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**PROPERTY TAX DEFERRAL AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: Steve Eliason

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**LONG TITLE**

**General Description:**

This bill provides for the deferral of tax notice charges.

**Highlighted Provisions:**

This bill:

- defines terms;
- provides authority for a county to defer charges that are listed on a property tax notice (tax notice charges);
- provides authority and circumstances for a county to receive reimbursement from the State Tax Commission for deferred tax notice charges; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**59-2-1801 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 354

**59-2-1802 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 354

**59-2-1802.5 (Effective 05/01/24)**, as enacted by Laws of Utah 2023, Chapter 354

**63I-2-263 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapters 33, 139, 212, 354, and 530

**63J-1-602.2 (Effective 05/01/24) (Superseded 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 33, 34, 134, 139, 180, 212, 246, 330, 345, 354, and 534

**63J-1-602.2 (Effective 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 33, 34,

28 134, 139, 180, 212, 246, 310, 330, 345, 354, and 534

29

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

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

32 **59-2-1801 (Effective 05/01/24). Definitions.**

33 As used in this part:

34 (1) "Abatement" means a tax abatement described in Section 59-2-1803.

35 (2) "Deferral" means a postponement of a tax due date or a tax notice charge granted in  
36 accordance with Section 59-2-1802 or 59-2-1802.5.

37 (3) "Eligible owner" means an owner of an attached or a detached single-family residence:

38 (a) (i) 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 (ii) 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 (iii) 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; or

44 (b) that is a trust described in Section 59-2-1805 if the grantor of the trust is an  
45 individual described in Subsection (3)(a).

46 (4) "Household" means the same as that term is defined in Section 59-2-1202.

47 (5) "Household income" means the same as that term is defined in Section 59-2-1202.

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

51 (a) cash on hand;

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

53 (c) savings certificates; and

54 (d) stocks or bonds.

55 (7) "Indigent individual" [is] means a poor individual as described in Utah Constitution,  
56 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  
64 59-2-1208;
- 65 (c) resides for at least 10 months of the year in the residence that would be subject to the  
66 requested abatement or deferral; and
- 67 (d) cannot pay the tax assessed on the individual's residence when the tax becomes due.
- 68 (8) "Property taxes due" means the taxes due on an indigent individual's property:
- 69 (a) for which a county granted an abatement under Section 59-2-1803; and  
70 (b) for the calendar year for which the county grants the abatement.
- 71 (9) "Property taxes paid" means an amount equal to the sum of:
- 72 (a) the amount of property taxes the indigent individual paid for the taxable year for  
73 which the indigent individual applied for the abatement; and  
74 (b) the amount of the abatement the county grants under Section 59-2-1803.
- 75 (10) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister,  
76 parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a  
77 spouse of any of these individuals.
- 78 (11) "Residence" means real property where an individual resides, including:
- 79 (a) a mobile home, as defined in Section 41-1a-102; or  
80 (b) a manufactured home, as defined in Section 41-1a-102.
- 81 (12) "Tax notice charge" means the same as that term is defined in Section 59-2-1301.5.
- 82 Section 2. Section **59-2-1802** is amended to read:
- 83 **59-2-1802 (Effective 05/01/24). Tax and tax notice charge deferral -- County**  
84 **discretion to grant deferral -- Creation of lien and due date.**
- 85 (1) (a) In accordance with this part and after receiving an application and giving notice  
86 to the taxpayer, a county may grant a deferral [~~of a tax~~] on residential property.  
87 (b) In determining whether to grant an application for a deferral under this section, a  
88 county shall consider an asset transferred to a relative by an applicant for deferral, if  
89 the transfer took place during the three years before the day on which the applicant  
90 applied for deferral.
- 91 (2) A county may grant a deferral described in Subsection (1) at any time:
- 92 (a) after the holder of each mortgage or trust deed outstanding on the property gives  
93 written approval of the application; and  
94 (b) if the applicant is not the owner of income-producing assets that could be liquidated  
95 to pay the tax.

- 96 (3) (a) Taxes and tax notice charges deferred under this part accumulate with interest  
97 and applicable recording fees as a lien against the residential property.
- 98 (b) A lien described in this Subsection (3) has the same legal status as a lien described in  
99 Section 59-2-1325.
- 100 (c) To release the lien described in this Subsection (3), an owner shall pay the total  
101 amount subject to the lien:
- 102 (i) upon the owner selling or otherwise disposing of the residential property; or  
103 (ii) when the residential property is no longer the owner's primary residence.
- 104 (d) (i) Notwithstanding Subsection (3)(c), an owner that receives a deferral does not  
105 have to pay the deferred taxes~~[and]~~ , deferred tax notice charges, or applicable  
106 recording fees when the residential property transfers:
- 107 (A) to the owner's surviving spouse as a result of the owner's death; or  
108 (B) between the owner and a trust described in Section 59-2-1805 for which the  
109 owner is the grantor.
- 110 (ii) After the residential property transfers to the owner's surviving spouse, the  
111 deferred taxes, deferred tax notice charges, and applicable recording fees are due:
- 112 (A) upon the surviving spouse selling or otherwise disposing of the residential  
113 property; or  
114 (B) when the residential property is no longer the surviving spouse's primary  
115 residence.
- 116 (e) When the deferral period ends:
- 117 (i) the lien becomes due ~~[as a property tax]~~ and subject to the collection procedures  
118 described in Section 59-2-1331; and  
119 (ii) the date of levy is the date that the deferral period ends.
- 120 (4) (a) If a county grants an owner more than one deferral for the same single-family  
121 residence, the county is not required to submit for recording more than one lien.
- 122 (b) Each subsequent deferral relates back to the date of the initial lien filing.
- 123 (5) (a) For each residential property for which the county grants a deferral, the treasurer  
124 shall maintain a record that is an itemized account of the total amount of deferred  
125 property taxes and deferred tax notice charges subject to the lien ~~[for deferred~~  
126 property taxes].
- 127 (b) The record described in this Subsection (5) is the official record of the amount of the  
128 lien.
- 129 (6) Taxes and tax notice charges deferred under this part bear interest at a rate equal to 50%

130 of the rate described in Subsections 59-2-1331(2)(c) and (d).

131 Section 3. Section **59-2-1802.5** is amended to read:

132 **59-2-1802.5 (Effective 05/01/24). Nondiscretionary tax and tax notice charge**  
133 **deferral for elderly property owners.**

134 (1) An eligible owner may apply for a deferral under this section if:

135 (a) the eligible owner uses the single-family residence as the eligible owner's primary  
136 residence as of January 1 of the year for which the eligible owner applies for the  
137 deferral;

138 (b) with respect to the single-family residence, there are no:

139 (i) delinquent property taxes;

140 (ii) delinquent tax notice charges; or

141 (iii) outstanding penalties, interest, or administrative costs related to a delinquent  
142 property tax or a delinquent tax notice charge;

143 (c) (i) the value of the single-family residence for which the eligible owner applies  
144 for the deferral is no greater than the median property value of:

145 (A) attached single-family residences within the county, if the single-family  
146 residence is an attached single-family residence; or

147 (B) detached single-family residences within the county, if the single-family  
148 residence is a detached single-family residence; or

149 (ii) the eligible owner has owned the single-family residence for a continuous 20-year  
150 period as of January 1 of the year for which the eligible owner applies for the  
151 deferral; and

152 (d) the holder of each mortgage or trust deed outstanding on the single-family residence  
153 gives written approval of the deferral.

154 (2) If the conditions in Subsection (1) are satisfied and the applicant complies with the other  
155 applicable provisions of this part[; (a)] , a county shall defer the property tax and tax  
156 notice charges on an attached single-family residence or a detached single-family  
157 residence for an application of deferral made on or after January 1, 2024[; and] .

158 [~~(b) a county may defer the property tax on an attached single-family residence or a~~  
159 ~~detached single-family residence for an application of deferral made before January~~  
160 ~~1, 2024.]~~

161 (3) The values described in Subsection (1)(c) are based on the county assessment roll for  
162 the county in which the single-family residence is located.

163 (4) For purposes of Subsection (1)(c)(ii), ownership is considered continuous regardless of

- 164 whether the single-family residence is transferred between an eligible owner who is an  
 165 individual and an eligible owner that is a trust.
- 166 (5) (a) Upon application from a county in a form prescribed by the commission, the  
 167 commission shall reimburse the county for the amount of any tax or tax notice charge  
 168 that the county defers in accordance with this section.
- 169 (b) The commission may not reimburse a county:
- 170 (i) before the county approves the deferral; or  
 171 (ii) for a tax or tax notice charge assessed after December 31, 2026.
- 172 (c) A county that receives money in accordance with this Subsection (5) shall:
- 173 (i) distribute the money to the taxing entities in the same proportion the county would  
 174 have distributed the revenue from the deferred tax and deferred tax notice charge;  
 175 and  
 176 (ii) repay the money no later than 30 days after the day on which the deferral lien is  
 177 satisfied.
- 178 (d) The commission shall deposit money received under Subsection (5)(c)(ii) into the  
 179 General Fund.

180 Section 4. Section **63I-2-263** is amended to read:

181 **63I-2-263 (Effective 05/01/24). Repeal dates: Title 63A to Title 63N.**

- 182 (1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services  
 183 Procurement Advisory Council is repealed July 1, 2025.
- 184 (2) Section 63A-17-303 is repealed July 1, 2023.
- 185 (3) Section 63A-17-806 is repealed June 30, 2026.
- 186 (4) Title 63C, Chapter 22, Digital Wellness, Citizenship, and Safe Technology Commission  
 187 is repealed July 1, 2023.
- 188 (5) Section 63H-7a-303 is repealed July 1, 2024.
- 189 (6) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety  
 190 communications network, is repealed July 1, 2033.
- 191 (7) Subsection 63J-1-602.2(45), which lists appropriations to the State Tax Commission for[  
 192 ~~property tax~~] deferral reimbursements, is repealed July 1, 2027.
- 193 (8) Subsection 63N-2-213(12)(a), relating to claiming a tax credit in the same taxable year  
 194 as the targeted business income tax credit, is repealed December 31, 2024.
- 195 (9) Title 63N, Chapter 2, Part 3, Targeted Business Income Tax Credit in an Enterprise  
 196 Zone, is repealed December 31, 2024.

197 Section 5. Section **63J-1-602.2** is amended to read:

- 198           **63J-1-602.2 (Effective 05/01/24) (Superseded 07/01/24). List of nonlapsing**  
199 **appropriations to programs.**
- 200           Appropriations made to the following programs are nonlapsing:
- 201       (1) The Legislature and the Legislature's committees.
- 202       (2) The State Board of Education, including all appropriations to agencies, line items, and  
203           programs under the jurisdiction of the State Board of Education, in accordance with  
204           Section 53F-9-103.
- 205       (3) The Rangeland Improvement Act created in Section 4-20-101.
- 206       (4) The Percent-for-Art Program created in Section 9-6-404.
- 207       (5) The LeRay McAllister Working Farm and Ranch Fund created in Section 4-46-301.
- 208       (6) The Utah Lake Authority created in Section 11-65-201.
- 209       (7) Dedicated credits accrued to the Utah Marriage Commission as provided under  
210           Subsection 17-16-21(2)(d)(ii).
- 211       (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 212       (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection  
213           26B-3-108(7).
- 214       (10) The Emergency Medical Services Grant Program in Section 26B-4-107.
- 215       (11) The primary care grant program created in Section 26B-4-310.
- 216       (12) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 217       (13) The Utah Health Care Workforce Financial Assistance Program created in Section  
218           26B-4-702.
- 219       (14) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 220       (15) The Utah Medical Education Council for the:
- 221           (a) administration of the Utah Medical Education Program created in Section 26B-4-707;  
222           (b) provision of medical residency grants described in Section 26B-4-711; and  
223           (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 224       (16) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 225       (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with  
226           Subsection 32B-2-301(8)(a) or (b).
- 227       (18) The General Assistance program administered by the Department of Workforce  
228           Services, as provided in Section 35A-3-401.
- 229       (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 230       (20) The Search and Rescue Financial Assistance Program, as provided in Section  
231           53-2a-1102.

- 232 (21) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 233 (22) The Utah Board of Higher Education for teacher preparation programs, as provided in  
234 Section 53B-6-104.
- 235 (23) Innovation grants under Section 53G-10-608, except as provided in Subsection  
236 53G-10-608(6).
- 237 (24) The Division of Fleet Operations for the purpose of upgrading underground storage  
238 tanks under Section 63A-9-401.
- 239 (25) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.
- 240 (26) The Division of Technology Services for technology innovation as provided under  
241 Section 63A-16-903.
- 242 (27) The State Capitol Preservation Board created by Section 63C-9-201.
- 243 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 244 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado  
245 River Authority of Utah Act.
- 246 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as  
247 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 248 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion  
249 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion  
250 Program.
- 251 (32) County correctional facility contracting program for state inmates as described in  
252 Section 64-13e-103.
- 253 (33) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 254 (34) The Division of Human Resource Management user training program, as provided in  
255 Section 63A-17-106.
- 256 (35) A public safety answering point's emergency telecommunications service fund, as  
257 provided in Section 69-2-301.
- 258 (36) The Traffic Noise Abatement Program created in Section 72-6-112.
- 259 (37) The money appropriated from the Navajo Water Rights Negotiation Account to the  
260 Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a  
261 settlement of federal reserved water right claims.
- 262 (38) The Judicial Council for compensation for special prosecutors, as provided in Section  
263 77-10a-19.
- 264 (39) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 265 (40) The Utah Geological Survey, as provided in Section 79-3-401.



- 266 (41) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 267 (42) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and  
268 78B-6-144.5.
- 269 (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense  
270 Commission.
- 271 (44) The program established by the Division of Facilities Construction and Management  
272 under Section 63A-5b-703 under which state agencies receive an appropriation and pay  
273 lease payments for the use and occupancy of buildings owned by the Division of  
274 Facilities Construction and Management.
- 275 (45) The State Tax Commission for reimbursing counties for [~~deferred property taxes~~]  
276 deferrals in accordance with Section 59-2-1802.5.
- 277 (46) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.  
278 Section 6. Section **63J-1-602.2** is amended to read:  
279 **63J-1-602.2 (Effective 07/01/24). List of nonlapsing appropriations to programs.**  
280 Appropriations made to the following programs are nonlapsing:
- 281 (1) The Legislature and the Legislature's committees.
- 282 (2) The State Board of Education, including all appropriations to agencies, line items, and  
283 programs under the jurisdiction of the State Board of Education, in accordance with  
284 Section 53F-9-103.
- 285 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 286 (4) The Percent-for-Art Program created in Section 9-6-404.
- 287 (5) The LeRay McAllister Working Farm and Ranch Fund created in Section 4-46-301.
- 288 (6) The Utah Lake Authority created in Section 11-65-201.
- 289 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under  
290 Subsection 17-16-21(2)(d)(ii).
- 291 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 292 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection  
293 26B-3-108(7).
- 294 (10) The primary care grant program created in Section 26B-4-310.
- 295 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 296 (12) The Utah Health Care Workforce Financial Assistance Program created in Section  
297 26B-4-702.
- 298 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 299 (14) The Utah Medical Education Council for the:

- 300 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;  
301 (b) provision of medical residency grants described in Section 26B-4-711; and  
302 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 303 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.  
304 (16) Funds that the Department of Alcoholic Beverage Services retains in accordance with  
305 Subsection 32B-2-301(8)(a) or (b).
- 306 (17) The General Assistance program administered by the Department of Workforce  
307 Services, as provided in Section 35A-3-401.
- 308 (18) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 309 (19) The Search and Rescue Financial Assistance Program, as provided in Section  
310 53-2a-1102.
- 311 (20) The Emergency Medical Services Grant Program in Section 53-2d-207.
- 312 (21) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 313 (22) The Utah Board of Higher Education for teacher preparation programs, as provided in  
314 Section 53B-6-104.
- 315 (23) Innovation grants under Section 53G-10-608, except as provided in Subsection  
316 53G-10-608(6).
- 317 (24) The Division of Fleet Operations for the purpose of upgrading underground storage  
318 tanks under Section 63A-9-401.
- 319 (25) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.
- 320 (26) The Division of Technology Services for technology innovation as provided under  
321 Section 63A-16-903.
- 322 (27) The State Capitol Preservation Board created by Section 63C-9-201.
- 323 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 324 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado  
325 River Authority of Utah Act.
- 326 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as  
327 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 328 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion  
329 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion  
330 Program.
- 331 (32) County correctional facility contracting program for state inmates as described in  
332 Section 64-13e-103.
- 333 (33) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.

- 334 (34) The Division of Human Resource Management user training program, as provided in  
335 Section 63A-17-106.
- 336 (35) A public safety answering point's emergency telecommunications service fund, as  
337 provided in Section 69-2-301.
- 338 (36) The Traffic Noise Abatement Program created in Section 72-6-112.
- 339 (37) The money appropriated from the Navajo Water Rights Negotiation Account to the  
340 Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a  
341 settlement of federal reserved water right claims.
- 342 (38) The Judicial Council for compensation for special prosecutors, as provided in Section  
343 77-10a-19.
- 344 (39) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 345 (40) The Utah Geological Survey, as provided in Section 79-3-401.
- 346 (41) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 347 (42) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and  
348 78B-6-144.5.
- 349 (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense  
350 Commission.
- 351 (44) The program established by the Division of Facilities Construction and Management  
352 under Section 63A-5b-703 under which state agencies receive an appropriation and pay  
353 lease payments for the use and occupancy of buildings owned by the Division of  
354 Facilities Construction and Management.
- 355 (45) The State Tax Commission for reimbursing counties for [~~deferred property taxes~~  
356 deferrals] in accordance with Section 59-2-1802.5.
- 357 (46) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.  
358 Section 7. **Effective date.**
- 359 This bill takes effect on May 1, 2024.
- 360 Section 8. **Retrospective operation.**
- 361 The following sections have retrospective operation to January 1, 2024:
- 362 (1) Section 59-2-1801;
- 363 (2) Section 59-2-1802; and
- 364 (3) Section 59-2-1802.5.