

1                                **PROPERTY TAX EXEMPTION AMENDMENTS**

2    2011 GENERAL SESSION

3    STATE OF UTAH

4    **Chief Sponsor: Curtis S. Bramble**

5    House Sponsor: Patrick Painter

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7 **LONG TITLE**

8 **General Description:**

9                        This bill modifies a provision related to property tax exemptions.

10 **Highlighted Provisions:**

11                        This bill:

- 12                        ▶ specifies that, for purposes of a property tax exemption for property used
- 13 exclusively for educational purposes, "educational purposes" includes the physical
- 14 or mental teaching, training, or conditioning of competitive athletes by specified
- 15 entities;
- 16                        ▶ provides that a charter school is considered to be a school district for purposes of a
- 17 property tax exemption for property of a school district; and
- 18                        ▶ makes technical changes.

19 **Money Appropriated in this Bill:**

20                        None

21 **Other Special Clauses:**

22                        This bill provides an immediate effective date.

23                        This bill has retrospective operation for a taxable year beginning on or after January 1,

24 2008.

25 **Utah Code Sections Affected:**

26 **AMENDS:**

27                        **59-2-1101**, as last amended by Laws of Utah 2007, Chapter 329

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

30 Section 1. Section **59-2-1101** is amended to read:

31 **59-2-1101. Exemption of certain property -- Proportional payments for certain**  
32 **property -- County legislative body authority to adopt rules or ordinances.**

33 (1) ~~[For purposes of]~~ As used in this section:

34 (a) "Educational purposes" includes:

35 (i) the physical or mental teaching, training, or conditioning of competitive athletes by  
36 a national governing body of sport recognized by the United States Olympic Committee that  
37 qualifies as being tax exempt under Section 501(c)(3) of the Internal Revenue Code; and

38 (ii) an activity in support of or incidental to the teaching, training, or conditioning  
39 described in Subsection (1)(a)(i).

40 ~~[(a)]~~ (b) "Exclusive use exemption" means a property tax exemption under Subsection  
41 (3)~~[(d)]~~(a)(iv), for property owned by a nonprofit entity that is used exclusively for religious,  
42 charitable, or educational purposes[;].

43 ~~[(b)]~~ (c) "Government exemption" means a property tax exemption provided under  
44 Subsection (3)(a)~~[(b), or (c); and]~~(i), (ii), or (iii).

45 ~~[(c)]~~ (d) "Tax relief" means an exemption, deferral, or abatement that is authorized by  
46 this part.

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

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

51 (i) the claimant is a federal, state, or political subdivision entity described in

52 Subsection (3)(a)~~[(b), or (c)]~~(i), (ii), or (iii); or

53 (ii) pursuant to Subsection (3)~~[(d)]~~(a)(iv):

54 (A) the claimant is a nonprofit entity; and

55 (B) the property is used exclusively for religious, charitable, or educational purposes.

56 (c) Notwithstanding Subsection (2)(a), a claimant may be allowed a veteran's

57 exemption in accordance with Sections 59-2-1104 and 59-2-1105 regardless of whether the

58 claimant is the owner of the property as of January 1 of the year the exemption is claimed if the  
59 claimant is:

60 (i) the unmarried surviving spouse of:

61 (A) a deceased disabled veteran as defined in Section 59-2-1104; or

62 (B) a veteran who was killed in action or died in the line of duty as defined in Section  
63 59-2-1104; or

64 (ii) a minor orphan of:

65 (A) a deceased disabled veteran as defined in Section 59-2-1104; or

66 (B) a veteran who was killed in action or died in the line of duty as defined in Section  
67 59-2-1104.

68 (3) (a) The following property is exempt from taxation:

69 [~~(a)~~] (i) property exempt under the laws of the United States;

70 [~~(b)~~] (ii) property of:

71 [~~(i)~~] (A) the state;

72 [~~(ii)~~] (B) school districts; and

73 [~~(iii)~~] (C) public libraries;

74 [~~(e)~~] (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act,

75 property of:

76 [~~(i)~~] (A) counties;

77 [~~(ii)~~] (B) cities;

78 [~~(iii)~~] (C) towns;

79 [~~(iv)~~] (D) local districts;

80 [~~(v)~~] (E) special service districts; and

81 [~~(vi)~~] (F) all other political subdivisions of the state;

82 [~~(d)~~] (iv) property owned by a nonprofit entity which is used exclusively for religious,  
83 charitable, or educational purposes;

84 [~~(e)~~] (v) places of burial not held or used for private or corporate benefit;

85 [~~(f)~~] (vi) farm equipment and machinery;

86           ~~[(g)]~~ (vii) intangible property; and  
87           ~~[(h)]~~ (viii) the ownership interest of an out-of-state public agency, as defined in Section  
88 11-13-103;

89           ~~[(i)]~~ (A) if that ownership interest is in property providing additional project capacity,  
90 as defined in Section 11-13-103; and

91           ~~[(j)]~~ (B) on which a fee in lieu of ad valorem property tax is payable under Section  
92 11-13-302.

93           (b) For purposes of a property tax exemption for property of school districts under  
94 Subsection (3)(a)(ii)(B), a charter school under Title 53A, Chapter 1a, Part 5, The Utah Charter  
95 Schools Act, is considered to be a school district.

96           (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or  
97 a government exemption ceases to qualify for the exemption because of a change in the  
98 ownership of the property:

99           (a) the new owner of the property shall pay a proportional tax based upon the period of  
100 time:

101           (i) beginning on the day that the new owner acquired the property; and

102           (ii) ending on the last day of the calendar year during which the new owner acquired  
103 the property; and

104           (b) the new owner of the property and the person from whom the new owner acquires  
105 the property shall notify the county assessor, in writing, of the change in ownership of the  
106 property within 30 days from the day that the new owner acquires the property.

107           (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection  
108 (4)(a):

109           (a) is subject to any exclusive use exemption or government exemption that the  
110 property is entitled to under the new ownership of the property; and

111           (b) applies only to property that is acquired after December 31, 2005.

112           (6) A county legislative body may adopt rules or ordinances to:

113           (a) effectuate the exemptions, deferrals, abatements, or other relief from taxation

114 provided in this part; and

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

117 Section 2. **Effective date.**

118 If approved by two-thirds of all the members elected to each house, this bill takes effect  
119 upon approval by the governor, or the day following the constitutional time limit of Utah  
120 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,  
121 the date of veto override.

122 Section 3. **Retrospective operation.**

123 This bill has retrospective operation for a taxable year beginning on or after January 1,  
124 2008.