

**Effective 1/1/2020**

**Part 18**  
**Tax Deferral and Tax Abatement**

**59-2-1801 Definitions.**

As used in this part:

- (1) "Abatement" means a tax abatement described in Section 59-2-1803.
- (2) "Deferral" means a postponement of a tax due date or a tax notice charge granted in accordance with Section 59-2-1802, 59-2-1802.1, or 59-2-1802.5.
- (3) "Eligible owner" means an owner of an attached or a detached single-family residence:
  - (a)
    - (i) who is 75 years old or older on or before December 31 of the year in which the individual applies for a deferral under this part;
    - (ii) whose household income does not exceed 200% of the maximum household income certified to a homeowner's credit described in Section 59-2-1208; and
    - (iii) whose household liquid resources do not exceed 20 times the amount of property taxes levied on the owner's residence for the preceding calendar year; or
  - (b) that is a trust described in Section 59-2-1805 if the grantor of the trust is an individual described in Subsection (3)(a).
- (4) "Household" means the same as that term is defined in Section 59-2-1202.
- (5) "Household income" means the same as that term is defined in Section 59-2-1202.
- (6) "Household liquid resources" means the following resources that are not included in an individual's household income and held by one or more members of the individual's household:
  - (a) cash on hand;
  - (b) money in a checking or savings account;
  - (c) savings certificates; and
  - (d) stocks or bonds.
- (7) "Indigent individual" means a poor individual as described in Utah Constitution, Article XIII, Section 3, Subsection (4), who:
  - (a)
    - (i) is at least 65 years old; or
    - (ii) is less than 65 years old and:
      - (A) the county finds that extreme hardship would prevail on the individual if the county does not defer or abate the individual's taxes; or
      - (B) the individual has a disability;
  - (b) has a total household income, as defined in Section 59-2-1202, of less than the maximum household income certified to a homeowner's credit described in Section 59-2-1208;
  - (c) resides for at least 10 months of the year in the residence that would be subject to the requested abatement or deferral; and
  - (d) cannot pay the tax assessed on the individual's residence when the tax becomes due.
- (8) "Property taxes due" means the taxes due on an indigent individual's property:
  - (a) for which a county granted an abatement under Section 59-2-1803; and
  - (b) for the calendar year for which the county grants the abatement.
- (9) "Property taxes paid" means an amount equal to the sum of:
  - (a) the amount of property taxes the indigent individual paid for the taxable year for which the indigent individual applied for the abatement; and
  - (b) the amount of the abatement the county grants under Section 59-2-1803.

- (10) "Qualifying increase" means a valuation that is equal to or more than 150% higher than the previous year's valuation for property that:
- (a) is county assessed; and
  - (b) on or after January 1 of the previous year and before January 1 of the current year has not had:
    - (i) a physical improvement if the fair market value of the physical improvement increases enough to result in the valuation increase solely as a result of the physical improvement;
    - (ii) a zoning change if the fair market value of the real property increases enough to result in the valuation increase solely as a result of the zoning change; or
    - (iii) a change in the legal description of the real property, if the fair market value of the real property increases enough to result in the valuation increase solely as a result of the change in the legal description of the real property.
- (11) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a spouse of any of these individuals.
- (12) "Residence" means real property where an individual resides, including:
- (a) a mobile home, as defined in Section 41-1a-102; or
  - (b) a manufactured home, as defined in Section 41-1a-102.
- (13) "Tax notice charge" means the same as that term is defined in Section 59-2-1301.5.

Amended by Chapter 241, 2024 General Session

Amended by Chapter 263, 2024 General Session

**59-2-1802 Tax and tax notice charge deferral -- County discretion to grant deferral -- Creation of lien and due date.**

- (1)
- (a) In accordance with this part and after receiving an application and giving notice to the taxpayer, a county may grant a deferral on residential property.
  - (b) In determining whether to grant an application for a deferral under this section, a county shall consider an asset transferred to a relative by an applicant for deferral, if the transfer took place during the three years before the day on which the applicant applied for deferral.
- (2) A county may grant a deferral described in Subsection (1) at any time:
- (a) after the holder of each mortgage or trust deed outstanding on the property gives written approval of the application; and
  - (b) if the applicant is not the owner of income-producing assets that could be liquidated to pay the tax.
- (3)
- (a) Taxes and tax notice charges deferred under this part accumulate with interest and applicable recording fees as a lien against the residential property.
  - (b) A lien described in this Subsection (3) has the same legal status as a lien described in Section 59-2-1325.
  - (c) To release the lien described in this Subsection (3), an owner shall pay the total amount subject to the lien:
    - (i) upon the owner selling or otherwise disposing of the residential property; or
    - (ii) when the residential property is no longer the owner's primary residence.
  - (d)

- (i) Notwithstanding Subsection (3)(c), an owner that receives a deferral does not have to pay the deferred taxes, deferred tax notice charges, or applicable recording fees when the residential property transfers:
  - (A) to the owner's surviving spouse as a result of the owner's death; or
  - (B) between the owner and a trust described in Section 59-2-1805 for which the owner is the grantor.
- (ii) After the residential property transfers to the owner's surviving spouse, the deferred taxes, deferred tax notice charges, and applicable recording fees are due:
  - (A) upon the surviving spouse selling or otherwise disposing of the residential property; or
  - (B) when the residential property is no longer the surviving spouse's primary residence.
- (e) When the deferral period ends:
  - (i) the lien becomes due and subject to the collection procedures described in Section 59-2-1331; and
  - (ii) the date of levy is the date that the deferral period ends.
- (4)
  - (a) If a county grants an owner more than one deferral for the same single-family residence, the county is not required to submit for recording more than one lien.
  - (b) Each subsequent deferral relates back to the date of the initial lien filing.
- (5)
  - (a) For each residential property for which the county grants a deferral, the treasurer shall maintain a record that is an itemized account of the total amount of deferred property taxes and deferred tax notice charges subject to the lien.
  - (b) The record described in this Subsection (5) is the official record of the amount of the lien.
- (6) Taxes and tax notice charges deferred under this part bear interest at a rate equal to 50% of the rate described in Subsections 59-2-1331(2)(c) and (d).

Amended by Chapter 241, 2024 General Session

**59-2-1802.1 Property tax deferral for property with a qualifying increase.**

- (1)
  - (a) A county shall grant a deferral for any real property if an owner of the property:
    - (i) applies for a property tax deferral on or before the date provided in Subsection (1)(b); and
    - (ii) has a qualifying increase for the calendar year that begins on January 1, 2023, or January 1, 2024.
  - (b) The owner of the property shall apply for a deferral on or before the later of:
    - (i) June 30, 2025; or
    - (ii) if an appeal of valuation or equalization of a property described in Subsection (1)(a) is filed with a county board of equalization, the commission, or a court of competent jurisdiction, 30 days after the day on which the county board of equalization, the commission, or a court of competent jurisdiction issues a final, unappealable judgment or order.
- (2)
  - (a) The period of deferral is five years.
  - (b) The property owner shall pay 20% of the taxes and tax notice charges due during each year of the five-year deferral period.
  - (c) A county shall grant a separate five-year deferral period if an owner has a qualifying increase for both the calendar year that begins on January 1, 2023, and the calendar year that begins on January 1, 2024.
- (3)

- (a) Taxes and tax notice charges deferred under this part accumulate as a lien against the residential property.
- (b) A lien described in this Subsection (3) has the same legal status as a lien described in Section 59-2-1325.
- (c) To release the lien described in this Subsection (3), an owner shall pay the total amount subject to the lien on or before the earlier of:
  - (i) the day on which the five-year deferral period ends; or
  - (ii) the day the owner sells or otherwise disposes of the real property.
- (d) When the deferral period ends:
  - (i) the lien becomes due and subject to the collection procedures described in Section 59-2-1331; and
  - (ii) the date of levy is the date that the deferral period ends.
- (4)
  - (a) Notwithstanding Section 59-2-1331, a county may not impose a penalty or interest during the period of deferral.
  - (b) If the property owner does not make all deferred payments before the day on which the five-year deferral period ends, the county may assess a penalty or interest in accordance with Section 59-2-1331 on the unpaid amount.
- (5)
  - (a) If a county grants an owner more than one deferral for the same property, the county is not required to submit for recording more than one lien.
  - (b) Each subsequent deferral relates back to the date of the initial lien filing.
- (6)
  - (a) For each property for which the county grants a deferral, the treasurer shall maintain a record that is an itemized account of the total amount of deferred property taxes and deferred tax notice charges subject to the lien.
  - (b) The record described in this Subsection (6) is the official record of the amount of the lien.
- (7) For a property that has a qualifying increase for the calendar year that begins on January 1, 2023, or January 1, 2024, a county assessor shall include with the notice provided in accordance with Section 59-2-919.1 for the calendar year that begins on January 1, 2024, a notice informing the owner of record of:
  - (a)
    - (i) for a property that has a qualifying increase for the calendar year that begins on January 1, 2023, the option to file an appeal under the extended period described in Section 59-2-1004.1; or
    - (ii) for a property that has a qualifying increase for the calendar year that begins on January 1, 2024, the option to file an appeal under Section 59-2-1004;
  - (b) instructions for filing an appeal;
  - (c) the option to apply for a deferral in accordance with this section; and
  - (d) the ability of the county to waive any penalty or interest assessed in accordance with Section 59-2-1331.

Enacted by Chapter 263, 2024 General Session

**59-2-1802.5 Nondiscretionary tax and tax notice charge deferral for elderly property owners.**

- (1) An eligible owner may apply for a deferral under this section if:
  - (a) the eligible owner uses the single-family residence as the eligible owner's primary residence as of January 1 of the year for which the eligible owner applies for the deferral;

- (b) with respect to the single-family residence, there are no:
    - (i) delinquent property taxes;
    - (ii) delinquent tax notice charges; or
    - (iii) outstanding penalties, interest, or administrative costs related to a delinquent property tax or a delinquent tax notice charge;
  - (c)
    - (i) the value of the single-family residence for which the eligible owner applies for the deferral is no greater than the median property value of:
      - (A) attached single-family residences within the county, if the single-family residence is an attached single-family residence; or
      - (B) detached single-family residences within the county, if the single-family residence is a detached single-family residence; or
    - (ii) the eligible owner has owned the single-family residence for a continuous 20-year period as of January 1 of the year for which the eligible owner applies for the deferral; and
  - (d) the holder of each mortgage or trust deed outstanding on the single-family residence gives written approval of the deferral.
- (2) If the conditions in Subsection (1) are satisfied and the applicant complies with the other applicable provisions of this part, a county shall defer the property tax and tax notice charges on an attached single-family residence or a detached single-family residence for an application of deferral made on or after January 1, 2024.
- (3) The values described in Subsection (1)(c) are based on the county assessment roll for the county in which the single-family residence is located.
- (4) For purposes of Subsection (1)(c)(ii), ownership is considered continuous regardless of whether the single-family residence is transferred between an eligible owner who is an individual and an eligible owner that is a trust.
- (5)
  - (a) Upon application from a county in a form prescribed by the commission, the commission shall reimburse the county for the amount of any tax or tax notice charge that the county defers in accordance with this section.
  - (b) The commission may not reimburse a county:
    - (i) before the county approves the deferral; or
    - (ii) for a tax or tax notice charge assessed after December 31, 2026.
  - (c) A county that receives money in accordance with this Subsection (5) shall:
    - (i) distribute the money to the taxing entities in the same proportion the county would have distributed the revenue from the deferred tax and deferred tax notice charge; and
    - (ii) repay the money no later than 30 days after the day on which the deferral lien is satisfied.
  - (d) The commission shall deposit money received under Subsection (5)(c)(ii) into the General Fund.

Amended by Chapter 241, 2024 General Session

**59-2-1803 Tax abatement for indigent individuals -- Maximum amount -- Refund.**

- (1) In accordance with this part, a county may remit or abate the taxes of an indigent individual:
  - (a) if the indigent individual owned the property as of January 1 of the year for which the county remits or abates the taxes; and
  - (b) in an amount not more than the lesser of:
    - (i) the amount provided as a homeowner's credit for the lowest household income bracket as described in Section 59-2-1208; or

- (ii) 50% of the total tax levied for the indigent individual for the current year.
- (2) A county that grants an abatement to an indigent individual shall refund to the indigent individual an amount that is equal to the amount by which the indigent individual's property taxes paid exceed the indigent individual's property taxes due, if the amount is at least \$1.

Amended by Chapter 471, 2023 General Session

**59-2-1804 Application for tax deferral or tax abatement.**

- (1)
  - (a) Except as provided in Subsection (1)(b) or (2), an applicant for deferral or abatement for the current tax year shall annually file an application on or before September 1 with the county in which the applicant's property is located.
  - (b) If a county finds good cause exists, the county may extend until December 31 the deadline described in Subsection (1)(a).
  - (c) An indigent individual may apply and potentially qualify for deferral, abatement, or both.
- (2)
  - (a) A county shall extend the default application deadline by one additional year if the applicant had been approved for a deferral under this part in the prior year; or
  - (b) the county determines that:
    - (i) the applicant or a member of the applicant's immediate family had an illness or injury that prevented the applicant from filing the application on or before the default application deadline;
    - (ii) a member of the applicant's immediate family died during the calendar year of the default application deadline;
    - (iii) the failure of the applicant to file the application on or before the default application deadline was beyond the reasonable control of the applicant; or
    - (iv) denial of an application would be unjust or unreasonable.
- (3)
  - (a) An applicant shall include in an application a signed statement that describes the eligibility of the applicant for deferral or abatement.
  - (b) For an application for a deferral under Section 59-2-1802.5, the requirements described in Subsection (3)(a) include:
    - (i) proof that the applicant resides at the single-family residence for which the applicant seeks the deferral;
    - (ii) proof of age; and
    - (iii) proof of household income.
- (4) Both spouses shall sign an application if the application seeks a deferral or abatement on a residence:
  - (a) in which both spouses reside; and
  - (b) that the spouses own as joint tenants.
- (5) If an applicant is dissatisfied with a county's decision on the applicant's application for deferral or abatement, the applicant may appeal the decision to the commission in accordance with Section 59-2-1006.
- (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.

Amended by Chapter 354, 2023 General Session

**59-2-1805 Treatment of trusts.**

If an applicant for deferral or abatement is the grantor of a trust holding title to real or tangible personal property for which a deferral or abatement is claimed, a county may allow the applicant to claim a portion of the deferral or abatement and be treated as the owner of that portion of the property held in trust, if the applicant proves to the satisfaction of the county that:

- (1) title to the portion of the trust will revert in the applicant upon the exercise of a power by:
  - (a) the claimant as grantor of the trust;
  - (b) a nonadverse party; or
  - (c) both the claimant and a nonadverse party;
- (2) title will revert as described in Subsection (1), regardless of whether the power described in Subsection (1) is a power to revoke, terminate, alter, amend, or appoint;
- (3) the applicant is obligated to pay the taxes on that portion of the trust property beginning January 1 of the year the claimant claims the deferral or abatement; and
- (4) the claimant satisfies the requirements described in this part for deferral or abatement.

Enacted by Chapter 453, 2019 General Session

**59-2-1806 Fraudulent or negligent representation -- Penalties and interest.**

- (1) If a county determines that a person knowingly provided false information to the county related to a requirement under this part, the county shall:
  - (a) deny or revoke any deferral or abatement related to the false information; and
  - (b) recover by assessment the amount of the claimed or granted deferral or abatement, plus interest that accrues at a rate of 1% per month beginning the day on which the person knowingly provided the false information.
- (2) If a county determines that a person negligently provided false information to the county related to a requirement under this part, the county shall:
  - (a) reduce by 10% the amount of any deferral or abatement for which the person is eligible and that relates to the false information; and
  - (b) recover by assessment the amount of any deferral or abatement the county approved in reliance on the false information that exceeds the amount to which the person is entitled, plus interest that accrues at a rate of 1% per month beginning the day on which the deferral or abatement was approved.

Enacted by Chapter 354, 2023 General Session

**59-2-1807 County legislative body authority to adopt rules or ordinances.**

A county legislative body may adopt rules or ordinances to:

- (1) effectuate an abatement or exemption; or
- (2) designate one or more persons to perform the functions given to the county under this part.

Enacted by Chapter 471, 2023 General Session