



**Fiscal Note**

**S.B. 25**

2022 General Session  
 Property Tax Deferral Amendments  
 by Fillmore, L.



**General, Education, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(1,000)	\$(10,000,600)	\$(10,001,600)

**State Government**

UCA 36-12-13(2)(c)

Revenues	FY 2022	FY 2023	FY 2024
New Account Created By Bill (FN Only)	\$0	\$10,000,000	\$0
<b>Total Revenues</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$0</b>

Enactment of this legislation would result in a one-time appropriation of \$10,000,000 from the General Fund in FY2023 to a new General Fund Restricted - Property Tax Deferral Restricted Account. Revenue could accrue to the General Fund as properties are sold and deferrals repaid, but those one-time amounts are unknown at this time.

Expenditures	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$1,000	\$1,000
General Fund, One-time	\$0	\$10,000,600	\$0
New Account Created By Bill (FN Only)	\$0	\$10,000,000	\$0
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$20,001,600</b>	<b>\$1,000</b>

Enactment of this legislation could result in a one-time \$10 million expenditure from the General Fund in FY2023 to be deposited into the new General Fund Restricted - Property Tax Deferral Restricted Account. It could also cost the Tax Commission as much as \$10 million one-time in FY2023 for loans from the newly created restricted account to reimburse counties for property tax deferral. FY 2023 amounts could be lower with higher reimbursements occurring in later years, but that flow is unknown. Enactment of this legislation could also cost the Division of Finance \$1,000 ongoing from the General Fund, beginning in FY2023, and \$600 one-time from the General Fund in FY2023 for costs associated with establishing and maintaining a new restricted account.

	FY 2022	FY 2023	FY 2024
<b>Net All Funds</b>	<b>\$0</b>	<b>\$(10,001,600)</b>	<b>\$(1,000)</b>

**Local Government**

UCA 36-12-13(2)(c)

Enactment of this legislation could lead to local governments forgoing up to approximately \$15 million annually in property tax receipts due to deferring payments for qualifying residential property owners, but receiving original amounts due plus interest totaling about \$22 million at the end of each tranche of deferment. This assumes about 94,000 properties valued under \$500,000 are owned by individuals over 75 years of age, and about 8,400 of these owners defer payment for about 10 years with the deferred amount accruing interest at about 3.8 percent annually. However, enactment of this legislation could also result in local governments receiving up to \$10 million in aggregate from a new restricted account to offset the deferred revenue.

**Individuals & Businesses**

UCA 36-12-13(2)(c)

Enactment of this legislation could lead to qualifying homeowners deferring up to approximately \$15 million annually in property tax payments, but repaying original amounts due plus interest totaling about \$22 million at the end of each tranche of deferment. This assumes about 94,000 properties valued under \$500,000 are owned by individuals over 75 years of age, and about 8,400 of these owners defer payment for about 10 years with the deferred amount accruing interest at about 3.8 percent annually.

**Regulatory Impact**

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

**Performance Evaluation**

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.