

VETERAN PROPERTY TAX EXEMPTION

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jon Hawkins

Senate Sponsor: Michael K. McKell

LONG TITLE

General Description:

This bill amends the veteran armed forces property tax exemption.

Highlighted Provisions:

This bill:

- ▶ creates a process for a veteran with a 100% service-connected disability that is permanent and total to apply for a veteran armed forces property tax exemption before the veteran purchases a residence.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-1904, as enacted by Laws of Utah 2019, Chapter 453

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

Section 1. Section **59-2-1904** is amended to read:

59-2-1904. Veteran armed forces exemption -- Application.

(1) As used in this section["default"]:

(a) "Default application deadline" means the application deadline described in



28 Subsection (3)(a).

29 (b) "Qualifying disabled veteran claimant" means a veteran claimant who has a 100%
30 service-connected disability rating by the Veterans Benefits Administration that is permanent
31 and total.

32 (2) A veteran claimant may claim an exemption in accordance with Section 59-2-1903
33 and this section if the veteran claimant owns the property eligible for the exemption at any time
34 during the calendar year for which the veteran claimant claims the exemption.

35 (3) (a) Except as provided in Subsection (4) [~~or~~], (5), or (7), a veteran claimant shall
36 file, on or before September 1 of the calendar year for which the veteran claimant is applying
37 for the exemption, [~~file~~] an application for an exemption described in Section 59-2-1903 with
38 the county in which the veteran claimant resides on September 1 of that calendar year.

39 (b) An application described in Subsection (3)(a) shall include:

40 (i) a copy of the veteran's certificate of discharge from military service or other
41 satisfactory evidence of eligible military service; and

42 (ii) for an application submitted under the circumstances described in Subsection
43 (5)(a), a statement, issued by a military entity, that gives the date on which the written decision
44 described in Subsection (5)(a) takes effect.

45 (c) A veteran claimant who is claiming an exemption for a veteran with a disability or a
46 deceased veteran with a disability, shall ensure that as part of the application described in this
47 Subsection (3), the county has on file, for the veteran related to the exemption, a statement of
48 disability:

49 (i) issued by a military entity; and

50 (ii) that lists the percentage of disability for the veteran with a disability or deceased
51 veteran with a disability.

52 (d) If a veteran claimant is in compliance with Subsection (3)(c), a county may not
53 require the veteran claimant to file another statement of disability, except under the following
54 circumstances:

55 (i) the percentage of disability has changed for the veteran with a disability or the
56 deceased veteran with a disability; or

57 (ii) the veteran claimant is not the same individual who filed an application for the
58 exemption for the calendar year immediately preceding the current calendar year.

59 (e) A county that receives an application described in Subsection (3)(a) shall, within 30
60 days after the day on which the county received the application, provide the veteran claimant
61 with a receipt that states that the county received the veteran claimant's application.

62 (4) A county may extend the default application deadline for an initial or amended
63 application until December 31 of the year for which the veteran claimant is applying for the
64 exemption if the county finds that good cause exists to extend the default application deadline.

65 (5) A county shall extend the default application deadline by one additional year if, on
66 or after January 4, 2004:

67 (a) a military entity issues a written decision that:

68 (i) (A) for a potential claimant who is a living veteran, determines the veteran is a
69 veteran with a disability; or

70 (B) for a potential claimant who is the unmarried surviving spouse or minor orphan of
71 a deceased veteran, determines the deceased veteran was a deceased veteran with a disability at
72 the time the deceased veteran with a disability died; and

73 (ii) takes effect in a year before the current calendar year; or

74 (b) the county legislative body determines that:

75 (i) the veteran claimant or a member of the veteran claimant's immediate family had an
76 illness or injury that prevented the veteran claimant from filing the application on or before the
77 default application deadline;

78 (ii) a member of the veteran claimant's immediate family died during the calendar year
79 of the default application deadline;

80 (iii) the veteran claimant was not physically present in the state for a time period of at
81 least six consecutive months during the calendar year of the default application deadline; or

82 (iv) the failure of the veteran claimant to file the application on or before the default
83 application deadline:

84 (A) would be against equity or good conscience; and

85 (B) was beyond the reasonable control of the veteran claimant.

86 (6) (a) A county shall allow a veteran claimant to amend an application described in
87 Subsection (3)(a) after the default application deadline if, on or after January 4, 2004, a military
88 entity issues a written decision:

89 (i) that the percentage of disability has changed:

90 (A) for a veteran with a disability, if the veteran with a disability is the veteran
91 claimant; or

92 (B) for a deceased veteran with a disability, if the claimant is the unmarried surviving
93 spouse or minor orphan of a deceased veteran with a disability; and

94 (ii) that takes effect in a year before the current calendar year.

95 (b) A veteran claimant who files an amended application under Subsection (6)(a) shall
96 include a statement, issued by a military entity, that gives the date on which the written
97 decision described in Subsection (6)(a) takes effect.

98 (7) (a) A qualifying disabled veteran claimant may submit an application described in
99 Subsection (3)(b) before the qualifying disabled veteran claimant owns a residence if the
100 qualifying disabled veteran claimant:

101 (i) intends to purchase the residence as evidenced by a real estate purchase contract or
102 similar documentation;

103 (ii) files the application in the county where the residence that the qualifying disabled
104 veteran claimant intends to purchase is located; and

105 (iii) intends to use the residence as the qualifying disabled veteran claimant's primary
106 residence.

107 (b) (i) The county shall process the application and send the qualifying disabled veteran
108 claimant a receipt, which shall also include documentation that:

109 (A) the application is preliminarily approved or denied; and

110 (B) if the application is preliminarily approved, the amount of the qualifying disabled
111 veteran claimant's tax exemption calculated in accordance with Section [59-2-1903](#).

112 (ii) The county shall provide the receipt within 15 business days after the day on which
113 the county received the application.

114 (8) After issuing the receipt described in Subsection (3)(e) or (7)(b), a county may not
115 require a veteran claimant to file another application under Subsection (3)(a) or (7)(a), except
116 under the following circumstances relating to the veteran claimant:

117 (a) the veteran claimant applies all or a portion of an exemption to tangible personal
118 property;

119 (b) the percentage of disability changes for a veteran with a disability or a deceased
120 veteran with a disability;

- 121 (c) the veteran with a disability dies;
- 122 (d) a change in the veteran claimant's ownership of the veteran claimant's primary
123 residence;
- 124 (e) a change in the veteran claimant's occupancy of the primary residence for which the
125 veteran claimant claims an exemption under this section; or
- 126 (f) for an exemption relating to a deceased veteran with a disability or a veteran who
127 was killed in action or died in the line of duty, the veteran claimant is not the same individual
128 who filed an application for the exemption for the calendar year immediately preceding the
129 current calendar year.
- 130 ~~[(8)]~~ (9) If a veteran claimant is the grantor of a trust holding title to real or tangible
131 personal property for which an exemption described in Section 59-2-1903 is claimed, a county
132 may allow the veteran claimant to claim a portion of the exemption and be treated as the owner
133 of that portion of the property held in trust, if the veteran claimant proves to the satisfaction of
134 the county that:
 - 135 (a) title to the portion of the trust will revert in the veteran claimant upon the exercise
136 of a power by:
 - 137 (i) the veteran claimant as grantor of the trust;
 - 138 (ii) a nonadverse party; or
 - 139 (iii) both the veteran claimant and a nonadverse party;
 - 140 (b) title will revert as described in Subsection ~~[(8)(a)]~~ (9)(a), regardless of whether the
141 power described in Subsection ~~[(8)(a)]~~ (9)(a) is a power to revoke, terminate, alter, amend, or
142 appoint; and
 - 143 (c) the veteran claimant satisfies the requirements described in this part for the
144 exemption described in Section 59-2-1903.
- 145 ~~[(9)]~~ (10) A county may verify that real property for which a veteran claimant applies
146 for an exemption is the veteran claimant's primary residence.
- 147 ~~[(10)]~~ (11) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
148 Act, the commission may, by rule:
 - 149 (a) establish procedures and requirements for amending an application described in
150 Subsection (3)(a);
 - 151 (b) for purposes of Subsection (5)(b), define the terms:

- 152 (i) "immediate family"; or
- 153 (ii) "physically present"; [~~or~~]
- 154 (c) for purposes of Subsection (5)(b), [~~prescribe~~] provide the circumstances under
- 155 which the failure of a veteran claimant to file an application on or before the default application
- 156 deadline:
- 157 (i) would be against equity or good conscience; and
- 158 (ii) is beyond the reasonable control of a veteran claimant[.]; or
- 159 (d) for purposes of Subsection (7)(a), establish the type of documentation that is
- 160 evidence of intent to purchase.