

Senator Curtis S. Bramble proposes the following substitute bill:

PROPERTY TAX MODIFICATIONS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jefferson Moss

Senate Sponsor: Daniel Hemmert

LONG TITLE

General Description:

This bill modifies provisions related to property tax.

Highlighted Provisions:

This bill:

- ▶ provides that when an ownership interest in residential property changes, the title company shall:
 - provide the purchaser a form prescribed by statute for the purchaser to declare that the residential property qualifies for the primary residential exemption; and
 - submit the completed form to the county assessor;
- ▶ allows a title company to charge a fee for providing and submitting the declaration;
- ▶ requires a property tax notice to include additional information, including the taxable value of the property, the deadline to appeal the valuation or equalization of the property, information related to the residential exemption, and information related to a rate increase resulting from a change to state law; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:



26 This bill provides retrospective operation.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **59-2-103.5**, as last amended by Laws of Utah 2019, Chapter 323

30 **59-2-919.1**, as last amended by Laws of Utah 2019, Chapter 16

31

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

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

34 **59-2-103.5. Procedures to obtain an exemption for residential property --**

35 **Procedure if property owner or property no longer qualifies to receive a residential**
 36 **exemption.**

37 (1) As used in this section, "title company" means a title insurer as defined in Section
 38 31A-23a-415.

39 ~~[(1)]~~ (2) Subject to Subsection ~~[(8)]~~ (9), for residential property other than part-year
 40 residential property, a county legislative body may adopt an ordinance that requires an owner to
 41 file an application with the county board of equalization before a residential exemption under
 42 Section **59-2-103** may be applied to the value of the residential property if:

43 (a) the residential property was ineligible for the residential exemption during the
 44 calendar year immediately preceding the calendar year for which the owner is seeking to have
 45 the residential exemption applied to the value of the residential property;

46 (b) an ownership interest in the residential property changes; or

47 (c) the county board of equalization determines that there is reason to believe that the
 48 residential property no longer qualifies for the residential exemption.

49 ~~[(2)]~~ (3) (a) The application described in Subsection ~~[(1)]~~ (2) shall:

50 (i) be on a form the commission prescribes by rule and makes available to the counties;

51 (ii) be signed by all of the owners of the residential property;

52 (iii) certify that the residential property is residential property; and

53 (iv) contain other information as the commission requires by rule.

54 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 55 commission may make rules prescribing the contents of the form described in Subsection ~~[(2)]~~

56 (3)(a).

57 ~~[(3)]~~ (4) (a) Regardless of whether a county legislative body adopts an ordinance
58 described in Subsection ~~[(1)]~~ (2), before a residential exemption may be applied to the value of
59 part-year residential property, an owner of the property shall:

60 (i) file the application described in Subsection ~~[(2)]~~ (3)(a) with the county board of
61 equalization; and

62 (ii) include as part of the application described in Subsection ~~[(2)]~~ (3)(a) a statement
63 that certifies:

64 (A) the date the part-year residential property became residential property;

65 (B) that the part-year residential property will be used as residential property for 183 or
66 more consecutive calendar days during the calendar year for which the owner seeks to obtain
67 the residential exemption; and

68 (C) that the owner, or a member of the owner's household, may not claim a residential
69 exemption for any property for the calendar year for which the owner seeks to obtain the
70 residential exemption, other than the part-year residential property, or as allowed under Section
71 [59-2-103](#) with respect to the primary residence or household furnishings, furniture, and
72 equipment of the owner's tenant.

73 (b) An owner may not obtain a residential exemption for part-year residential property
74 unless the owner files an application under this Subsection ~~[(3)]~~ (4) on or before November 30
75 of the calendar year for which the owner seeks to obtain the residential exemption.

76 (c) If an owner files an application under this Subsection ~~[(3)]~~ (4) on or after May 1 of
77 the calendar year for which the owner seeks to obtain the residential exemption, the county
78 board of equalization may require the owner to pay an application fee of not to exceed \$50.

79 ~~[(4)]~~ (5) Except as provided in Subsection ~~[(5)]~~ (6), if a property owner no longer
80 qualifies to receive a residential exemption authorized under Section [59-2-103](#) for the property
81 owner's primary residence, the property owner shall:

82 (a) file a written statement with the county board of equalization of the county in which
83 the property is located:

84 (i) on a form provided by the county board of equalization; and

85 (ii) notifying the county board of equalization that the property owner no longer
86 qualifies to receive a residential exemption authorized under Section [59-2-103](#) for the property
87 owner's primary residence; and

88 (b) declare on the property owner's individual income tax return under Chapter 10,
89 Individual Income Tax Act, for the taxable year for which the property owner no longer
90 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
91 owner's primary residence, that the property owner no longer qualifies to receive a residential
92 exemption authorized under Section 59-2-103 for the property owner's primary residence.

93 ~~[(5)]~~ (6) A property owner is not required to file a written statement or make the
94 declaration described in Subsection ~~[(4)]~~ (5) if the property owner:

95 (a) changes primary residences;

96 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for
97 the residence that was the property owner's former primary residence; and

98 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for
99 the residence that is the property owner's current primary residence.

100 ~~[(6)]~~ (7) Subsections ~~[(2)]~~ (3) through ~~[(5)]~~ (6) do not apply to qualifying exempt
101 primary residential rental personal property.

102 ~~[(7)]~~ (8) (a) Subject to Subsection ~~[(8)]~~ (9), for the first calendar year in which a
103 property owner qualifies to receive a residential exemption under Section 59-2-103, a county
104 assessor may require the property owner to file a signed statement described in Section
105 59-2-306.

106 (b) Subject to Subsection ~~[(8)]~~ (9) and notwithstanding Section 59-2-306, for a
107 calendar year after the calendar year described in Subsection ~~[(7)]~~ (8)(a) in which a property
108 owner qualifies for an exemption described in Subsection 59-2-1115(2) for qualifying exempt
109 primary residential rental personal property, a signed statement described in Section 59-2-306
110 with respect to the qualifying exempt primary residential rental personal property may only
111 require the property owner to certify, under penalty of perjury, that the property owner qualifies
112 for the exemption under Subsection 59-2-1115(2).

113 ~~[(8)]~~ (9) (a) Subject to the requirements of this Subsection ~~[(8)]~~ (9) and except as
114 provided in Subsection ~~[(8)]~~ (9)(c), on or before May 1, 2020, a county assessor shall:

115 (i) notify each owner of residential property that the owner is required to submit a
116 written declaration described in Subsection ~~[(8)]~~ (9)(b) within 30 days after the day on which
117 the county assessor mails the notice under this Subsection ~~[(8)]~~ (9)(a); and

118 (ii) provide each owner with a form described in Subsection ~~[(8)]~~ (9)(e) to make the

119 written declaration described in Subsection ~~[(8)]~~ (9)(b).

120 (b) Each owner of residential property that receives a notice described in Subsection
121 ~~[(8)]~~ (9)(a) shall file a written declaration with the county assessor under penalty of perjury[:]
122 certifying the information contained in the form provided in Subsection (9)(e).

123 ~~[(i) certifying whether the property is residential property or part-year residential
124 property;]~~

125 ~~[(ii) certifying whether during any portion of the current calendar year, the property
126 receives a residential exemption under Section 59-2-103; and]~~

127 ~~[(iii) certifying whether the property owner owns other property in the state that
128 receives a residential exemption under Section 59-2-103, and if so, listing:]~~

129 ~~[(A) the parcel number of the property;]~~

130 ~~[(B) the county in which the property is located; and]~~

131 ~~[(C) whether the property is the primary residence of a tenant.]~~

132 (c) A county assessor is not required to provide a notice to an owner of residential
133 property under Subsection ~~[(8)]~~ (9)(a) if the situs address of the residential property is the same
134 as any one of the following:

135 (i) the mailing address of the residential property owner or the tenant of the residential
136 property;

137 (ii) the address listed on the:

138 (A) residential property owner's driver license; or

139 (B) tenant of the residential property's driver license; or

140 (iii) the address listed on the:

141 (A) residential property owner's voter registration; or

142 (B) tenant of the residential property's voter registration.

143 (d) (i) If an ownership interest in residential property changes, the new owner of the
144 residential property, at the time title to the property is transferred to the new owner, shall make
145 a written declaration under penalty of perjury[:]
146 certifying the information contained in the form provided in Subsection (9)(e).

147 ~~[(i) certifying whether the property is residential property or part-year residential
148 property;]~~

149 ~~[(ii) certifying whether the property receives a residential exemption under Section~~

150 ~~59-2-103; and]~~

151 ~~[(iii) certifying whether the property owner owns other property in the state that~~
152 ~~receives a residential exemption under Section 59-2-103, and if so, listing:]~~

153 ~~[(A) the parcel number of the property;]~~

154 ~~[(B) the county in which the property is located; and]~~

155 ~~[(C) whether the property is the primary residence of a tenant.]~~

156 (ii) To satisfy the requirement described in Subsection (9)(d)(i), the title company
157 involved in the transaction shall:

158 (A) provide the purchaser a copy of the form provided in Subsection (9)(e); and

159 (B) submit the completed form to the county assessor of the county in which the
160 residential property is located within 30 business days after the day on which the title is
161 transferred to the new owner.

162 (iii) A title company may charge a fee for the service described in Subsection (9)(d)(ii).

163 (iv) A title company is not liable for the accuracy of a form completed and submitted in
164 accordance with this Subsection (9)(d).

165 (e) The written declaration required by Subsection ~~[(8)]~~ (9)(b) or (d) shall be:

166 ~~[(i) be on a form the commission prescribes and makes available to the counties;]~~

167 ~~[(ii) (i) [be] signed by all of the owners of the property; and~~

168 ~~[(iii) include the following statement:]~~

169 (ii) in substantially the following form:

170 "Residential Property Declaration

171 This form must be submitted to the County Assessor's office where your new residential
172 property is located within 30 business days of transfer of title. Failure to do so will result in the
173 county assessor taking action that could result in the withdrawal of the primary residential
174 exemption from your residential property.

175 Residential Property Owner Information

176 Name(s): _____

177 Home Phone: _____

178 Work Phone: _____

179 Mailing Address: _____

180 Residential Property Information

181 Physical Address: _____

182 Certification

183 1. Is this property used as a primary residential property or part-year residential
184 property for you or another person?

185 "Part-year residential property" means owned property that is not residential property on
186 January 1 of a calendar year but becomes residential property after January 1 of the calendar
187 year.

188 Yes No

189 2. Will this primary residential property or part-year residential property be occupied
190 for 183 or more consecutive calendar days by the owner or another person?

191 A part-year residential property occupied for 183 or more consecutive calendar days in
192 a calendar year by the owner(s) or a tenant is eligible for the exemption.

193 Yes No

194 [“]If a property owner or a property owner's spouse claims a residential exemption
195 under Utah Code Ann. § 59-2-103 for property in this state that is the primary residence of the
196 property owner or the property owner's spouse, that claim of a residential exemption creates a
197 rebuttable presumption that the property owner and the property owner's spouse have domicile
198 in Utah for income tax purposes. The rebuttable presumption of domicile does not apply if the
199 residential property is the primary residence of a tenant of the property owner or the property
200 owner's spouse.[“]

201 Signature(s)

202 This form must be signed by all owners of the property.

203 Under penalties of perjury, I declare to the best of my knowledge and belief, this
204 declaration and accompanying pages are true, correct, and complete.

205 _____ (First owner signature) _____ Date (mm/dd/yyyy)

206 _____ (First owner printed name)

207 _____ (Second owner signature) _____ Date (mm/dd/yyyy)

208 _____ (Second owner printed name)."

209 (f) For purposes of a written declaration described in this Subsection (9), a county may
210 not request information from a property owner beyond the information provided in Subsection
211 (9)(e).

212 ~~[(f) The written declaration made under Subsection (8)(d) shall be remitted to the~~
213 ~~county assessor of the county where the property described in Subsection (8)(d) is located~~
214 ~~within five business days of the title being transferred to the new owner.]~~

215 (g) (i) If, after receiving a written declaration filed under Subsection ~~[(8)]~~ (9)(b) or (d),
216 the county determines that the property has been incorrectly qualified or disqualified to receive
217 a residential exemption, the county shall:

218 (A) redetermine the property's qualification to receive a residential exemption; and
219 (B) notify the claimant of the redetermination and its reason for the redetermination.

220 (ii) The redetermination provided in Subsection ~~[(8)]~~ (9)(g)(i)(A) ~~[shall be]~~ is final
221 unless appealed within 30 days after the notice required by Subsection ~~[(8)]~~ (9)(g)(i)(B).

222 (h) (i) If a residential property owner or title insurer fails to file a written declaration
223 required by Subsection ~~[(8)]~~ (9)(b) or (d), the county assessor shall mail to the owner of the
224 residential property a notice that:

225 (A) the property owner or title insurer failed to file a written declaration as required by
226 Subsection ~~[(8)]~~ (9)(b) or (d); and

227 (B) the property owner will no longer qualify to receive the residential exemption
228 authorized under Section 59-2-103 for the property that is the subject of the written declaration
229 if the property owner does not file the written declaration required by Subsection ~~[(8)]~~ (9)(b) or
230 (d) within 30 days after the day on which the county assessor mails the notice under this
231 Subsection ~~[(8)]~~ (9)(h)(i).

232 (ii) If a property owner fails to file a written declaration required by Subsection ~~[(8)]~~
233 (9)(b) or (d) after receiving the notice described in Subsection ~~[(8)]~~ (9)(h)(i), the property
234 owner no longer qualifies to receive the residential exemption authorized under Section
235 59-2-103 in the calendar year for the property that is the subject of the written declaration.

236 (iii) A property owner that is disqualified to receive the residential exemption under
237 Subsection ~~[(8)]~~ (9)(h)(ii) may file an application described in Subsection ~~[(1)]~~ (2) to determine
238 whether the owner is eligible to receive the residential exemption.

239 ~~[(i) The requirements of this Subsection (8) do not apply to a county assessor in a~~
240 ~~county that has, for the five calendar years prior to 2019, had in place and enforced an~~
241 ~~ordinance described in Subsection (1).]~~

242 Section 2. Section 59-2-919.1 is amended to read:

243 **59-2-919.1. Notice of property valuation and tax changes.**

244 (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or
245 before July 22 of each year, shall notify each owner of real estate who is listed on the
246 assessment roll.

247 (2) The notice described in Subsection (1) shall:

248 (a) except as provided in Subsection ~~[(4)]~~ (5), be sent to all owners of real property by
249 mail 10 or more days before the day on which:

250 (i) the county board of equalization meets; and

251 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax
252 rate;

253 (b) be on a form that is:

254 (i) approved by the commission; and

255 (ii) uniform in content in all counties in the state; and

256 (c) contain for each property:

257 (i) the assessor's determination of the value of the property;

258 (ii) the taxable value of the property;

259 ~~[(ii) the date the county board of equalization will meet to hear complaints on the~~
260 ~~valuation;]~~

261 (iii) (A) the deadline for the taxpayer to make an application to appeal the valuation or
262 equalization of the property under Section 59-2-1004; or

263 (B) for property assessed by the commission, the deadline for the taxpayer to apply to
264 the commission for a hearing on an objection to the valuation or equalization of the property
265 under Section 59-2-1007;

266 (iv) for a property assessed by the commission, a statement that the taxpayer may not
267 appeal the valuation or equalization of the property to the county board of equalization;

268 ~~[(iii)]~~ (v) itemized tax information for all applicable taxing entities, including:

269 (A) the dollar amount of the taxpayer's tax liability for the property in the prior year;

270 and

271 (B) the dollar amount of the taxpayer's tax liability under the current rate;

272 (vi) the following, stated separately:

273 (A) the charter school levy described in Section 53F-2-703;

274 (B) the multicounty assessing and collecting levy described in Subsection
275 59-2-1602(2);
276 (C) the county assessing and collecting levy described in Subsection 59-2-1602(4);
277 (D) for a fiscal year that begins before July 1, 2023, the combined basic rate as defined
278 in Section 53F-2-301.5; and
279 (E) for a fiscal year that begins on or after July 1, 2023, the combined basic rate as
280 defined in Section 53F-2-301;
281 ~~[(iv)]~~ (vii) the tax impact on the property;
282 ~~[(v)]~~ (viii) the time and place of the required public hearing for each entity;
283 ~~[(vi)]~~ (ix) property tax information pertaining to:
284 (A) taxpayer relief;
285 (B) options for payment of taxes; ~~[and]~~
286 (C) collection procedures; and
287 (D) the residential exemption described in Section 59-2-103;
288 ~~[(vii)]~~ (x) information specifically authorized to be included on the notice under this
289 chapter;
290 ~~[(viii)]~~ (xi) the last property review date of the property as described in Subsection
291 59-2-303.1(1)(c); and
292 ~~[(ix)]~~ (xii) other property tax information approved by the commission.
293 (3) If a taxing entity that is subject to the notice and hearing requirements of
294 Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall
295 state, in addition to the information required by Subsection (2):
296 (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;
297 (b) the difference between the dollar amount of the taxpayer's tax liability if the
298 proposed increase is approved and the dollar amount of the taxpayer's tax liability under the
299 current rate, placed in close proximity to the information described in Subsection
300 (2)(c)~~[(v)]~~[(viii)]; and
301 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under
302 the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability
303 under the current tax rate.
304 (4) If a change to state law increases a tax rate stated on a notice described in

305 Subsection (1), the notice described in Subsection (1) shall state in addition to the information
306 required by Subsections (2) and (3):

307 (a) the difference between the dollar amount of the taxpayer's tax liability under the
308 current tax rate and the dollar amount of the taxpayer's tax liability before the change to state
309 law became effective; and

310 (b) the percentage increase that the dollar amount of the taxpayer's tax liability under
311 the current tax rate represents as compared to the dollar amount of the taxpayer's tax liability
312 under the tax rate before the change to state law becomes effective.

313 ~~[(4)]~~ (5) (a) Subject to the other provisions of this Subsection ~~[(4)]~~ (5), a county auditor
314 may, at the county auditor's discretion, provide the notice required by this section to a taxpayer
315 by electronic means if a taxpayer makes an election, according to procedures determined by the
316 county auditor, to receive the notice by electronic means.

317 (b) (i) If a notice required by this section is sent by electronic means, a county auditor
318 shall attempt to verify whether a taxpayer receives the notice.

319 (ii) If receipt of the notice sent by electronic means cannot be verified 14 days or more
320 before the county board of equalization meets and the taxing entity holds a public hearing on a
321 proposed increase in the certified tax rate, the notice required by this section shall also be sent
322 by mail as provided in Subsection (2).

323 (c) A taxpayer may revoke an election to receive the notice required by this section by
324 electronic means if the taxpayer provides written notice to the county auditor on or before April
325 30.

326 (d) An election or a revocation of an election under this Subsection ~~[(4)]~~ (5):

327 (i) does not relieve a taxpayer of the duty to pay a tax due under this chapter on or
328 before the due date for paying the tax; or

329 (ii) does not alter the requirement that a taxpayer appealing the valuation or the
330 equalization of the taxpayer's real property submit the application for appeal within the time
331 period provided in Subsection [59-2-1004\(3\)](#).

332 (e) A county auditor shall provide the notice required by this section as provided in
333 Subsection (2), until a taxpayer makes a new election in accordance with this Subsection ~~[(4)]~~
334 (5), if:

335 (i) the taxpayer revokes an election in accordance with Subsection ~~[(4)]~~(5)(c) to receive

336 the notice required by this section by electronic means; or

337 (ii) the county auditor finds that the taxpayer's electronic contact information is invalid.

338 (f) A person is considered to be a taxpayer for purposes of this Subsection [~~(4)~~] (5)

339 regardless of whether the property that is the subject of the notice required by this section is

340 exempt from taxation.

341 **Section 3. Retrospective operation.**

342 The changes to Section [59-2-919](#) have retrospective operation to January 1, 2020.