

HOMESTEAD EXEMPTION AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill modifies provisions related to homestead exemptions.

Highlighted Provisions:

This bill:

- ▶ addresses the value of a homestead exemption; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

78B-5-503, as last amended by Laws of Utah 2013, Chapter 192

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

Section 1. Section **78B-5-503** is amended to read:

78B-5-503. Homestead exemption -- Definitions -- Excepted obligations -- Water rights and interests -- Conveyance -- Sale and disposition -- Property right for federal tax purposes.

(1) For purposes of this section:



28 (a) "Household" means a group of persons related by blood or marriage living together
29 in the same dwelling as an economic unit, sharing furnishings, facilities, accommodations, and
30 expenses.

31 (b) "Mobile home" ~~[is as]~~ means the same as that term is defined in Section 57-16-3.

32 (c) "Primary personal residence" means a dwelling or mobile home, and the land
33 surrounding it, not exceeding one acre, as is reasonably necessary for the use of the dwelling or
34 mobile home, in which the individual and the individual's household reside.

35 (d) "Property" means:

36 (i) a primary personal residence;

37 (ii) real property; or

38 (iii) an equitable interest in real property awarded to a person in a divorce decree by a
39 court.

40 (2) (a) An individual is entitled to a homestead exemption consisting of property in this
41 state in an amount not exceeding:

42 (i) \$5,000 in value if the property consists in whole or in part of property ~~[which]~~ that is
43 not the primary personal residence of the individual; or

44 (ii) ~~[\$30,000]~~ \$200,000 in value if the property claimed is the primary personal
45 residence of the individual.

46 (b) If the property claimed as exempt is jointly owned, each joint owner is entitled to a
47 homestead exemption~~[-however(i)]~~, except that:

48 (i) for property exempt under Subsection (2)(a)(i), the maximum exemption may not
49 exceed \$10,000 per household; or

50 (ii) for property exempt under Subsection (2)(a)(ii), the maximum exemption may not
51 exceed ~~[\$60,000]~~ \$300,000 per household.

52 (c) A person may claim a homestead exemption in either or both of the following:

53 (i) one or more parcels of real property together with appurtenances and improvements;
54 or

55 (ii) a mobile home in which the claimant resides.

56 (d) A person may not claim a homestead exemption for property that the person
57 acquired as a result of criminal activity.

58 (3) A homestead is exempt from judicial lien and from levy, execution, or forced sale

59 except for:

60 (a) statutory liens for property taxes and assessments on the property;

61 (b) security interests in the property and judicial liens for debts created for the purchase
62 price of the property;

63 (c) judicial liens obtained on debts created by failure to provide support or maintenance
64 for dependent children; and

65 (d) consensual liens obtained on debts created by mutual contract.

66 (4) (a) Except as provided in Subsection (4)(b), water rights and interests, either in the
67 form of corporate stock or otherwise, owned by the homestead claimant are exempt from
68 execution to the extent that those rights and interests are necessarily employed in supplying
69 water to the homestead for domestic and irrigating purposes.

70 (b) Those water rights and interests are not exempt from calls or assessments and sale
71 by the corporations issuing the stock.

72 (5) (a) When a homestead is conveyed by the owner of the property, the conveyance
73 may not subject the property to any lien to which [it] the property would not be subject in the
74 hands of the owner.

75 (b) The proceeds of any sale, to the amount of the exemption existing at the time of
76 sale, is exempt from levy, execution, or other process for one year after the receipt of the
77 proceeds by the person entitled to the exemption.

78 (6) The sale and disposition of one homestead does not prevent the selection or
79 purchase of another.

80 (7) For purposes of any claim or action for taxes brought by the United States Internal
81 Revenue Service, a homestead exemption claimed on real property in this state is considered to
82 be a property right.

Legislative Review Note
Office of Legislative Research and General Counsel