;
- 616 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
617 incremental value that is no longer provided to an agency as tax increment;
- 618 (v) for an authority created under Section 63H-1-201, an amount equal to the
619 incremental value that is no longer provided to an authority as property tax
620 allocation;
- 621 (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
622 Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the
623 incremental value that is no longer provided to a housing and transit reinvestment
624 zone as tax increment;
- 625 (vii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
626 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
627 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount equal to
628 the incremental value that is no longer provided to a home ownership promotion
629 zone as tax increment; or
- 630 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
631 First Home Investment Zone Act, an amount equal to the incremental value that is
632 no longer provided to a first home investment zone as tax increment.
- 633 (r) "Project area incremental revenue" means the same as that term is defined in Section
634 17C-1-1001.
- 635 (s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 636 (t) "Property tax differential" means the same as that term is defined in Section
637 11-58-102.
- 638 ~~[(u) "Qualifying exempt revenue" means revenue received:]~~
639 ~~[(i) for the previous calendar year;]~~
640 ~~[(ii) by a taxing entity;]~~

- 641 [(iii) from tangible personal property contained on the prior year's tax rolls that is
642 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year
643 beginning on January 1, 2022; and]
- 644 [(iv) on the aggregate 2021 year end taxable value of the tangible personal property that
645 exceeds \$15,300.]
- 646 [(v)] (u) "Tax increment" means:
- 647 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
648 in Section 17C-1-102;
- 649 (ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
650 Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is
651 defined in Section 63N-3-602;
- 652 (iii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
653 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
654 27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that
655 term is defined in Section 10-9a-1001 or Section 17-27a-1201; or
- 656 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
657 First Home Investment Zone Act, the same as that term is defined in Section
658 63N-3-1601.
- 659 (2) Before June 1 of each year, [~~the county assessor of~~] each county assessor shall deliver to
660 the county auditor and the commission the following statements:
- 661 (a) a statement containing the aggregate valuation of all taxable real property a county
662 assessor assesses in accordance with Part 3, County Assessment, for each taxing
663 entity; and
- 664 (b) a statement containing the taxable value of all personal property a county assessor
665 assesses in accordance with Part 3, County Assessment, from the prior year end
666 values.
- 667 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
668 taxing entity:
- 669 (a) the statements described in Subsections (2)(a) and (b);
- 670 (b) an estimate of the revenue from personal property;
- 671 (c) the certified tax rate; and
- 672 (d) all forms necessary to submit a tax levy request.
- 673 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be
674 calculated by dividing the ad valorem property tax revenue that a taxing entity

- 675 budgeted for the prior year[~~minus the qualifying exempt revenue~~] by the amount
676 calculated under Subsection (4)(b).
- 677 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
678 calculate an amount as follows:
- 679 (i) calculate for the taxing entity the difference between:
- 680 (A) the aggregate taxable value of all property taxed; and
681 (B) any adjustments for current year incremental value;
- 682 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
683 determined by increasing or decreasing the amount calculated under Subsection
684 (4)(b)(i) by the average of the percentage net change in the value of taxable
685 property for the equalization period for the three calendar years immediately
686 preceding the current calendar year;
- 687 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
688 product of:
- 689 (A) the amount calculated under Subsection (4)(b)(ii); and
690 (B) the percentage of property taxes collected for the five calendar years
691 immediately preceding the current calendar year; and
- 692 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
693 amount determined by:
- 694 (A) multiplying the percentage of property taxes collected for the five calendar
695 years immediately preceding the current calendar year by eligible new growth;
696 and
697 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
698 amount calculated under Subsection (4)(b)(iii).
- 699 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
700 as follows:
- 701 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
702 tax rate is zero;
- 703 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 704 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
705 services under Sections 17-34-1 and 17-36-9; and
706 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
707 purposes and such other levies imposed solely for the municipal-type services
708 identified in Section 17-34-1 and Subsection 17-36-3(23);

- 709 (c) for a community reinvestment agency that received all or a portion of a taxing
710 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
711 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
712 Subsection (4) except that the commission shall treat the total revenue transferred to
713 the community reinvestment agency as ad valorem property tax revenue that the
714 taxing entity budgeted for the prior year; and
- 715 (d) for debt service voted on by the public, the certified tax rate is the actual levy
716 imposed by that section, except that a certified tax rate for the following levies shall
717 be calculated in accordance with Section 59-2-913 and this section:
- 718 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
719 (ii) a levy to pay for the costs of state legislative mandates or judicial or
720 administrative orders under Section 59-2-1602.
- 721 (6)(a) A taxing entity may impose a judgment levy~~imposed~~ under Section 59-2-1328
722 or 59-2-1330~~may be imposed~~ at a rate that is sufficient to generate only the
723 revenue required to satisfy one or more eligible judgments.
- 724 (b) The ad valorem property tax revenue generated by a judgment levy described in
725 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
726 certified tax rate.
- 727 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 728 (i) the taxable value of real property:
- 729 (A) the county assessor assesses in accordance with Part 3, County Assessment;
730 and
731 (B) contained on the assessment roll;
- 732 (ii) the year end taxable value of personal property:
- 733 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
734 (B) contained on the prior year's assessment roll; and
- 735 (iii) the taxable value of real and personal property the commission assesses in
736 accordance with Part 2, Assessment of Property.
- 737 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
738 growth.
- 739 (8)(a) On or before June 30 of each year, a taxing entity shall~~annually~~ adopt a
740 tentative budget.
- 741 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
742 the county auditor of:

- 743 (i) the taxing entity's intent to exceed the certified tax rate; and
 744 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
 745 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
 746 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
 747 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
 748 electronic means on or before July 31, to a taxing entity and the Revenue and
 749 Taxation Interim Committee if:
- 750 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
 751 taxable value of the real and personal property the commission assesses in
 752 accordance with Part 2, Assessment of Property, for the previous year, adjusted
 753 for prior year end incremental value; and
 754 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
 755 end taxable value of the real and personal property of a taxpayer the commission
 756 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 757 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
 758 subtracting the taxable value of real and personal property the commission assesses
 759 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
 760 current year incremental value, from the year end taxable value of the real and
 761 personal property the commission assesses in accordance with Part 2, Assessment of
 762 Property, for the previous year, adjusted for prior year end incremental value.
- 763 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
 764 subtracting the total taxable value of real and personal property of a taxpayer the
 765 commission assesses in accordance with Part 2, Assessment of Property, for the
 766 current year, from the total year end taxable value of the real and personal property of
 767 a taxpayer the commission assesses in accordance with Part 2, Assessment of
 768 Property, for the previous year.
- 769 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
 770 requirement under Subsection (9)(a)(ii).

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

772 **59-2-1006 (Effective 05/07/25) (Retrospective 01/01/25). Appeal to commission**
 773 **-- Duties of auditor -- Decision by commission.**

- 774 (1) Any person dissatisfied with the decision of the county board of equalization concerning
 775 the assessment and equalization of any property, or the determination of any exemption
 776 in which the person has an interest, or a tax relief decision made under designated

- 777 decision-making authority as described in Section 59-2-1101 or Part 18, Tax Deferral
778 and Tax Abatement, may appeal that decision to the commission by:
- 779 (a) filing a notice of appeal specifying the grounds for the appeal with the county auditor
780 within 30 days after the final action of the county board or entity with designated
781 decision-making authority described in Section 59-2-1101 or Part 18, Tax Deferral
782 and Tax Abatement; and
- 783 (b) if the county assessor valued the property in accordance with Section 59-2-301.8 and
784 the taxpayer intends to contest the value of personal property located in a
785 multi-tenant residential property, as that term is defined in Section 59-2-301.8,
786 submitting a signed statement of the personal property with the notice of appeal.
- 787 (2) The auditor shall:
- 788 (a) file one notice with the commission;
- 789 (b) certify and transmit to the commission:
- 790 (i) the minutes of the proceedings of the county board of equalization or entity with
791 designated decision-making authority for the matter appealed;
- 792 (ii) all documentary evidence received in that proceeding; and
- 793 (iii) a transcript of any testimony taken at that proceeding that was preserved;
- 794 (c) if the appeal is from a hearing where an exemption was granted or denied, certify and
795 transmit to the commission the written decision of:
- 796 (i) the board of equalization as required by Section 59-2-1102; or
- 797 (ii) the entity with designated decision-making authority; and
- 798 (d) any signed statement submitted in accordance with Subsection (1)(b).
- 799 (3) In reviewing a decision described in Subsection (1), the commission may:
- 800 (a) admit additional evidence;
- 801 (b) issue orders that it considers to be just and proper; and
- 802 (c) make any correction or change in the assessment or order of the county board of
803 equalization or entity with decision-making authority.
- 804 (4) In reviewing evidence submitted to the commission to decide an appeal under this
805 section, the commission shall consider and weigh:
- 806 (a) the accuracy, reliability, and comparability of the evidence presented;
- 807 (b) if submitted, the sales price of relevant property that was under contract for sale as of
808 the lien date but sold after the lien date;
- 809 (c) if submitted, the sales offering price of property that was offered for sale as of the
810 lien date but did not sell, including considering and weighing the amount of time for

- 811 which, and manner in which, the property was offered for sale; and
- 812 (d) if submitted, other evidence that is relevant to determining the fair market value of
- 813 the property.
- 814 (5) In reviewing a decision described in Subsection (1), the commission shall adjust
- 815 property valuations to reflect a value equalized with the assessed value of other
- 816 comparable properties if:
- 817 (a) the issue of equalization of property values is raised; and
- 818 (b) the commission determines that the property that is the subject of the appeal deviates
- 819 in value plus or minus 5% from the assessed value of comparable properties.
- 820 (6) The commission shall decide all appeals taken pursuant to this section not later than
- 821 March 1 of the following year for real property and within 90 days for personal property,
- 822 and shall report its decision, order, or assessment to the county auditor, who shall make
- 823 all changes necessary to comply with the decision, order, or assessment.

824 **Section 6. Effective Date.**

825 This bill takes effect on May 7, 2025.

826 **Section 7. Retrospective operation.**

827 This bill has retrospective operation to January 1, 2025.