

**DELINQUENT PROPERTY TAX COLLECTION AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Steve Eliason

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to collection of delinquent property tax.

**Highlighted Provisions:**

This bill:

- ▶ provides when the state, a governmental entity, or a local agency acting on behalf of a political subdivision may collect a delinquent property tax from the debtor's overpayment or refund of income tax; and

- ▶ provides the order in which a debtor's income tax overpayment or refund shall be credited against a delinquent property tax.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**59-2-1346**, as last amended by Laws of Utah 2018, Chapters 197 and 281

**63A-3-302**, as last amended by Laws of Utah 2021, Chapter 49

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

Section 1. Section **59-2-1346** is amended to read:

**59-2-1346. Redemption -- Time allowed.**

29           (1) Property may be redeemed on behalf of the record owner by any person at any time  
30 before the tax sale which shall be held in May or June as provided in Section [59-2-1351](#)  
31 following the lapse of four years from the date the property tax or tax notice charges became  
32 delinquent.

33           (2) A person may redeem property by paying to the county treasurer all delinquent  
34 taxes, tax notice charges, interest, penalties, and administrative costs that have accrued on the  
35 property.

36           (3) (a) Subject to Subsection (3)(d), a person may redeem a subdivided lot by paying  
37 the county treasurer the subdivided lot's proportional share of the delinquent taxes, tax notice  
38 charges, interest, penalties, and administrative costs accrued on the base parcel, calculated in  
39 accordance with Subsection (3)(b).

40           (b) The county treasurer shall calculate the amount described in Subsection (3)(a) by  
41 comparing:

42           (i) the amount of the value of the base parcel as described in Subsection (3)(b)(ii) that  
43 is attributable to the property that comprises the subdivided lot as the property existed on  
44 January 1 of the year in which the delinquent property taxes on the base parcel were assessed or  
45 tax notice charges on the base parcel were listed; and

46           (ii) the value of the base parcel as it existed on January 1 of the year in which the  
47 delinquent property taxes on the base parcel were assessed or tax notice charges on the base  
48 parcel were listed.

49           (c) If the county treasurer does not have sufficient information to calculate the amount  
50 described in Subsection (3)(b)(i), upon request from the county treasurer, the county assessor  
51 shall provide the county treasurer any information necessary to calculate the amount described  
52 in Subsection (3)(b)(i).

53           (d) A person may redeem a subdivided lot under this Subsection (3) only if the record  
54 owner of the subdivided lot is a bona fide purchaser.

55           (4) (a) At any time before the expiration of the period of redemption, the county

56 treasurer shall accept and credit on account for the redemption of property, payments in  
57 amounts of not less than \$10, except for the final payment, which may be in any amount.

58 (b) For the purpose of computing the amount required for redemption and for the  
59 purpose of distributing the payments received on account, all payments, except payments  
60 described in Subsection (4)(c), shall be applied in the following order:

61 (i) against the interest and administrative costs accrued on the delinquent tax for the  
62 last year included in the delinquent account at the time of payment;

63 (ii) against the penalty charged on the delinquent tax for the last year included in the  
64 delinquent account at the time of payment;

65 (iii) against the delinquent tax for the last year included in the delinquent account at the  
66 time of payment;

67 (iv) against the interest and administrative costs accrued on the delinquent tax for the  
68 next to last year included in the delinquent account at the time of payment; and

69 (v) so on until the full amount of the delinquent taxes, tax notice charges, penalties,  
70 administrative costs, and interest on the unpaid balances are paid within the period of  
71 redemption.

72 (c) For a payment received through a levy on an income tax overpayment or refund in  
73 accordance with Title 63A, Chapter 3, Part 3, Accounts Receivable Collection, the payment  
74 shall be applied in the following order:

75 (i) against the penalty charged on the delinquent tax for the earliest year included in the  
76 delinquent account at the time of payment;

77 (ii) against the interest and administrative costs accrued on the delinquent tax for the  
78 earliest year included in the delinquent account at the time of payment;

79 (iii) against the delinquent tax for the earliest year included in the delinquent account at  
80 the time of payment;

81 (iv) against the penalty charged on the delinquent tax for the next earliest year included  
82 in the delinquent account at the time of payment; and

83 (v) so on until:

84 (A) the full amount of the delinquent taxes, tax notice charges, penalties,  
85 administrative costs, and interest on the unpaid balances are paid; or

86 (B) the amount of the income tax overpayment or refund is exhausted.

87 Section 2. Section **63A-3-302** is amended to read:

88 **63A-3-302. Unpaid accounts receivable -- Political subdivision agreement with**  
89 **local agency.**

90 (1) (a) Except as provided in [~~Subsection~~] Subsections (1)(b) and (c), if any account  
91 receivable at any point has been unpaid for 90 days or more, any agency or other authority of  
92 the state, or any political subdivision responsible for collection of the account may proceed  
93 under this part to collect the delinquent amount.

94 (b) A governmental entity within the state that is a health care provider may not  
95 proceed under this part when the account receivable is for a medical material or service and the  
96 debtor:

97 (i) has made a payment arrangement with the health care provider; and

98 (ii) is current on payments under the payment arrangement.

99 (c) The state, a governmental entity within the state, or a local agency acting on behalf  
100 of a political subdivision within the state may proceed under this part on an account receivable  
101 that is for a property tax imposed under Title 59, Chapter 2, Property Tax Act, only if the  
102 account receivable is three or more years delinquent.

103 (2) (a) A political subdivision may enter into an agreement with a local agency under  
104 which the local agency, for a reasonable fee that the political subdivision and local agency  
105 agree upon, prepares and submits the political subdivision's accounts receivable for collection  
106 as provided in this part.

107 (b) Notwithstanding an agreement under Subsection (2)(a), a participating political  
108 subdivision shall:

109 (i) establish an agreement with the division for submitting delinquent accounts

- 110 receivable under this part; and
- 111 (ii) with respect to the accounts receivable that the participating political subdivision
- 112 submits through a local agency for collection under this part:
- 113 (A) receive and respond to an administrative hearing requested under Section
- 114 [63A-3-305](#); and
- 115 (B) administer an adjudicative proceeding required under Section [63A-3-306](#).