

**PROPERTY TAX AMENDMENTS**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: Wayne A. Harper**

**This act amends the Property Tax Act to address when applications or other filings are required for an exemption from taxation or a reduction in value. This act makes technical changes. The act takes effect on January 1, 2003.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**59-2-1101**, as last amended by Chapters 221 and 310, Laws of Utah 2001

**59-2-1102**, as last amended by Chapter 86, Laws of Utah 2000

ENACTS:

**59-2-103.5**, Utah Code Annotated 1953

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

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

**59-2-103.5. Procedures to obtain an exemption for residential property.**

(1) Subject to the other provisions of this section, a county legislative body may by ordinance require that in order for residential property to be allowed a residential exemption in accordance with Section 59-2-103, an owner of the residential property shall file with the county board of equalization a statement:

(a) signed by all of the owners of the residential property; and

(b) certifying that the residential property is residential property.

(2) (a) Subject to Section 59-2-103 and except as provided in Subsection (3), a county board of equalization shall allow an owner described in Subsection (1) a residential exemption for the residential property described in Subsection (1) if:

(i) the county legislative body enacts the ordinance described in Subsection (1); and

(ii) the county board of equalization determines that the requirements of Subsection (1)



28 are met.

29 (b) If a county board of equalization allows an owner described in Subsection (1) a  
30 residential exemption for the residential property described in Subsection (1), the county board of  
31 equalization may not require the owner to file another signed statement in order to receive the  
32 residential exemption for that residential property unless:

33 (i) an ownership interest in that residential property changes; or

34 (ii) the county board of equalization determines that there is reason to believe that that  
35 residential property no longer qualifies for the residential exemption in accordance with Section  
36 59-2-103.

37 (3) Notwithstanding Subsection (2)(a), if a county legislative body does not enact an  
38 ordinance requiring an owner to file a statement in accordance with Subsection (1), the county  
39 board of equalization:

40 (a) may not require an owner to file a statement for residential property to be eligible for  
41 a residential exemption in accordance with Section 59-2-103; and

42 (b) shall allow a residential exemption for residential property in accordance with Section  
43 59-2-103.

44 Section 2. Section **59-2-1101** is amended to read:

45 **59-2-1101. Exemption of certain property -- Proportional payments for**  
46 **government-owned property -- County legislative body authority to adopt rules or**  
47 **ordinances.**

48 (1) (a) ~~[The]~~ Except as provided in Subsection (1)(b), the exemptions, deferrals, and  
49 abatements authorized by this part may be allowed only if the claimant is the owner of the property  
50 as of January 1 of the year the exemption is claimed~~[, unless].~~

51 (b) Notwithstanding Subsection (1)(a), if the claimant is a federal, state, or political  
52 subdivision entity under Subsection (2)(a), (b), or (c), ~~[in which case]~~ the entity shall collect and  
53 pay a proportional tax based upon the length of time that the property was not owned by the entity.

54 (2) The following property is exempt from taxation:

55 (a) property exempt under the laws of the United States;

56 (b) property of the state, school districts, and public libraries;

57 (c) property of counties, cities, towns, special districts, and all other political subdivisions  
58 of the state, except as provided in Title 11, Chapter 13, Interlocal Cooperation Act;

59 (d) property owned by a nonprofit entity which is used exclusively for religious, charitable,  
60 or educational purposes;

61 (e) places of burial not held or used for private or corporate benefit;

62 (f) farm equipment and machinery; and

63 (g) intangible property.

64 ~~[(3)(a) The owner who receives exempt status for property, if required by the commission,  
65 shall file a signed statement, on or before March 1 each year, certifying the use to which the  
66 property has been placed during the past year. The signed statement shall contain the following  
67 information in summary form:]~~

68 ~~[(i) identity of the individual who signed the statement;]~~

69 ~~[(ii) the basis of the signer's knowledge of the use of the property;]~~

70 ~~[(iii) authority to make the signed statement on behalf of the owner;]~~

71 ~~[(iv) county where property is located; and]~~

72 ~~[(v) nature of use of the property.]~~

73 ~~[(b) If the signed statement is not filed within the time limits prescribed by the county, the  
74 exempt status may, after notice and hearing, be revoked and the property then placed on the tax  
75 rolls.]~~

76 ~~[(4) The]~~ (3) A county legislative body may adopt rules or ordinances to:

77 (a) effectuate the exemptions, deferrals, abatements, or other relief from taxation provided  
78 in this part; and

79 (b) designate one or more persons to perform the functions given the county under this  
80 part.

81 Section 3. Section **59-2-1102** is amended to read:

82 **59-2-1102. Determination of exemptions by board of equalization -- Appeal --**

83 **Application for exemption -- Exceptions.**

84 (1) (a) [The] For property assessed under Part 3, County Assessment, the county board of  
85 equalization may, after giving notice in a manner prescribed by rule, determine whether certain  
86 property within the county is exempt from taxation.

87 (b) The decision of the county board of equalization described in Subsection (1)(a) shall;

88 (i) be in writing; and ~~[shall]~~

89 (ii) include;

90 (A) a statement of facts; and

91 (B) the statutory basis for its decision.

92 (c) A copy of the decision described in Subsection (1)(a) shall be sent on or before May  
93 15 to the person or organization applying for the exemption.

94 (2) The county board of equalization shall notify an owner of exempt property [~~owner~~]  
95 who has previously received an exemption but failed to file [~~the annual statement as required under~~  
96 ~~Section 59-2-1104~~] an application in accordance with this section of the [~~board's~~] county board of  
97 equalization's intent to revoke the exemption on or before April 1.

98 (3) (a) [~~No~~] Subject to Subsection (8), a reduction may not be made under this part in the  
99 value of property and [~~no~~] an exemption may not be granted under this part unless the party  
100 affected or the party's agent:

101 (i) makes and files with the county board of equalization a written application for the  
102 reduction or exemption, verified by signed statement[;]; and

103 (ii) appears before the county board of equalization and shows facts upon which it is  
104 claimed the reduction should be made, or exemption granted.

105 (b) The county board of equalization may waive the application or personal appearance  
106 requirements of Subsection (3)(a).

107 (4) (a) Before the county board of equalization grants any application for exemption or  
108 reduction, [it] the county board of equalization may examine on oath the person or agent making  
109 the application. [~~No~~]

110 (b) A reduction may not be made or exemption granted unless the person or the agent  
111 making the application attends and answers all questions pertinent to the inquiry.

112 (5) Upon the hearing of the application the county board of equalization may subpoena any  
113 witnesses, and hear and take any evidence in relation to the pending [~~subject~~] application.

114 (6) The county board of equalization shall hold hearings and render a written decision to  
115 determine any exemption on or before May 1 in each year.

116 (7) Any property owner dissatisfied with the decision of the county board of equalization  
117 regarding any reduction or exemption may appeal to the commission under Section 59-2-1006.

118 (8) (a) Except as provided in Subsection (8)(b), a county board of equalization may not  
119 require an owner of property that has been granted an exemption for the property under the  
120 following to file an annual application in order to claim the exemption:

121 (i) Subsection 59-2-1101(2);

122 (ii) Section 59-2-1110;

123 (iii) Section 59-2-1111;

124 (iv) Section 59-2-1112;

125 (v) Section 59-2-1113; or

126 (vi) Section 59-2-1114.

127 (b) Notwithstanding Subsection (8)(a), the county board of equalization may require an  
128 owner described in Subsection (8)(a) to file an application if:

129 (i) an ownership interest in the property described in Subsection (8)(a) changes;

130 (ii) the county board of equalization determines that there is reason to believe that the  
131 property described in Subsection (8)(a) no longer qualifies for an exemption under a provision  
132 listed in Subsection (8)(a); or

133 (iii) for property described in Subsections 59-2-1101(2)(d) through (f), the county board  
134 of equalization determines that there is reason to believe that the use of that property has changed.

135 Section 4. **Effective date.**

136 This act takes effect on January 1, 2003.

**Legislative Review Note**  
**as of 2-21-02 9:49 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**