

1 **PROPERTY TAX EXEMPTION AMENDMENTS**

2 2022 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Douglas R. Welton**

5 Senate Sponsor: Curtis S. Bramble

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies exemption provisions of the Property Tax Act.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ provides that a county board of equalization may not waive the application or
13 annual statement requirements for an owner of certain tax exempt property;
- 14 ▶ provides that a county board of equalization may require a property owner making
15 an application for exemption or reduction to appear before the board of
16 equalization;
- 17 ▶ provides conditions under which a property owner may submit a late annual
18 statement for certain tax exempt property;
- 19 ▶ modifies the deadline for submitting an application to receive a property tax
20 exemption for certain property acquired after January 1; and
- 21 ▶ makes technical and conforming changes.

22 **Money Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 None

26 **Utah Code Sections Affected:**

27 AMENDS:



28 **59-2-1102**, as last amended by Laws of Utah 2019, Chapter 453

29

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

31 Section 1. Section **59-2-1102** is amended to read:

32 **59-2-1102. Determination of exemptions by board of equalization -- Appeal --**
 33 **Application for exemption -- Annual statement -- Exceptions.**

34 (1) (a) For property assessed under Part 3, County Assessment, the county board of
 35 equalization may, after giving notice in a manner prescribed by rule, determine whether certain
 36 property within the county is exempt from taxation.

37 (b) The decision of the county board of equalization described in Subsection (1)(a)
 38 shall:

39 (i) be in writing; and

40 (ii) include:

41 (A) a statement of facts; and

42 (B) the statutory basis for its decision.

43 (c) Except as provided in Subsection ~~[(11)]~~ (10)(a), a copy of the decision described in
 44 Subsection (1)(a) shall be sent on or before May 15 to the person applying for the exemption.

45 ~~[(2) The county board of equalization shall notify an owner of exempt property that has~~
 46 ~~previously received an exemption but failed to file an annual statement in accordance with~~
 47 ~~Subsection (9)(c), of the county board of equalization's intent to revoke the exemption on or~~
 48 ~~before April 1.]~~

49 ~~[(3)(a)]~~ (2) Except as provided in Subsection ~~[(8)]~~ (7) and subject to Subsection ~~[(9)]~~
 50 (8), a reduction in the value of property may not be made under this part or Part 18, Tax

51 Deferral and Tax Abatement, ~~[in the value of property]~~ and an exemption may not be granted
 52 under this part or Part 19, Armed Forces Exemptions, unless the ~~[party]~~ person affected or the
 53 ~~[party's]~~ person's agent:

54 ~~[(i)]~~ (a) ~~[makes and files with the county board of equalization]~~ submits a written
 55 application ~~[for the reduction or exemption,]~~ to the county board of equalization; and

56 ~~(b) [verified]~~ verifies the application by signed statement~~[-and].~~

57 ~~[(ii) appears before the county board of equalization and shows facts upon which it is~~
 58 ~~claimed the reduction should be made, or exemption granted.]~~

59 ~~[(b) Notwithstanding Subsection (9), the county board of equalization may waive:]~~

60 ~~[(i) the application or personal appearance requirements of Subsection (3)(a), (4)(b), or~~
61 ~~(9)(a); or]~~

62 ~~[(ii) the annual statement requirements of Subsection (9)(c).]~~

63 ~~[(4)] (3) (a) [Before the county board of equalization grants any application for~~
64 ~~exemption or reduction, the] The county board of equalization may [examine under oath the~~
65 ~~person or agent making the application] require a person making an application for exemption~~
66 ~~or reduction to appear before the county board of equalization and be examined under oath.~~

67 (b) ~~[Except as provided in Subsection (3)(b)] If the county board of equalization~~
68 ~~requires a person making an application for exemption or reduction to appear before the county~~
69 ~~board of equalization, a reduction may not be made or exemption granted unless the person [or~~
70 ~~the agent making the application attends] appears and answers all questions pertinent to the~~
71 inquiry.

72 ~~[(5)] (4) For the hearing on the application, the county board of equalization may~~
73 subpoena any witnesses, and hear and take any evidence in relation to the pending application.

74 ~~[(6)] (5) Except as provided in Subsection [(11)] (10)(b), the county board of~~
75 equalization shall hold hearings and render a written decision to determine any exemption on
76 or before May 1 in each year.

77 ~~[(7)] (6) Any property owner dissatisfied with the decision of the county board of~~
78 equalization regarding any reduction or exemption may appeal to the commission under
79 Section [59-2-1006](#).

80 ~~[(8)] (7) Notwithstanding Subsection [(3)(a)] (2), a county board of equalization may~~
81 not require an owner of property to file an application in accordance with this section in order
82 to claim an exemption for the property under the following:

83 (a) Subsections [59-2-1101](#)(3)(a)(i) through (iii);

84 (b) Subsection [59-2-1101](#)(3)(a)(vi) or (viii);

85 (c) Section [59-2-1110](#);

86 (d) Section [59-2-1111](#);

87 (e) Section [59-2-1112](#);

88 (f) Section [59-2-1113](#); or

89 (g) Section [59-2-1114](#).

90 ~~[(9)]~~ (8) (a) Except as provided in ~~[Subsections (3)(b) and (9)(b),]~~ Subsection (8)(b),
91 for property described in Subsection 59-2-1101(3)(a)(iv) or (v), a county board of equalization
92 shall, consistent with Subsection ~~[(10)]~~ (9), require an owner of that property to file an
93 application in accordance with this section in order to claim an exemption for that property.

94 (b) Notwithstanding Subsection ~~[(9)]~~ (8)(a), a county board of equalization may not
95 require an owner of property described in Subsection 59-2-1101(3)(a)(iv) or (v) to file an
96 application under Subsection ~~[(9)]~~ (8)(a) if:

97 (i) ~~[(A)]~~ the owner filed an application under Subsection ~~[(9)(a); or]~~ (8)(a);
98 ~~[(B) the county board of equalization waived the application requirements in~~
99 ~~accordance with Subsection (3)(b);]~~

100 (ii) the county board of equalization determines that the owner may claim an
101 exemption for that property; and

102 (iii) the exemption described in Subsection ~~[(9)]~~ (8)(b)(ii) is in effect.

103 (c) (i) ~~[Except as provided in Subsection (3)(b), for]~~ For the time period that an owner
104 is granted an exemption in accordance with this section for property described in Subsection
105 59-2-1101(3)(a)(iv) or (v), a county board of equalization shall require the owner to file an
106 annual statement on or before March 1 on a form prescribed by the commission establishing
107 that the property continues to be eligible for the exemption.

108 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
109 commission shall make rules providing:

110 (A) the form for the annual statement required by Subsection ~~[(9)]~~ (8)(c)(i);

111 (B) the contents of the form for the annual statement required by Subsection ~~[(9)]~~
112 (8)(c)(i); and

113 (C) procedures and requirements for making the annual statement required by
114 Subsection ~~[(9)]~~ (8)(c)(i).

115 (iii) The commission shall make the form described in Subsection ~~[(9)]~~ (8)(c)(ii)(A)
116 available to counties.

117 (d) On or before April 1, a county board of equalization shall notify each property
118 owner who fails to timely file an annual statement in accordance with Subsection (8)(c) of the
119 county board of equalization's intent to revoke the exemption.

120 (e) An owner of exempt property described in Subsection 59-2-1101(3)(a)(iv) may file

121 the annual statement described in Subsection (8)(c) after March 1 if the property owner:

122 (i) files the annual statement on or before March 31; and

123 (ii) includes a statement of facts establishing that the property owner was unable to file

124 the annual statement on or before March 1 due to one of the following conditions and no other

125 responsible party was capable of filing the annual statement:

126 (A) a medical emergency of the property owner, an immediate family member of the
127 property owner, or the property owner's agent;

128 (B) the death of the property owner, an immediate family member of the property
129 owner, or the property owner's agent; or

130 (C) other extraordinary and unanticipated circumstances.

131 ~~[(10)]~~ (9) (a) For purposes of this Subsection ~~[(10)]~~ (9), "exclusive use exemption" is
132 as defined in Section [59-2-1101](#).

133 (b) ~~[(i)]~~ For purposes of Subsection (1)(a), ~~[and except as provided in Subsections~~
134 ~~(10)(b)(ii) and (iii);]~~ when a person acquires property on or after January 1 that qualifies for an
135 exclusive use exemption, that person may apply for the exclusive use exemption on or before
136 the later of:

137 ~~[(A)]~~ (i) the day set by rule as the deadline for filing a property tax exemption
138 application; or

139 ~~[(B)]~~ (ii) ~~H→~~ [30] 120 ←H days after the day on which the ~~H→~~ [acquired] ~~←H~~ property
139a ~~H→~~ [H] is acquired ~~[qualifies~~

140 ~~for an exclusive use exemption]~~ ~~←H~~ .

141 ~~[(ii) Notwithstanding Subsection (10)(b)(i), a person who acquires property on or after~~
142 ~~January 1, 2004, and before January 1, 2005, that qualifies for an exclusive use exemption, may~~
143 ~~apply for the exclusive use exemption for the 2004 calendar year on or before September 30,~~
144 ~~2005;]~~

145 ~~[(iii) Notwithstanding Subsection (10)(b)(i), a person who acquires property on or after~~
146 ~~January 1, 2005, and before January 1, 2006, that qualifies for an exclusive use exemption, may~~
147 ~~apply for the exclusive use exemption for the 2005 calendar year on or before the later of:]~~

148 ~~[(A) September 30, 2005; or]~~

149 ~~[(B) 30 days after the day on which the property is acquired;]~~

150 ~~[(H)]~~ (10) (a) Notwithstanding Subsection (1)(c), if an application for an exemption is
151 filed under Subsection ~~[(10)]~~ (9), a county board of equalization shall send a copy of the

152 decision described in Subsection (1)(c) to the person applying for the exemption on or before
153 the later of:

154 (i) May 15; or

155 (ii) 45 days after the day on which the application for the exemption is filed.

156 (b) Notwithstanding Subsection [~~(6)~~] (5), if an application for an exemption is filed
157 under Subsection [~~(10)~~] (9), a county board of equalization shall hold the hearing and render
158 the decision described in Subsection [~~(6)~~] (5) on or before the later of:

159 (i) May 1; or

160 (ii) 30 days after the day on which the application for the exemption is filed.