# Fiscal Note
## S.B. 25 2nd Sub. (Salmon)

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

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

JR4-4-101

| | Ongoing | One-time | Total |
|---|---|---|---|
| **Net GF/EF/USF (rev.-exp.)** | $0 | $(10,000,000) | $(10,000,000) |

### *State Government*

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

| **Revenues** | *FY 2022* | *FY 2023* | *FY 2024* |
|---|---|---|---|
| Total Revenues | $0 | $0 | $0 |

Enactment of this legislation would result in a one-time appropriation of $10,000,000 from the General Fund, to be paid back over time. Thus, 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, One-time | $0 | $10,000,000 | $0 |
| Total Expenditures | $0 | $10,000,000 | $0 |

Enactment of this legislation would result in a one-time $10 million appropriation from the General Fund in FY 2023 to the Tax Commission for loans to reimburse counties for property tax deferral. Actual FY 2023 expenditure amounts could be lower with higher reimbursements occurring in later years, but that flow is unknown.

| | *FY 2022* | *FY 2023* | *FY 2024* |
|---|---|---|---|
| **Net All Funds** | $0 | $(10,000,000) | $0 |

### *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 interesting 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 interesting 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.