

PROPERTY TAX REQUIREMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kera Birkeland

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies property tax provisions.

Highlighted Provisions:

This bill:

- ▶ limits the amount of property tax owed by senior homeowners under a certain income; and
- ▶ establishes penalties for providing false information to or failing to notify a county related to an application to limit a senior's property tax.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-1801, as last amended by Laws of Utah 2022, Chapter 242

ENACTS:

59-2-1806, Utah Code Annotated 1953

59-2-1807, Utah Code Annotated 1953

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



28 Section 1. Section **59-2-1801** is amended to read:

29 **59-2-1801. Definitions.**

30 As used in this part:

31 (1) "Abatement" means a tax abatement described in Section [59-2-1803](#).

32 (2) "Consumer price index housing" means the Consumer Price Index - All Urban
33 Consumers, Housing United States Cities Average, published by the Bureau of Labor Statistics
34 of the United States Department of Labor.

35 [~~2~~] (3) "Deferral" means a tax deferral described in Section [59-2-1802](#).

36 [~~3~~] (4) "Eligible owner" means an owner of an attached or a detached single-family
37 residence:

38 (a) who is 75 years old or older on or before December 31 of the year in which the
39 individual applies for a deferral under this part;

40 (b) whose household income does not exceed 200% of the maximum household
41 income certified to a homeowner's credit described in Section [59-2-1208](#); and

42 (c) whose household liquid resources do not exceed 20 times the amount of property
43 taxes levied on the owner's residence for the preceding calendar year.

44 [~~4~~] (5) "Household" means the same as that term is defined in Section [59-2-1202](#).

45 [~~5~~] (6) "Household income" means the same as that term is defined in Section
46 [59-2-1202](#).

47 [~~6~~] (7) "Household liquid resources" means the following resources that are not
48 included in an individual's household income and held by one or more members of the
49 individual's household:

50 (a) cash on hand;

51 (b) money in a checking or savings account;

52 (c) savings certificates;

53 (d) stocks or bonds; and

54 (e) lump sum payments.

55 [~~7~~] (8) "Indigent individual" [~~is~~] means a poor individual as described in Utah
56 Constitution, Article XIII, Section 3, Subsection (4), who:

57 (a) (i) is at least 65 years old; or

58 (ii) is less than 65 years old and:

- 59 (A) the county finds that extreme hardship would prevail on the individual if the
- 60 county does not defer or abate the individual's taxes; or
- 61 (B) the individual has a disability;
- 62 (b) has a total household income, as defined in Section 59-2-1202, of less than the
- 63 maximum household income certified to a homeowner's credit described in Section 59-2-1208;
- 64 (c) resides for at least 10 months of the year in the residence that would be subject to
- 65 the requested abatement or deferral; and
- 66 (d) cannot pay the tax assessed on the individual's residence when the tax becomes due.

67 ~~[(8)]~~ (9) "Property taxes due" means the taxes due on an indigent individual's property:

- 68 (a) for which a county granted an abatement under Section 59-2-1803; and
- 69 (b) for the calendar year for which the county grants the abatement.

70 ~~[(9)]~~ (10) "Property taxes paid" means an amount equal to the sum of:

- 71 (a) the amount of property taxes the indigent individual paid for the taxable year for
- 72 which the indigent individual applied for the abatement; and
- 73 (b) the amount of the abatement the county grants under Section 59-2-1803.

74 ~~[(10)]~~ (11) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a spouse of any of these individuals.

77 ~~[(11)]~~ (12) "Residence" means real property where an individual resides, including:

- 78 (a) a mobile home, as defined in Section 41-1a-102; or
- 79 (b) a manufactured home, as defined in Section 41-1a-102.

80 Section 2. Section 59-2-1806 is enacted to read:

81 **59-2-1806. Limitation on property tax increases for senior property owners.**

82 (1) A homeowner who meets the requirements described in Subsection (2) shall pay
83 property taxes equal to the lesser of:

- 84 (a) the taxes calculated in accordance with Section 59-2-103; or
- 85 (b) the amount that is 5% higher than the taxes the homeowner paid for the previous
86 calendar year.

87 (2) A homeowner is eligible for the tax relief described in Subsection (1) if the
88 homeowner:

- 89 (a) (i) is 70 years old or older on or before December 31 of the year the taxes are due;

90 (ii) has household income of \$50,000 or less;
91 (iii) resides in the same residence as the previous calendar year;
92 (iv) owns the residence for the entire calendar year; and
93 (v) has not made any physical improvement to the residence or the property on which
94 the residence is located if, solely as a result of the physical improvement, the fair market value
95 of the physical improvement equals or exceeds 5% of the fair market value of the real property;
96 or

97 (b) is a trust described in Section 59-2-1805 if the grantor of the trust meets the
98 requirements of Subsection (2)(a).

99 (3) (a) For the first year in which a homeowner seeks relief under this section, a
100 homeowner shall submit an application before September 1 to the county in which the
101 residence for which the homeowner is seeking relief is located.

102 (b) The county may not require an application for each continuing consecutive year that
103 the homeowner is eligible for relief under this section.

104 (c) The homeowner shall notify the county if the homeowner is no longer eligible for
105 tax relief under this section.

106 (4) The tax relief provided under this section is in addition to any other relief for which
107 the homeowner may be eligible.

108 (5) For a calendar year beginning on or after January 1, 2024, the commission shall
109 increase or decrease the household income eligibility amount under Subsection (2)(a)(ii) by a
110 percentage equal to the percentage difference between the consumer price index housing for the
111 preceding calendar year and the consumer price index housing for calendar year 2022.

112 Section 3. Section 59-2-1807 is enacted to read:

113 **59-2-1807. False information or failure to report -- Penalties and interest.**

114 If a county determines that a homeowner provided false information to the county
115 related to a requirement under Section 59-2-1806 or failed to report that the homeowner is no
116 longer eligible for the tax relief described in Section 59-2-1806, the county shall:

117 (1) deny the homeowner's application to limit the homeowner's property tax liability to
118 5% higher than the taxes the homeowner paid in the previous calendar year; and

119 (2) recover by assessment:

120 (a) the difference between the amount of the taxes that the homeowner owed without

121 the limitation described in Section [59-2-1806](#) and the amount of taxes paid for the tax year; and
122 (b) interest that accrues at a rate of 1% per month beginning the day on which the
123 homeowner provided the false information or failed to report that the homeowner is no longer
124 eligible.

125 Section 4. **Retrospective operation.**

126 This bill provides retrospective operation to January 1, 2023.