

SB0125S03 compared with SB0125S02

~~{deleted text}~~ shows text that was in SB0125S02 but was deleted in SB0125S03.

inserted text shows text that was not in SB0125S02 but was inserted into SB0125S03.

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Senator Curtis S. Bramble proposes the following substitute bill:

PROPERTY TAX EXEMPTION AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies a provision related to property tax exemptions.

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

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None

Other Special Clauses:

This bill provides an immediate effective date.

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

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

(a) "Educational purposes" includes:

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

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

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

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

[~~(c)~~] (d) "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

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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)~~[(b), or (c)]~~(i), (ii), or (iii); or

(ii) pursuant to Subsection (3)(d):

(A) the claimant is a nonprofit entity; and

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

(c) Notwithstanding Subsection (2)(a), a claimant may be allowed a veteran's exemption in accordance with Sections 59-2-1104 and 59-2-1105 regardless of whether the claimant is the owner of the property as of January 1 of the year the exemption is claimed if the claimant is:

(i) the unmarried surviving spouse of:

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

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

(ii) a minor orphan of:

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

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

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

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

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

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

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

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

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

property of:

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

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

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

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

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

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~~[(v†)]~~ (F) all other political subdivisions of the state;

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

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

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

~~[(g†)]~~ (vii) intangible property; and

~~[(h†)]~~ (viii) 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.

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(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.

Section 2. Effective date.

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

Section ~~2~~3. Retrospective operation.

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