

PROPERTY TAX DEFERRAL AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Steve Eliason

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 11 voting for 0 voting against 7 absent

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, as last amended by Laws of Utah 2023, Chapter 354



28 [59-2-1802](#), as last amended by Laws of Utah 2023, Chapter 354
 29 [59-2-1802.5](#), as enacted by Laws of Utah 2023, Chapter 354
 30 [63I-2-263](#), as last amended by Laws of Utah 2023, Chapters 33, 139, 212, 354, and 530
 31 [63J-1-602.2 \(Superseded 07/01/24\)](#), as last amended by Laws of Utah 2023, Chapters
 32 33, 34, 134, 139, 180, 212, 246, 330, 345, 354, and 534
 33 [63J-1-602.2 \(Effective 07/01/24\)](#), as last amended by Laws of Utah 2023, Chapters 33,
 34 34, 134, 139, 180, 212, 246, 310, 330, 345, 354, and 534

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

37 Section 1. Section [59-2-1801](#) is amended to read:

38 **[59-2-1801. Definitions.](#)**

39 As used in this part:

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

41 (2) "Deferral" means a postponement of a tax due date or a tax notice charge granted in
 42 accordance with Section [59-2-1802](#) or [59-2-1802.5](#).

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

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

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

49 (iii) whose household liquid resources do not exceed 20 times the amount of property
 50 taxes levied on the owner's residence for the preceding calendar year; or

51 (b) that is a trust described in Section [59-2-1805](#) if the grantor of the trust is an
 52 individual described in Subsection (3)(a).

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

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

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

58 (a) cash on hand;

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

60 (c) savings certificates; and

61 (d) stocks or bonds.

62 (7) "Indigent individual" [is] means a poor individual as described in Utah

63 Constitution, Article XIII, Section 3, Subsection (4), who:

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

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

66 (A) the county finds that extreme hardship would prevail on the individual if the

67 county does not defer or abate the individual's taxes; or

68 (B) the individual has a disability;

69 (b) has a total household income, as defined in Section 59-2-1202, of less than the

70 maximum household income certified to a homeowner's credit described in Section 59-2-1208;

71 (c) resides for at least 10 months of the year in the residence that would be subject to

72 the requested abatement or deferral; and

73 (d) cannot pay the tax assessed on the individual's residence when the tax becomes due.

74 (8) "Property taxes due" means the taxes due on an indigent individual's property:

75 (a) for which a county granted an abatement under Section 59-2-1803; and

76 (b) for the calendar year for which the county grants the abatement.

77 (9) "Property taxes paid" means an amount equal to the sum of:

78 (a) the amount of property taxes the indigent individual paid for the taxable year for

79 which the indigent individual applied for the abatement; and

80 (b) the amount of the abatement the county grants under Section 59-2-1803.

81 (10) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister,

82 parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a spouse

83 of any of these individuals.

84 (11) "Residence" means real property where an individual resides, including:

85 (a) a mobile home, as defined in Section 41-1a-102; or

86 (b) a manufactured home, as defined in Section 41-1a-102.

87 (12) "Tax notice charge" means the same as that term is defined in Section

88 59-2-1301.5.

89 Section 2. Section 59-2-1802 is amended to read:

90 **59-2-1802. Tax and tax notice charge deferral -- County discretion to grant**
91 **deferral -- Creation of lien and due date.**

92 (1) (a) In accordance with this part and after receiving an application and giving notice
93 to the taxpayer, a county may grant a deferral [~~of a tax~~] on residential property.

94 (b) In determining whether to grant an application for a deferral under this section, a
95 county shall consider an asset transferred to a relative by an applicant for deferral, if the
96 transfer took place during the three years before the day on which the applicant applied for
97 deferral.

98 (2) A county may grant a deferral described in Subsection (1) at any time:

99 (a) after the holder of each mortgage or trust deed outstanding on the property gives
100 written approval of the application; and

101 (b) if the applicant is not the owner of income-producing assets that could be liquidated
102 to pay the tax.

103 (3) (a) Taxes and tax notice charges deferred under this part accumulate with interest
104 and applicable recording fees as a lien against the residential property.

105 (b) A lien described in this Subsection (3) has the same legal status as a lien described
106 in Section [59-2-1325](#).

107 (c) To release the lien described in this Subsection (3), an owner shall pay the total
108 amount subject to the lien:

109 (i) upon the owner selling or otherwise disposing of the residential property; or

110 (ii) when the residential property is no longer the owner's primary residence.

111 (d) (i) Notwithstanding Subsection (3)(c), an owner that receives a deferral does not
112 have to pay the deferred taxes [~~and~~], deferred tax notice charges, or applicable recording fees
113 when the residential property transfers:

114 (A) to the owner's surviving spouse as a result of the owner's death; or

115 (B) between the owner and a trust described in Section [59-2-1805](#) for which the owner
116 is the grantor.

117 (ii) After the residential property transfers to the owner's surviving spouse, the deferred
118 taxes, deferred tax notice charges, and applicable recording fees are due:

119 (A) upon the surviving spouse selling or otherwise disposing of the residential
120 property; or

121 (B) when the residential property is no longer the surviving spouse's primary residence.

122 (e) When the deferral period ends:

123 (i) the lien becomes due [~~as a property tax~~] and subject to the collection procedures
124 described in Section [59-2-1331](#); and

125 (ii) the date of levy is the date that the deferral period ends.

126 (4) (a) If a county grants an owner more than one deferral for the same single-family
127 residence, the county is not required to submit for recording more than one lien.

128 (b) Each subsequent deferral relates back to the date of the initial lien filing.

129 (5) (a) For each residential property for which the county grants a deferral, the treasurer
130 shall maintain a record that is an itemized account of the total amount of deferred property
131 taxes and deferred tax notice charges subject to the lien [~~for deferred property taxes~~].

132 (b) The record described in this Subsection (5) is the official record of the amount of
133 the lien.

134 (6) Taxes and tax notice charges deferred under this part bear interest at a rate equal to
135 50% of the rate described in Subsections [59-2-1331](#)(2)(c) and (d).

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

137 **59-2-1802.5. Nondiscretionary tax and tax notice charge deferral for elderly**
138 **property owners.**

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

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

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

143 (i) delinquent property taxes;

144 (ii) delinquent tax notice charges; or

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

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

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

151 (B) detached single-family residences within the county, if the single-family residence

152 is a detached single-family residence; or

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

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

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

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

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

165 (4) For purposes of Subsection (1)(c)(ii), ownership is considered continuous
166 regardless of whether the single-family residence is transferred between an eligible owner who
167 is an individual and an eligible owner that is a trust.

168 (5) (a) Upon application from a county in a form prescribed by the commission, the
169 commission shall reimburse the county for the amount of any tax or tax notice charge that the
170 county defers in accordance with this section.

171 (b) The commission may not reimburse a county:

172 (i) before the county approves the deferral; or

173 (ii) for a tax or tax notice charge assessed after December 31, 2026.

174 (c) A county that receives money in accordance with this Subsection (5) shall:

175 (i) distribute the money to the taxing entities in the same proportion the county would
176 have distributed the revenue from the deferred tax and deferred tax notice charge; and

177 (ii) repay the money no later than 30 days after the day on which the deferral lien is
178 satisfied.

179 (d) The commission shall deposit money received under Subsection (5)(c)(ii) into the
180 General Fund.

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

182 **63I-2-263. Repeal dates: Title 63A to Title 63N.**

183 (1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services
184 Procurement Advisory Council is repealed July 1, 2025.

185 (2) Section 63A-17-303 is repealed July 1, 2023.

186 (3) Section 63A-17-806 is repealed June 30, 2026.

187 (4) Title 63C, Chapter 22, Digital Wellness, Citizenship, and Safe Technology
188 Commission is repealed July 1, 2023.

189 (5) Section 63H-7a-303 is repealed July 1, 2024.

190 (6) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety
191 communications network, is repealed July 1, 2033.

192 (7) Subsection 63J-1-602.2(45), which lists appropriations to the State Tax
193 Commission for [~~property tax~~] deferral reimbursements, is repealed July 1, 2027.

194 (8) Subsection 63N-2-213(12)(a), relating to claiming a tax credit in the same taxable
195 year as the targeted business income tax credit, is repealed December 31, 2024.

196 (9) Title 63N, Chapter 2, Part 3, Targeted Business Income Tax Credit in an Enterprise
197 Zone, is repealed December 31, 2024.

198 Section 5. Section 63J-1-602.2 (Superseded 07/01/24) is amended to read:

199 **63J-1-602.2 (Superseded 07/01/24). List of nonlapsing appropriations to**
200 **programs.**

201 Appropriations made to the following programs are nonlapsing:

202 (1) The Legislature and the Legislature's committees.

203 (2) The State Board of Education, including all appropriations to agencies, line items,
204 and programs under the jurisdiction of the State Board of Education, in accordance with
205 Section 53F-9-103.

206 (3) The Rangeland Improvement Act created in Section 4-20-101.

207 (4) The Percent-for-Art Program created in Section 9-6-404.

208 (5) The LeRay McAllister Working Farm and Ranch Fund created in Section 4-46-301.

209 (6) The Utah Lake Authority created in Section 11-65-201.

210 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under
211 Subsection 17-16-21(2)(d)(ii).

212 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.

213 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection

- 214 26B-3-108(7).
- 215 (10) The Emergency Medical Services Grant Program in Section 26B-4-107.
- 216 (11) The primary care grant program created in Section 26B-4-310.
- 217 (12) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 218 (13) The Utah Health Care Workforce Financial Assistance Program created in Section
- 219 26B-4-702.
- 220 (14) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 221 (15) The Utah Medical Education Council for the:
- 222 (a) administration of the Utah Medical Education Program created in Section
- 223 26B-4-707;
- 224 (b) provision of medical residency grants described in Section 26B-4-711; and
- 225 (c) provision of the forensic psychiatric fellowship grant described in Section
- 226 26B-4-712.
- 227 (16) The Division of Services for People with Disabilities, as provided in Section
- 228 26B-6-402.
- 229 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance
- 230 with Subsection 32B-2-301(8)(a) or (b).
- 231 (18) The General Assistance program administered by the Department of Workforce
- 232 Services, as provided in Section 35A-3-401.
- 233 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 234 (20) The Search and Rescue Financial Assistance Program, as provided in Section
- 235 53-2a-1102.
- 236 (21) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 237 (22) The Utah Board of Higher Education for teacher preparation programs, as
- 238 provided in Section 53B-6-104.
- 239 (23) Innovation grants under Section 53G-10-608, except as provided in Subsection
- 240 53G-10-608(6).
- 241 (24) The Division of Fleet Operations for the purpose of upgrading underground
- 242 storage tanks under Section 63A-9-401.
- 243 (25) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.
- 244 (26) The Division of Technology Services for technology innovation as provided under

- 245 Section [63A-16-903](#).
- 246 (27) The State Capitol Preservation Board created by Section [63C-9-201](#).
- 247 (28) The Office of Administrative Rules for publishing, as provided in Section
- 248 [63G-3-402](#).
- 249 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14,
- 250 Colorado River Authority of Utah Act.
- 251 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act,
- 252 as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 253 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion
- 254 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program.
- 255 (32) County correctional facility contracting program for state inmates as described in
- 256 Section [64-13e-103](#).
- 257 (33) Programs for the Jordan River Recreation Area as described in Section [65A-2-8](#).
- 258 (34) The Division of Human Resource Management user training program, as provided
- 259 in Section [63A-17-106](#).
- 260 (35) A public safety answering point's emergency telecommunications service fund, as
- 261 provided in Section [69-2-301](#).
- 262 (36) The Traffic Noise Abatement Program created in Section [72-6-112](#).
- 263 (37) The money appropriated from the Navajo Water Rights Negotiation Account to
- 264 the Division of Water Rights, created in Section [73-2-1.1](#), for purposes of participating in a
- 265 settlement of federal reserved water right claims.
- 266 (38) The Judicial Council for compensation for special prosecutors, as provided in
- 267 Section [77-10a-19](#).
- 268 (39) A state rehabilitative employment program, as provided in Section [78A-6-210](#).
- 269 (40) The Utah Geological Survey, as provided in Section [79-3-401](#).
- 270 (41) The Bonneville Shoreline Trail Program created under Section [79-5-503](#).
- 271 (42) Adoption document access as provided in Sections [78B-6-141](#), [78B-6-144](#), and
- 272 [78B-6-144.5](#).
- 273 (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
- 274 Defense Commission.
- 275 (44) The program established by the Division of Facilities Construction and

276 Management under Section [63A-5b-703](#) under which state agencies receive an appropriation
277 and pay lease payments for the use and occupancy of buildings owned by the Division of
278 Facilities Construction and Management.

279 (45) The State Tax Commission for reimbursing counties for [~~deferred property taxes~~]
280 deferrals in accordance with Section [59-2-1802.5](#).

281 (46) The Veterinarian Education Loan Repayment Program created in Section [4-2-902](#).
282 Section 6. Section **63J-1-602.2 (Effective 07/01/24)** is amended to read:

283 **63J-1-602.2 (Effective 07/01/24). List of nonlapsing appropriations to programs.**

284 Appropriations made to the following programs are nonlapsing:

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288 Section [53F-9-103](#).

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301 [26B-4-702](#).

302 (13) The Rural Physician Loan Repayment Program created in Section [26B-4-703](#).

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305 [26B-4-707](#);

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

338 (32) County correctional facility contracting program for state inmates as described in
339 Section [64-13e-103](#).

340 (33) Programs for the Jordan River Recreation Area as described in Section [65A-2-8](#).

341 (34) The Division of Human Resource Management user training program, as provided
342 in Section [63A-17-106](#).

343 (35) A public safety answering point's emergency telecommunications service fund, as
344 provided in Section [69-2-301](#).

345 (36) The Traffic Noise Abatement Program created in Section [72-6-112](#).

346 (37) The money appropriated from the Navajo Water Rights Negotiation Account to
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349 (38) The Judicial Council for compensation for special prosecutors, as provided in
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353 (41) The Bonneville Shoreline Trail Program created under Section [79-5-503](#).

354 (42) Adoption document access as provided in Sections [78B-6-141](#), [78B-6-144](#), and
355 [78B-6-144.5](#).

356 (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
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358 (44) The program established by the Division of Facilities Construction and
359 Management under Section [63A-5b-703](#) under which state agencies receive an appropriation
360 and pay lease payments for the use and occupancy of buildings owned by the Division of
361 Facilities Construction and Management.

362 (45) The State Tax Commission for reimbursing counties for [~~deferred property taxes~~]
363 deferrals in accordance with Section [59-2-1802.5](#).

364 (46) The Veterinarian Education Loan Repayment Program created in Section [4-2-902](#).
365 Section 7. **Effective date.**

366 This bill takes effect on May 1, 2024.

367 Section 8. **Retrospective operation.**

368 The following sections have retrospective operation to January 1, 2024:

- 369 (1) Section 59-2-1801;
370 (2) Section 59-2-1802; and
371 (3) Section 59-2-1802.5.