

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 county assessor shall provide the new owner a form prescribed by statute on which the new owner may declare that the residential property qualifies for the primary residential exemption;
- ▶ 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:

This bill provides retrospective operation.

Utah Code Sections Affected:



26 AMENDS:

27 **59-2-103.5**, as last amended by Laws of Utah 2019, Chapter 323

28 **59-2-919.1**, as last amended by Laws of Utah 2019, Chapter 16

29

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

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

32 **59-2-103.5. Procedures to obtain an exemption for residential property --**
33 **Procedure if property owner or property no longer qualifies to receive a residential**
34 **exemption.**

35 (1) Subject to Subsection (8), for residential property other than part-year residential
36 property, a county legislative body may adopt an ordinance that requires an owner to file an
37 application with the county board of equalization before a residential exemption under Section
38 **59-2-103** may be applied to the value of the residential property if:

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

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

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

45 (2) (a) The application described in Subsection (1) shall:

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

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

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

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

50 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
51 commission may make rules prescribing the contents of the form described in Subsection

52 (2)(a).

53 (3) (a) Regardless of whether a county legislative body adopts an ordinance described
54 in Subsection (1), before a residential exemption may be applied to the value of part-year
55 residential property, an owner of the property shall:

56 (i) file the application described in Subsection (2)(a) with the county board of

57 equalization; and

58 (ii) include as part of the application described in Subsection (2)(a) a statement that
59 certifies:

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

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

64 (C) that the owner, or a member of the owner's household, may not claim a residential
65 exemption for any property for the calendar year for which the owner seeks to obtain the
66 residential exemption, other than the part-year residential property, or as allowed under Section
67 59-2-103 with respect to the primary residence or household furnishings, furniture, and
68 equipment of the owner's tenant.

69 (b) An owner may not obtain a residential exemption for part-year residential property
70 unless the owner files an application under this Subsection (3) on or before November 30 of the
71 calendar year for which the owner seeks to obtain the residential exemption.

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

75 (4) Except as provided in Subsection (5), if a property owner no longer qualifies to
76 receive a residential exemption authorized under Section 59-2-103 for the property owner's
77 primary residence, the property owner shall:

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

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

81 (ii) notifying the county board of equalization that the property owner no longer
82 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
83 owner's primary residence; and

84 (b) declare on the property owner's individual income tax return under Chapter 10,
85 Individual Income Tax Act, for the taxable year for which 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, that the property owner no longer qualifies to receive a residential

88 exemption authorized under Section 59-2-103 for the property owner's primary residence.

89 (5) A property owner is not required to file a written statement or make the declaration
90 described in Subsection (4) if the property owner:

91 (a) changes primary residences;

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

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

96 (6) Subsections (2) through (5) do not apply to qualifying exempt primary residential
97 rental personal property.

98 (7) (a) Subject to Subsection (8), for the first calendar year in which a property owner
99 qualifies to receive a residential exemption under Section 59-2-103, a county assessor may
100 require the property owner to file a signed statement described in Section 59-2-306.

101 (b) Subject to Subsection (8) and notwithstanding Section 59-2-306, for a calendar year
102 after the calendar year described in Subsection (7)(a) in which a property owner qualifies for an
103 exemption described in Subsection 59-2-1115(2) for qualifying exempt primary residential
104 rental personal property, a signed statement described in Section 59-2-306 with respect to the
105 qualifying exempt primary residential rental personal property may only require the property
106 owner to certify, under penalty of perjury, that the property owner qualifies for the exemption
107 under Subsection 59-2-1115(2).

108 (8) (a) Subject to the requirements of this Subsection (8) and except as provided in
109 Subsection (8)~~(c)~~(b), on or before May 1, 2020, a county assessor shall:

110 (i) notify each owner of residential property that the owner is required to submit a
111 written declaration described in Subsection (8)~~(b)~~(d) within 30 days after the day on which
112 the county assessor mails the notice under this Subsection (8)(a); and

113 (ii) provide each owner with a form described in Subsection (8)(e) to make the written
114 declaration described in Subsection (8)~~(b)~~(d).

115 ~~[(b) Each owner of residential property that receives a notice described in Subsection~~
116 ~~(8)(a) shall file a written declaration with the county assessor under penalty of perjury:]~~

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

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

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

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

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

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

126 ~~[(e)]~~ (b) A county assessor is not required to provide a notice to an owner of residential
127 property under Subsection (8)(a) if the situs address of the residential property is the same as
128 any one of the following:

129 (i) the mailing address of the residential property owner or the tenant of the residential
130 property;

131 (ii) the address listed on the:

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

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

134 (iii) the address listed on the:

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

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

137 ~~[(d) If an ownership interest in residential property changes, the new owner of the~~
138 ~~residential property, at the time title to the property is transferred to the new owner, shall make~~
139 ~~a written declaration under penalty of perjury:]~~

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

142 ~~[(ii) certifying whether the property receives a residential exemption under Section~~
143 ~~59-2-103; and]~~

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

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

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

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

149 (c) After an ownership interest in residential property changes, the county assessor

150 shall:

151 (i) notify each owner of the residential property that the owner is required to submit a
152 written declaration described in Subsection (8)(d) within 90 days after the day on which the
153 county assessor mails the notice under this Subsection (8)(c); and

154 (ii) provide each owner of the residential property with the form described in
155 Subsection (8)(e) to make the written declaration described in Subsection (8)(d).

156 (d) Each owner of residential property that receives a notice described in Subsection
157 (8)(a) or (c) shall submit a written declaration to the county assessor under penalty of perjury
158 certifying the information contained in the form provided in Subsection (8)(e).

159 (e) The written declaration required by Subsection [~~(8)(b) or (d)~~] (8)(d) shall be:
160 [~~i) be on a form the commission prescribes and makes available to the counties;~~
161 [~~ii) (i) [be] signed by all of the owners of the property; and~~
162 [~~iii) include the following statement:~~

163 (ii) in substantially the following form:

164 "Residential Property Declaration

165 This form must be submitted to the County Assessor's office where your new residential
166 property is located within 90 business days of transfer of title. Failure to do so will result in the
167 county assessor taking action that could result in the withdrawal of the primary residential
168 exemption from your residential property.

169 Residential Property Owner Information

170 Name(s): _____
171 Home Phone: _____
172 Work Phone: _____
173 Mailing Address: _____

174 Residential Property Information

175 Physical Address: _____

176 Certification

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

179 "Part-year residential property" means owned property that is not residential property on
180 January 1 of a calendar year but becomes residential property after January 1 of the calendar

181 year.

182 Yes No

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

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

187 Yes No

188 [u]If a property owner or a property owner's spouse claims a residential exemption
189 under Utah Code Ann. § 59-2-103 for property in this state that is the primary residence of the
190 property owner or the property owner's spouse, that claim of a residential exemption creates a
191 rebuttable presumption that the property owner and the property owner's spouse have domicile
192 in Utah for income tax purposes. The rebuttable presumption of domicile does not apply if the
193 residential property is the primary residence of a tenant of the property owner or the property
194 owner's spouse.[u]

195 Signature(s)

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

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

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

200 _____ (First owner printed name)

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

202 _____ (Second owner printed name)."

203 (f) For purposes of a written declaration described in this Subsection (8), a county may
204 not request information from a property owner beyond the information provided in Subsection
205 (8)(e).

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

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

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

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

216 (h) (i) If a residential property owner fails to file a written declaration required by
217 Subsection ~~[(8)(b) or (c)]~~ (8)(d), the county assessor shall mail to the owner of the residential
218 property a notice that:

219 (A) the property owner failed to file a written declaration as required by Subsection
220 ~~[(8)(b) or (c)]~~ (8)(d); and

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

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

230 (iii) A property owner that is disqualified to receive the residential exemption under
231 Subsection (8)(h)(ii) may file an application described in Subsection (1) to determine whether
232 the owner is eligible to receive the residential exemption.

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

236 Section 2. Section **59-2-919.1** is amended to read:

237 **59-2-919.1. Notice of property valuation and tax changes.**

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

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

242 (a) except as provided in Subsection ~~[(4)]~~ (5), be sent to all owners of real property by

243 mail 10 or more days before the day on which:

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

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

247 (b) be on a form that is:

248 (i) approved by the commission; and

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

250 (c) contain for each property:

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

252 (ii) the taxable value of the property;

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

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

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

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

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

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

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

266 (vi) the following, stated separately:

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

268 (B) the multicounty assessing and collecting levy described in Subsection
269 59-2-1602(2);

270 (C) the county assessing and collecting levy described in Subsection 59-2-1602(4);

271 (D) for a fiscal year that begins before July 1, 2023, the combined basic rate as defined
272 in Section 53F-2-301.5; and

273 (E) for a fiscal year that begins on or after July 1, 2023, the combined basic rate as

274 defined in Section 53F-2-301;

275 ~~[(iv)]~~ (vii) the tax impact on the property;

276 ~~[(v)]~~ (viii) the time and place of the required public hearing for each entity;

277 ~~[(vi)]~~ (ix) property tax information pertaining to:

278 (A) taxpayer relief;

279 (B) options for payment of taxes; ~~[and]~~

280 (C) collection procedures; and

281 (D) the residential exemption described in Section 59-2-103;

282 ~~[(vii)]~~ (x) information specifically authorized to be included on the notice under this
283 chapter;

284 ~~[(viii)]~~ (xi) the last property review date of the property as described in Subsection
285 59-2-303.1(1)(c); and

286 ~~[(ix)]~~ (xii) other property tax information approved by the commission.

287 (3) If a taxing entity that is subject to the notice and hearing requirements of

288 Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall
289 state, in addition to the information required by Subsection (2):

290 (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;

291 (b) the difference between the dollar amount of the taxpayer's tax liability if the
292 proposed increase is approved and the dollar amount of the taxpayer's tax liability under the
293 current rate, placed in close proximity to the information described in Subsection

294 (2)(c)~~[(v)]~~(viii); and

295 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under
296 the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability
297 under the current tax rate.

298 (4) If a change to state law increases a tax rate stated on a notice described in
299 Subsection (1), the notice described in Subsection (1) shall state in addition to the information
300 required by Subsections (2) and (3):

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

304 (b) the percentage increase that the dollar amount of the taxpayer's tax liability under

305 the current tax rate represents as compared to the dollar amount of the taxpayer's tax liability
 306 under the tax rate before the change to state law becomes effective.

307 ~~[(4)]~~ (5) (a) Subject to the other provisions of this Subsection ~~[(4)]~~ (5), a county auditor
 308 may, at the county auditor's discretion, provide the notice required by this section to a taxpayer
 309 by electronic means if a taxpayer makes an election, according to procedures determined by the
 310 county auditor, to receive the notice by electronic means.

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

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

317 (c) A taxpayer may revoke an election to receive the notice required by this section by
 318 electronic means if the taxpayer provides written notice to the county auditor on or before April
 319 30.

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

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

323 (ii) does not alter the requirement that a taxpayer appealing the valuation or the
 324 equalization of the taxpayer's real property submit the application for appeal within the time
 325 period provided in Subsection 59-2-1004(3).

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

329 (i) the taxpayer revokes an election in accordance with Subsection ~~[(4)]~~(5)(c) to receive
 330 the notice required by this section by electronic means; or

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

332 (f) A person is considered to be a taxpayer for purposes of this Subsection ~~[(4)]~~ (5)
 333 regardless of whether the property that is the subject of the notice required by this section is
 334 exempt from taxation.

335 Section 3. **Retrospective operation.**

336

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