

Effective 5/12/2015

Superseded 3/22/2018

59-2-1101 Definitions -- Exemption of certain property -- Proportional payments for certain property -- County legislative body authority to adopt rules or ordinances.

(1) As used in this section:

(a) "Educational purposes" includes:

- (i) the physical or mental teaching, training, or conditioning of competitive athletes by a national governing body of sport recognized by the United States Olympic Committee that qualifies as being tax exempt under Section 501(c)(3), Internal Revenue Code; and
- (ii) an activity in support of or incidental to the teaching, training, or conditioning described in Subsection (1)(a)(i).

(b) "Exclusive use exemption" means a property tax exemption under Subsection (3)(a)(iv), for property owned by a nonprofit entity used exclusively for religious, charitable, or educational purposes.

(c) "Government exemption" means a property tax exemption provided under Subsection (3)(a)(i), (ii), or (iii).

(d) "Nonprofit entity" includes an entity if the:

- (i) entity is treated as a disregarded entity for federal income tax purposes;
- (ii) entity is wholly owned by, and controlled under the direction of, a nonprofit entity; and
- (iii) net earnings and profits of the entity irrevocably inure to the benefit of a nonprofit entity.

(e) "Tax relief" means an exemption, deferral, or abatement that is authorized by this part.

(2)

(a) Except as provided in Subsection (2)(b) or (c), tax relief may be allowed only if the claimant is the owner of the property as of January 1 of the year the exemption is claimed.

(b) Notwithstanding Subsection (2)(a), a claimant shall collect and pay a proportional tax based upon the length of time that the property was not owned by the claimant if:

- (i) the claimant is a federal, state, or political subdivision entity described in Subsection (3)(a)(i), (ii), or (iii); or
- (ii) pursuant to Subsection (3)(a)(iv):
 - (A) the claimant is a nonprofit entity; and
 - (B) the property is used exclusively for religious, charitable, or educational purposes.

(c) Subsection (2)(a) does not apply to an exemption under Section 59-2-1104.

(3)

(a) The following property is exempt from taxation:

- (i) property exempt under the laws of the United States;
- (ii) property of:
 - (A) the state;
 - (B) school districts; and
 - (C) public libraries;
- (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property of:
 - (A) counties;
 - (B) cities;
 - (C) towns;
 - (D) local districts;
 - (E) special service districts; and
 - (F) all other political subdivisions of the state;
- (iv) property owned by a nonprofit entity used exclusively for religious, charitable, or educational purposes;

- (v) places of burial not held or used for private or corporate benefit;
- (vi) farm machinery and equipment;
- (vii) a high tunnel, as defined in Section 10-9a-525;
- (viii) intangible property; and
- (ix) the ownership interest of an out-of-state public agency, as defined in Section 11-13-103:
 - (A) if that ownership interest is in property providing additional project capacity, as defined in Section 11-13-103; and
 - (B) on which a fee in lieu of ad valorem property tax is payable under Section 11-13-302.
- (b) For purposes of a property tax exemption for property of school districts under Subsection (3) (a)(ii)(B), a charter school under Title 53A, Chapter 1a, Part 5, The Utah Charter Schools Act, is considered to be a school district.
- (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a government exemption ceases to qualify for the exemption because of a change in the ownership of the property:
 - (a) the new owner of the property shall pay a proportional tax based upon the period of time:
 - (i) beginning on the day that the new owner acquired the property; and
 - (ii) ending on the last day of the calendar year during which the new owner acquired the property; and
 - (b) the new owner of the property and the person from whom the new owner acquires the property shall notify the county assessor, in writing, of the change in ownership of the property within 30 days from the day that the new owner acquires the property.
- (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
 - (a) is subject to any exclusive use exemption or government exemption that the property is entitled to under the new ownership of the property; and
 - (b) applies only to property that is acquired after December 31, 2005.
- (6) A county legislative body may adopt rules or ordinances to:
 - (a) effectuate the exemptions, deferrals, abatements, or other relief from taxation provided in this part; and
 - (b) designate one or more persons to perform the functions given the county under this part.