

Senator Wayne A. Harper proposes the following substitute bill:

PROPERTY TAX ASSESSMENT AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Steve Eliason

LONG TITLE

General Description:

This bill modifies provisions related to property tax assessment.

Highlighted Provisions:

This bill:

- ▶ provides additional remedies for a property owner who experiences an increase in valuation over a certain threshold solely due to valuation when there are no significant changes to the property;
- ▶ requires reporting to the State Tax Commission and the Revenue and Taxation Interim Committee when a county values property over the threshold;
- ▶ directs county assessors in rural areas to seek assistance in the assessment process;
- ▶ provides that the State Tax Commission will conduct an education and training program for county assessors;
- ▶ provides for a penalty for a county assessor who fails to comply with the education and training requirement;
- ▶ establishes when a tax is delinquent after receiving a deferral for property with an increase in valuation over a certain threshold;
- ▶ provides for posting of payment when a partial payment is made on property subject to deferral; and



- 26 ► makes technical and conforming changes.

27 **Money Appropriated in this Bill:**

28 None

29 **Other Special Clauses:**

30 This bill provides retrospective operation.

31 **Utah Code Sections Affected:**

32 **AMENDS:**

33 **59-2-303**, as last amended by Laws of Utah 2019, Chapter 16

34 **59-2-303.1**, as last amended by Laws of Utah 2016, Chapter 135

35 **59-2-703**, as last amended by Laws of Utah 2008, Chapter 382

36 **59-2-1004**, as last amended by Laws of Utah 2022, Chapter 168

37 **59-2-1008**, as repealed and reenacted by Laws of Utah 1988, Chapter 3

38 **59-2-1330**, as last amended by Laws of Utah 2015, Chapter 201

39 **59-2-1331**, as last amended by Laws of Utah 2018, Chapter 197

40 **59-2-1343**, as last amended by Laws of Utah 2018, Chapter 197

41 **59-2-1801**, as last amended by Laws of Utah 2023, Chapter 354

42 **ENACTS:**

43 **59-2-303.3**, Utah Code Annotated 1953

44 **59-2-702.5**, Utah Code Annotated 1953

45 **59-2-1802.1**, Utah Code Annotated 1953

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

48 Section 1. Section **59-2-303** is amended to read:

49 **59-2-303. General duties of county assessor.**

50 (1) (a) Before May 22 each year, the county assessor shall:

51 (i) ascertain the names of the owners of all property that is subject to taxation by the
52 county;

53 (ii) except as provided in Subsection (2), assess the property to the owner, claimant of
54 record, or occupant in possession or control at midnight on January 1 of the taxable year; and

55 (iii) conduct the review process described in Section **59-2-303.2**.

56 (b) No mistake in the name or address of the owner or supposed owner of property

renders the assessment invalid.

(2) If a conveyance of ownership of the real property was recorded in the office of a county recorder after January 1 but more than 14 calendar days before the day on which the county treasurer mails the tax notice, the county assessor shall assess the property to the new owner.

(3) A county assessor shall become fully acquainted with all property in the county assessor's county, as provided in Section 59-2-301.

(4) A county assessor in a county of the third, fourth, fifth, or sixth class shall seek assistance from other county assessors or an appraiser contracted in accordance with Section 59-2-703 for the county assessor to meet the requirements of Section 59-2-303.1.

Section 2. Section 59-2-303.1 is amended to read:

59-2-303.1. Mandatory cyclical appraisals.

(1) For purposes of this section:

(a) "Corrective action" includes:

(i) factoring pursuant to Section 59-2-704;

(ii) notifying the state auditor that the county failed to comply with the requirements of this section; or

(iii) filing a petition for a court order requiring a county to take action.

(b) "Mass appraisal system" means a computer assisted mass appraisal system that:

(i) a county assessor uses to value real property; and

(ii) includes at least the following system features:

(A) has the ability to update all parcels of real property located within the county each year;

(B) can be programmed with specialized criteria;

(C) provides uniform and equal treatment of parcels within the same class of real property throughout the county; and

(D) annually updates all parcels of residential real property within the county using accepted valuation methodologies as determined by rule.

(c) "Property review date" means the date a county assessor completes a detailed review of the property characteristics of a parcel of real property in accordance with Subsection (3)(a).

88 (2) (a) The county assessor shall annually update property values of property as
89 provided in Section 59-2-301 based on a systematic review of current market data.

90 (b) The county assessor shall conduct the annual update described in Subsection (2)(a)
91 by using a mass appraisal system ~~[on or before the following:]~~.

92 ~~[(i) for a county of the first class, January 1, 2009;]~~

93 ~~[(ii) for a county of the second class, January 1, 2011;]~~

94 ~~[(iii) for a county of the third class, January 1, 2014; and]~~

95 ~~[(iv) for a county of the fourth, fifth, or sixth class, January 1, 2015.]~~

96 (c) The county assessor and the commission shall jointly certify that the county's mass
97 appraisal system meets the requirements:

98 (i) described in Subsection (1)(b); and

99 (ii) of the commission.

100 (3) (a) In addition to the requirements in Subsection (2), the county assessor shall
101 complete a detailed review of property characteristics for each property at least once every five
102 years.

103 (b) The county assessor shall maintain on the county's computer system, a record of the
104 last property review date for each parcel of real property located within the county assessor's
105 county.

106 (4) (a) The commission shall take corrective action if the commission determines that:

107 (i) a county assessor has not satisfactorily followed the current mass appraisal
108 standards, as provided by law;

109 (ii) the sales-assessment ratio, coefficients of dispersion, or other statistical measures
110 of appraisal performance related to the studies required by Section 59-2-704 are not within the
111 standards provided by law; or

112 (iii) the county assessor has failed to comply with the requirements of this section.

113 (b) If a county assessor fails to comply with the requirements of this section for one
114 year, the commission shall assist the county assessor in fulfilling the requirements of
115 Subsections (2) and (3).

116 (c) If a county assessor fails to comply with the requirements of this section for two
117 consecutive years, the county will lose the county's allocation of the revenue generated
118 statewide from the imposition of the multicounty assessing and collecting levy authorized in

Sections [59-2-1602](#) and [59-2-1603](#).

(d) If a county loses its allocation of the revenue generated statewide from the imposition of the multicounty assessing and collecting levy described in Subsection (4)(c), the revenue the county would have received shall be distributed to the Multicounty Appraisal Trust created by interlocal agreement by all counties in the state.

(5) (a) On or before July 1, 2008, the county assessor shall prepare a five-year plan to comply with the requirements of Subsections (2) and (3).

(b) The plan shall be available in the county assessor's office for review by the public upon request.

(c) The plan shall be annually reviewed and revised as necessary.

(6) (a) A county assessor shall create, maintain, and regularly update a database containing the following information that the county assessor may use to enhance the county's ability to accurately appraise and assess property on an annual basis:

~~(a)~~ (i) fee and other appraisals;

~~(b)~~ (ii) property characteristics and features;

~~(c)~~ (iii) property surveys;

~~(d)~~ (iv) sales data; and

~~(e)~~ (v) any other data or information on sales, studies, transfers, changes to property, or property characteristics.

(b) A county assessor may provide access to the information in the database to another county assessor that requests assistance in accordance with Section [59-2-303](#).

Section 3. Section **59-2-303.3** is enacted to read:

59-2-303.3. Automatic review for property with 150% or more valuation increase.

(1) As used in this section, "qualifying increase" means a valuation increase that is equal to or more than 150% higher than the previous year's valuation for property that:

(a) is county assessed; and

(b) on or after January 1 of the previous year and before January 1 of the current year, has not had:

(i) a physical improvement if the fair market value of the physical improvement increases enough to result in the valuation increase solely as a result of the physical improvement;

150 (ii) a zoning change if the fair market value of the real property increases enough to
151 result in the valuation increase solely as a result of the zoning change; or

152 (iii) a change in the legal description of the real property, if the fair market value of the
153 real property increases enough to result in the valuation increase solely as a result of the change
154 in the legal description of the real property.

155 (2) (a) Before delivery of the assessment roll to the commission in accordance with
156 Section 59-2-311, the county assessor shall review the assessment of a property with a
157 qualifying increase.

158 (b) The county assessor shall retain a record of the properties for which the county
159 assessor conducts a review in accordance with this section and the results of that review.

160 (3) (a) If the county assessor determines that the assessed value of the property reflects
161 the property's fair market value, the county assessor may not adjust the property's assessed
162 value.

163 (b) If the county assessor determines that the assessed value of the property does not
164 reflect the review property's fair market value, the county assessor shall adjust the assessed
165 value of the review property to reflect the fair market value.

166 (4) (a) Upon completing the review described in Subsection (2), the county assessor
167 shall report to the commission:

168 (i) the number of properties that:

169 (A) required a review in accordance with Subsection (2); and

170 (B) the county reduced the value as a result of the review; and

171 (ii) the parcel number of any property:

172 (A) that required a review in accordance with Subsection (2); and

173 (B) for which the county assessor did not reduce value.

174 (b) A county that has any property subject to a review in accordance with this section
175 for two consecutive years shall report to the Revenue and Taxation Interim Committee:

176 (i) at the same meeting or a meeting after the meeting during which the commission
177 makes the report described in Section 59-2-1008;

178 (ii) in the same year as the commission report; and

179 (iii) on the number of properties with a qualifying increase and the reasons for the
180 qualifying increases.

(c) The requirement to report applies if the county has a property that is subject to review under this section in each of two consecutive years regardless of whether the property that is subject to review is the same property for each year.

(5) The review process described in this section does not supersede or otherwise affect a taxpayer's right to appeal or to seek judicial review of the valuation or equalization of a review property in accordance with:

(a) this part;

(b) Chapter 1, Part 6, Judicial Review; or

(c) Title 63G, Chapter 4, Part 4, Judicial Review.

Section 4. Section **59-2-702.5** is enacted to read:

59-2-702.5. Education and training for county assessors.

(1) (a) The commission shall conduct a program of education and training for county assessors that offers instruction on:

(i) a county assessor's statutory obligations; and

(ii) the practical application of mass appraisal techniques to satisfy a county assessor's statutory obligations.

(b) The commission shall confer a designation of completion upon a county assessor each time that the county assessor completes the program under Subsection (1)(a).

(2) (a) A county assessor shall obtain a designation of completion under Subsection (1)(b) within 12 months after the day on which the county assessor starts a term of office.

(b) If a county assessor fails to obtain a designation of completion, the commission shall take corrective action, as defined in Section [59-2-303.1](#).

Section 5. Section **59-2-703** is amended to read:

59-2-703. Commission to assist county assessors -- Appraisers provided upon request -- Costs of services -- Contingency fee arrangements prohibited.

(1) (a) The commission shall, upon request and pursuant to mutual agreement, provide county assessors with technical assistance and appraisal aid.

(b) [It] The commission shall provide certified or licensed appraisers who, upon request of the county assessor and pursuant to mutual agreement, shall perform appraisals of property and other technical services as needed by the county assessor.

(c) The commission shall calculate the costs of these services ~~[shall be computed by~~

~~the commission upon the basis of]~~ based on the number of days of services rendered.

(d) Each county shall pay to the commission 50% of the cost of the services [~~which they receive]~~ that the county receives.

(2) (a) Both the commission and counties may contract with a private firm or an individual to conduct appraisals.

(b) A county assessor may request the private firm or individual conducting appraisals to assist the county assessor in meeting the requirements of Section [59-2-303.1](#).

~~[(b)]~~ (c) (i) Notwithstanding Title 63G, Chapter 2, Government Records Access and Management Act, the commission and counties may disclose the name of the taxpayer and the taxpayer's address to the contract appraiser.

(ii) A private appraiser is subject to the confidentiality requirements and penalty provisions provided in Title 63G, Chapter 2, Part 8, Remedies.

~~[(c)]~~ (d) (i) Neither the commission nor a county may contract with a private firm or an individual under a contingency fee arrangement to assess property or prosecute or defend an appeal.

(ii) An appraisal that has been prepared on a contingency fee basis may not be allowed in any proceeding before a county board of equalization or the commission.

Section 6. Section **59-2-1004** is amended to read:

59-2-1004. Appeal to county board of equalization -- Real property -- Time period for appeal -- Public hearing requirements -- Decision of board -- Extensions approved by commission -- Appeal to commission.

(1) As used in this section:

(a) "Final assessed value" means:

(i) for real property for which the taxpayer appealed the valuation or equalization to the county board of equalization in accordance with this section, the value given to the real property by the county board of equalization, including a value based on a stipulation of the parties;

(ii) for real property for which the taxpayer or a county assessor appealed the valuation or equalization to the commission in accordance with Section [59-2-1006](#), the value given to the real property by:

(A) the commission, if the commission has issued a decision in the appeal or the

243 parties have entered a stipulation; or

244 (B) a county board of equalization, if the commission has not yet issued a decision in
245 the appeal and the parties have not entered a stipulation; or

246 (iii) for real property for which the taxpayer or a county assessor sought judicial review
247 of the valuation or equalization in accordance with Section 59-1-602 or Title 63G, Chapter 4,
248 Part 4, Judicial Review, the value given the real property by the commission.

249 (b) "Inflation adjusted value" means the value of the real property that is the subject of
250 the appeal as calculated by changing the final assessed value for the previous taxable year for
251 the real property by the median property value change.

252 (c) "Median property value change" means the midpoint of the property value changes
253 for all real property that is:

254 (i) of the same class of real property as the qualified real property; and

255 (ii) located within the same county and within the same market area as the qualified
256 real property.

257 (d) "Property value change" means the percentage change in the fair market value of
258 real property on or after January 1 of the previous year and before January 1 of the current year.

259 (e) "Qualified real property" means real property:

260 (i) for which:

261 (A) the taxpayer or a county assessor appealed the valuation or equalization for the
262 previous taxable year to the county board of equalization in accordance with this section or the
263 commission in accordance with Section 59-2-1006;

264 (B) the appeal described in Subsection (1)(e)(i)(A), resulted in a final assessed value
265 that was lower than the assessed value; and

266 (C) the assessed value for the current taxable year is higher than the inflation adjusted
267 value; and

268 (ii) that, on or after January 1 of the previous taxable year and before January 1 of the
269 current taxable year, has not had a qualifying change.

270 (f) "Qualifying change" means one of the following changes to real property that
271 occurs on or after January 1 of the previous taxable year and before January 1 of the current
272 taxable year:

273 (i) a physical improvement if, solely as a result of the physical improvement, the fair

market value of the physical improvement equals or exceeds the greater of 10% of fair market value of the real property or \$20,000;

(ii) a zoning change, if the fair market value of the real property increases solely as a result of the zoning change; or

(iii) a change in the legal description of the real property, if the fair market value of the real property increases solely as a result of the change in the legal description of the real property.

(2) (a) A taxpayer dissatisfied with the valuation or the equalization of the taxpayer's real property may make an application to appeal by:

(i) filing the application with the county board of equalization within the time period described in Subsection (3); or

(ii) making an application by telephone or other electronic means within the time period described in Subsection (3) if the county legislative body passes a resolution under Subsection (9) authorizing a taxpayer to make an application by telephone or other electronic means.

(b) (i) The county board of equalization shall make a rule describing the contents of the application.

(ii) In addition to any information the county board of equalization requires, the application shall include information about:

(A) the burden of proof in an appeal involving qualified real property; and

(B) the process for the taxpayer to learn the inflation adjusted value of the qualified real property.

(c) (i) (A) The county assessor shall notify the county board of equalization of a qualified real property's inflation adjusted value within 15 business days after the date on which the county assessor receives notice that a taxpayer filed an appeal with the county board of equalization.

(B) The county assessor shall notify the commission of a qualified real property's inflation adjusted value within 15 business days after the date on which the county assessor receives notice that a person dissatisfied with the decision of a county board of equalization files an appeal with the commission.

(ii) (A) A person may not appeal a county assessor's calculation of inflation adjusted

value but may appeal the fair market value of a qualified real property.

(B) A person may appeal a determination of whether, on or after January 1 of the previous taxable year and before January 1 of the current taxable year, real property had a qualifying change.

(3) (a) Except as provided in Subsection (3)(b) and for purposes of Subsection (2), a taxpayer shall make an application to appeal the valuation or the equalization of the taxpayer's real property on or before the later of:

(i) September 15 of the current calendar year; ~~[or]~~

(ii) the last day of a 45-day period beginning on the day on which the county auditor provides the notice under Section [59-2-919.1](#)~~[-]~~; or

(iii) June 30, 2025, for a property that qualifies for a deferral under Section [59-2-1802.1](#).

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules providing for circumstances under which the county board of equalization is required to accept an application to appeal that is filed after the time period prescribed in Subsection (3)(a).

(4) (a) Except as provided in Subsection (4)(b), the taxpayer shall include in the application under Subsection (2)(a):

(i) the taxpayer's estimate of the fair market value of the property and any evidence that may indicate that the assessed valuation of the taxpayer's property is improperly equalized with the assessed valuation of comparable properties; and

(ii) a signed statement of the personal property located in a multi-tenant residential property, as that term is defined in Section [59-2-301.8](#) if the taxpayer:

(A) appeals the value of multi-tenant residential property assessed in accordance with Section [59-2-301.8](#); and

(B) intends to contest the value of the personal property located within the multi-tenant residential property.

(b) (i) For an appeal involving qualified real property:

(A) the county board of equalization shall presume that the fair market value of the qualified real property is equal to the inflation adjusted value; and

(B) except as provided in Subsection (4)(b)(ii), the taxpayer may provide the

information described in Subsection (4)(a).

(ii) If the taxpayer seeks to prove that the fair market value of the qualified real property is below the inflation adjusted value, the taxpayer shall provide the information described in Subsection (4)(a).

(5) In reviewing evidence submitted to a county board of equalization by or on behalf of an owner or a county assessor, the county board of equalization shall consider and weigh:

(a) the accuracy, reliability, and comparability of the evidence presented by the owner or the county assessor;

(b) if submitted, the sales price of relevant property that was under contract for sale as of the lien date but sold after the lien date;

(c) if submitted, the sales offering price of property that was offered for sale as of the lien date but did not sell, including considering and weighing the amount of time for which, and manner in which, the property was offered for sale; and

(d) if submitted, other evidence that is relevant to determining the fair market value of the property.

(6) (a) Except as provided in Subsection (6)(c), at least five days before the day on which the county board of equalization holds a public hearing on an appeal:

(i) the county assessor shall provide the taxpayer any evidence the county assessor relies upon in support of the county assessor's valuation; and

(ii) the taxpayer shall provide the county assessor any evidence not previously provided to the county assessor that the taxpayer relies upon in support of the taxpayer's appeal.

(b) (i) The deadline described in Subsection (6)(a) does not apply to evidence that is commercial information as defined in Section 59-1-404, if:

(A) for the purpose of complying with Section 59-1-404, the county assessor requires that the taxpayer execute a nondisclosure agreement before the county assessor discloses the evidence; and

(B) the taxpayer fails to execute the nondisclosure agreement before the deadline described in Subsection (6)(a).

(ii) The county assessor shall disclose evidence described in Subsection (6)(b)(i) as soon as practicable after the county assessor receives the executed nondisclosure agreement.

(iii) The county assessor shall provide the taxpayer a copy of the nondisclosure

agreement with reasonable time for the taxpayer to review and execute the agreement before the deadline described in Subsection (6)(a) expires.

(c) If at the public hearing, a party presents evidence not previously provided to the other party, the county board of equalization shall allow the other party to respond to the evidence in writing within 10 days after the day on which the public hearing occurs.

(d) (i) A county board of equalization may adopt rules governing the deadlines described in this Subsection (6), if the rules are no less stringent than the provisions of this Subsection (6).

(ii) A county board of equalization's rule that complies with Subsection (6)(d)(i) controls over the provisions of this subsection.

(7) (a) The county board of equalization shall meet and hold public hearings as described in Section 59-2-1001.

(b) (i) For purposes of this Subsection (7)(b), "significant adjustment" means a proposed adjustment to the valuation of real property that:

(A) is to be made by a county board of equalization; and

(B) would result in a valuation that differs from the original assessed value by at least 20% and \$1,000,000.

(ii) When a county board of equalization is going to consider a significant adjustment, the county board of equalization shall:

(A) list the significant adjustment as a separate item on the agenda of the public hearing at which the county board of equalization is going to consider the significant adjustment; and

(B) for purposes of the agenda described in Subsection (7)(b)(ii)(A), provide a description of the property for which the county board of equalization is considering a significant adjustment.

(c) The county board of equalization shall make a decision on each appeal filed in accordance with this section within 60 days after the day on which the taxpayer makes an application.

(d) The commission may approve the extension of a time period provided for in Subsection (7)(c) for a county board of equalization to make a decision on an appeal.

(e) Unless the commission approves the extension of a time period under Subsection

(7)(d), if a county board of equalization fails to make a decision on an appeal within the time period described in Subsection (7)(c), the county legislative body shall:

(i) list the appeal, by property owner and parcel number, on the agenda for the next meeting the county legislative body holds after the expiration of the time period described in Subsection (7)(c); and

(ii) hear the appeal at the meeting described in Subsection (7)(e)(i).

(f) The decision of the county board of equalization shall contain:

(i) a determination of the valuation of the property based on fair market value; and

(ii) a conclusion that the fair market value is properly equalized with the assessed value of comparable properties.

(g) If no evidence is presented before the county board of equalization, the county board of equalization shall presume that the equalization issue has been met.

(h) (i) If the fair market value of the property that is the subject of the appeal deviates plus or minus 5% from the assessed value of comparable properties, the county board of equalization shall adjust the valuation of the appealed property to reflect a value equalized with the assessed value of comparable properties.

(ii) Subject to Sections 59-2-301.1, 59-2-301.2, 59-2-301.3, and 59-2-301.4, equalized value established under Subsection (7)(h)(i) shall be the assessed value for property tax purposes until the county assessor is able to evaluate and equalize the assessed value of all comparable properties to bring all comparable properties into conformity with full fair market value.

(8) If any taxpayer is dissatisfied with the decision of the county board of equalization, the taxpayer may file an appeal with the commission as described in Section 59-2-1006.

(9) A county legislative body may pass a resolution authorizing taxpayers owing taxes on property assessed by that county to file property tax appeals applications under this section by telephone or other electronic means.

Section 7. Section 59-2-1008 is amended to read:

59-2-1008. Investigations by commission -- Assessment of escaped property -- Increase or decrease of assessed valuation.

(1) As used in this section, "review information" means, as reported by a county assessor:

429 (a) the number of properties that:

430 (i) required a review in accordance with Section [59-2-303.3](#); and

431 (ii) the county reduced the value as a result of the review; and

432 (b) the parcel number of any property:

433 (i) that required a review in accordance with Section [59-2-303.3](#); and

434 (ii) for which the county assessor did not reduce value.

435 (2) (a) Each year the commission shall conduct an investigation throughout each
436 county of the state to determine whether all property subject to taxation is on the assessment
437 rolls[;] and whether the property is being assessed at fair market value.

438 (b) When, after any investigation, ~~[it is found]~~ the commission finds that any property
439 ~~[which]~~ that is subject to taxation is not assessed, ~~[then]~~ the commission shall direct the county
440 assessor, the county board of equalization, or the county auditor, as ~~[it]~~ the commission may
441 determine, to enter the assessment of the escaped property.

442 ~~[(2)] (3) If ~~[it is found]~~ the commission finds that any property in any county is not~~
443 being assessed at ~~[its]~~ the property's fair market value, the commission shall, for the purpose of
444 equalizing the value of property in the state, increase or decrease the valuation of the property
445 in order to enforce the assessment of all property subject to taxation upon the basis of its fair
446 market value, and shall direct the county assessor, the county board of equalization, or the
447 county auditor, as ~~[it]~~ the commission may determine, to correct the value of the property in a
448 manner prescribed by the commission.

449 ~~[(3)] (4) The county assessors, county boards of equalization, and county auditors shall~~
450 make all increases or decreases as may be required by the commission to make the assessment
451 of all property within the county conform to ~~[its]~~ the property's fair market value.

452 (5) Each year, after receiving the review information from a county assessor and on or
453 before June 8, the commission shall:

454 (a) review the assessment of a property described in Subsection (1)(b); and

455 (b) if warranted, take action as described in Subsection [59-1-210\(23\)](#).

456 (6) The commission shall report the review information and the number of properties
457 for which an adjustment is made in accordance with Subsection (5) to the Revenue and
458 Taxation Interim Committee annually on or before the September interim meeting.

459 (7) The commission shall include in the report the name of each county that reported

review information for the current calendar year and the previous calendar year.

Section 8. Section **59-2-1330** is amended to read:

59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer -- Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the commission -- Time periods for making payments to taxpayer.

(1) Unless otherwise specifically provided by statute, property taxes shall be paid directly to ~~[the county assessor or]~~ the county treasurer:

(a) on the date that the property taxes are due; and

(b) as provided in this chapter.

(2) (a) The county treasurer shall apply a payment that is insufficient to cover both a tax or tax notice charge that is deferred in accordance with Part 18, Tax Deferral and Tax Abatement, and a current year property tax or tax notice charge to the current tax year property tax or tax notice charge first.

(b) The county treasurer shall send notice to the property owner:

(i) that the payment was insufficient;

(ii) that the county applied the payment to the tax or tax notice charges for the current tax year; and

(iii) of the amount of tax and tax notice charge that is outstanding.

~~[(2)]~~ (3) A taxpayer shall receive payment as provided in this section if a reduction in the amount of any tax levied against any property for which the taxpayer paid a tax or any portion of a tax under this chapter for a calendar year is required by a final and unappealable judgment or order described in Subsection ~~[(3)]~~ (4) issued by:

(a) a county board of equalization;

(b) the commission; or

(c) a court of competent jurisdiction.

~~[(3)]~~ (4) (a) For purposes of Subsection ~~[(2)]~~ (3), the state or any taxing entity that has received property taxes or any portion of property taxes from a taxpayer described in Subsection (2) shall pay the taxpayer if:

(i) the taxes the taxpayer paid in accordance with Subsection ~~[(2)]~~ (3) are collected by an authorized officer of the:

(A) county; or

(B) state; and

(ii) the taxpayer obtains a final and unappealable judgment or order:

(A) from~~[:]~~ a county board of equalization, the commission, or a court of competent jurisdiction;

~~[(I) a county board of equalization;]~~

~~[(II) the commission; or]~~

~~[(III) a court of competent jurisdiction;]~~

(B) against:

(I) the taxing entity or an authorized officer of the taxing entity; or

(II) the state or an authorized officer of the state; and

(C) ordering a reduction in the amount of any tax levied against any property for which a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

(b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined in accordance with Subsections ~~[(4)]~~ (5) through ~~[(7)]~~ (8).

~~[(4)]~~ (5) For purposes of Subsections ~~[(2) and]~~ (3) and (4), the amount the state shall pay to a taxpayer is equal to the sum of:

(a) if the difference described in this Subsection ~~[(4)(a)]~~ (5)(a) is greater than \$0, the difference between:

(i) the tax the taxpayer paid to the state in accordance with Subsection ~~[(2)]~~ (3); and

(ii) the amount of the taxpayer's tax liability to the state after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection ~~[(3)]~~ (4);

(b) if the difference described in this Subsection ~~[(4)(b)]~~ (5)(b) is greater than \$0, the difference between:

(i) any penalties the taxpayer paid to the state in accordance with Section [59-2-1331](#); and

(ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with Section [59-2-1331](#) after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection ~~[(3)]~~ (4);

(c) as provided in Subsection ~~[(6)(a)]~~ (7)(a), interest the taxpayer paid in accordance

with Section 59-2-1331 on the amounts described in Subsections ~~[(4)(a) and (4)(b)]~~ (5)(a) and (5)(b); and

(d) as provided in Subsection ~~[(6)(b)]~~ (7)(b), interest on the sum of the amounts described in~~[:]~~ Subsections (5)(a), (5)(b), and (5)(c);

~~[(i) Subsection (4)(a);]~~

~~[(ii) Subsection (4)(b); and]~~

~~[(iii) Subsection (4)(c).]~~

~~[(5)]~~ (6) For purposes of Subsections ~~[(2) and]~~ (3) and (4), the amount a taxing entity shall pay to a taxpayer is equal to the sum of:

(a) if the difference described in this Subsection ~~[(5)(a)]~~ (6)(a) is greater than \$0, the difference between:

(i) the tax the taxpayer paid to the taxing entity in accordance with Subsection ~~[(2)]~~ (3); and

(ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection ~~[(3)]~~ (4);

(b) if the difference described in this Subsection ~~[(5)(b)]~~ (6)(b) is greater than \$0, the difference between:

(i) any penalties the taxpayer paid to the taxing entity in accordance with Section 59-2-1331; and

(ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection ~~[(3)]~~ (4);

(c) as provided in Subsection ~~[(6)(a)]~~ (7)(a), interest the taxpayer paid in accordance with Section 59-2-1331 on the amounts described in Subsections ~~[(5)(a) and (5)(b)]~~ (6)(a) and (6)(b); and

(d) as provided in Subsection ~~[(6)(b)]~~ (7)(b), interest on the sum of the amounts described in~~[:]~~ Subsections (6)(a), (6)(b), and (6)(c);

~~[(i) Subsection (5)(a);]~~

~~[(ii) Subsection (5)(b); and]~~

553 ~~[(iii) Subsection (5)(c).]~~

554 ~~[(6)]~~ (7) Except as provided in Subsection ~~[(7)]~~ (8):

555 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
556 ~~[(4)(c) or (5)(c)]~~ (5)(c) or (6)(c) in an amount equal to the amount of interest the taxpayer paid
557 in accordance with Section 59-2-1331; and

558 (b) interest shall be paid to a taxpayer on the amount described in Subsection ~~[(4)(d)~~
559 ~~or]~~ (5)(d) or (6)(d):

560 (i) beginning on the later of:

561 (A) the day on which the taxpayer paid the tax in accordance with Subsection ~~[(2)]~~ (3);
562 or

563 (B) January 1 of the calendar year immediately following the calendar year for which
564 the tax was due;

565 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
566 amount required by Subsection ~~[(4) or]~~ (5) or (6); and

567 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
568 state treasurer in accordance with Section 51-7-5.

569 ~~[(7)]~~ (8) ~~[Notwithstanding Subsection (6):]~~

570 (a) ~~[the]~~ The state may not pay or refund interest to a taxpayer under Subsection ~~[(6)]~~
571 (7) on any tax the taxpayer paid in accordance with Subsection ~~[(2)]~~ (3) that exceeds the
572 amount of tax levied by the state for that calendar year as stated on the notice required by
573 Section 59-2-1317~~[-and]~~.

574 (b) ~~[a]~~ A taxing entity may not pay or refund interest to a taxpayer under Subsection
575 ~~[(6)]~~ (7) on any tax the taxpayer paid in accordance with Subsection ~~[(2)]~~ (3) that exceeds the
576 amount of tax levied by the taxing entity for that calendar year as stated on the notice required
577 by Section 59-2-1317.

578 ~~[(8)]~~ (9) (a) Each taxing entity may levy a tax to pay ~~[its]~~ the taxing entity's share of the
579 final and unappealable judgment or order described in Subsection ~~[(3)]~~ (4) if:

580 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
581 the date the certified tax rate is set under Section 59-2-924;

582 (ii) the amount of the judgment levy is included on the notice under Section
583 59-2-919.1; and

(iii) the final and unappealable judgment or order is an eligible judgment, as defined in Section 59-2-102.

(b) The levy under Subsection ~~[(8)(a)]~~ (9)(a) is in addition to, and exempt from, the maximum levy established for the taxing entity.

~~[(9)]~~ (10) (a) A taxpayer that objects to the assessment of property assessed by the commission shall pay, on or before the property tax due date established under Subsection 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by Section 59-2-1317 if:

(i) the taxpayer has applied to the commission for a hearing in accordance with Section 59-2-1007 on the objection to the assessment; and

(ii) the commission has not issued a written decision on the objection to the assessment in accordance with Section 59-2-1007.

(b) A taxpayer that pays the full amount of taxes due under Subsection ~~[(9)(a)]~~ (10)(a) is not required to pay penalties or interest on an assessment described in Subsection ~~[(9)(a)]~~ (10)(a) unless:

(i) a final and unappealable judgment or order establishing that the property described in Subsection ~~[(9)(a)]~~ (10)(a) has a value greater than the value stated on the notice required by Section 59-2-1317 is issued by:

(A) the commission; or

(B) a court of competent jurisdiction; and

(ii) the taxpayer fails to pay the additional tax liability resulting from the final and unappealable judgment or order described in Subsection ~~[(9)(b)(i)]~~ (10)(b)(i) within a 45-day period after the county bills the taxpayer for the additional tax liability.

~~[(10)]~~ (11) (a) Except as provided in Subsection ~~[(10)(b)]~~ (11)(b), a payment that is required by this section shall be paid to a taxpayer:

(i) within 60 days after the day on which the final and unappealable judgment or order is issued in accordance with Subsection ~~[(3)]~~ (4); or

(ii) if a judgment levy is imposed in accordance with Subsection ~~[(8)]~~ (9):

(A) if the payment to the taxpayer required by this section is \$5,000 or more, no later than December 31 of the year in which the judgment levy is imposed; and

(B) if the payment to the taxpayer required by this section is less than \$5,000, within

60 days after the date the final and unappealable judgment or order is issued in accordance with Subsection ~~[(3)]~~ (4).

(b) ~~[Notwithstanding Subsection (10)(a), a]~~ A taxpayer may enter into an agreement:

(i) that establishes a time period other than a time period described in Subsection ~~[(10)(a)]~~ (11)(a) for making a payment to the taxpayer that is required by this section; and
(ii) with:

(A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

(B) an authorized officer of the state for a tax imposed by the state.

Section 9. Section **59-2-1331** is amended to read:

59-2-1331. Property tax due date -- Date tax is delinquent -- Penalty -- Interest -- Payments -- Refund of prepayment.

(1) (a) Except as provided in Subsection (1)(b) and subject to Subsections (1)(c) and (d), all property taxes, unless otherwise specifically provided for under Section **59-2-1332**, or other law, and any tax notice charges, are due on November 30 of each year following the date of levy.

(b) If November 30 falls on a Saturday, Sunday, or holiday:

(i) the date of the next following day that is not a Saturday, Sunday, or holiday shall be substituted in Subsection (1)(a) and Subsection **59-2-1332**(1) for November 30; and

(ii) the date of the day occurring 30 days after the date under Subsection (1)(b)(i) shall be substituted in Subsection **59-2-1332**(1) for December 30.

(c) If a property tax is paid or postmarked after the due date described in this Subsection (1) the property tax is delinquent.

(d) A county treasurer or other public official, public entity, or public employee may not require the payment of a property tax before the due date described in this Subsection (1).

(2) (a) Except as provided in Subsections (2)(e) ~~[and]~~, (f), and (g)(i), for each parcel, all delinquent taxes and tax notice charges on each separately assessed parcel are subject to a penalty of 2.5% of the amount of the delinquent taxes and tax notice charges or \$10, whichever is greater.

(b) Unless the delinquent taxes and tax notice charges, together with the penalty, are paid on or before January 31, the amount of taxes and tax notice charges and penalty shall bear interest on a per annum basis from the January 1 immediately following the delinquency date.

(c) Except as provided in Subsection (2)(d), for purposes of Subsection (2)(b), the interest rate is equal to the sum of:

(i) 6%; and

(ii) the federal funds rate target:

(A) established by the Federal Open Markets Committee; and

(B) that exists on the January 1 immediately following the date of delinquency.

(d) The interest rate described in Subsection (2)(c) may not be:

(i) less than 7%; or

(ii) more than 10%.

(e) The penalty described in Subsection (2)(a) is 1% of the amount of the delinquent taxes and tax notice charges or \$10, whichever is greater, if all delinquent taxes, all tax notice charges, and the penalty are paid on or before the January 31 immediately following the delinquency date.

(f) This section does not apply to the costs, charges, and interest rate accruing on any tax notice charge related to an assessment assessed in accordance with:

(i) Title 11, Chapter 42, Assessment Area Act; or

(ii) Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act.

(g) (i) The county shall waive any penalty or interest for a property granted a deferral in accordance with Section 59-2-1802.1 from the day of the delinquency through the end of the deferral period.

(ii) Penalties and interest accrue in accordance with this Subsection (2) on any tax or tax notice charge that is delinquent after the deferral period ends.

(3) (a) If the delinquency exceeds one year, the amount of taxes, tax notice charges, and penalties for that year and all succeeding years shall bear interest until settled in full through redemption or tax sale.

(b) The interest rate to be applied shall be calculated for each year as established under Subsection (2) and shall apply on each individual year's delinquency until paid.

(4) The county treasurer may accept and credit on account against taxes and tax notice charges becoming due during the current year, at any time before or after the tax rates are adopted, but not subsequent to the date of delinquency, either:

(a) payments in amounts of not less than \$10; or

(b) the full amount of the unpaid tax and tax notice charges.

(5) (a) At any time before the county treasurer provides the tax notice described in Section 59-2-1317, the county treasurer may refund amounts accepted and credited on account against taxes and tax notice charges becoming due during the current year.

(b) Upon recommendation by the county treasurer, the county legislative body shall adopt rules or ordinances to implement the provisions of this Subsection (5).

Section 10. Section 59-2-1343 is amended to read:

59-2-1343. Tax sale listing.

(1) (a) If any property is not redeemed by March 15 following the lapse of four years from the date when any item in Subsection (1)(b) became delinquent, the county treasurer shall immediately file a listing with the county auditor of all properties whose redemption period is expiring in the nearest forthcoming tax sale to pay all outstanding property taxes and tax notice charges.

(b) [A] Except as provided in Subsection (1)(c), a delinquency of any of the following triggers the tax sale process described in Subsection (1)(a):

(i) property tax; or

(ii) a tax notice charge.

(c) A property tax or a tax notice charge that is deferred in accordance with Section 59-2-1802.1 is delinquent only if full payment of the property tax and any tax notice charges is not made before the end of the five-year deferral period.

(2) The listing is known as the "tax sale listing."

Section 11. Section 59-2-1801 is amended to read:

59-2-1801. Definitions.

As used in this part:

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

(2) "Deferral" means a postponement of a tax due date or a tax notice charge granted in accordance with Section 59-2-1802, 59-2-1802.1, or 59-2-1802.5.

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

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

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

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

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

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

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

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

(a) cash on hand;

(b) money in a checking or savings account;

(c) savings certificates; and

(d) stocks or bonds.

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

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

(ii) is less than 65 years old and:

(A) the county finds that extreme hardship would prevail on the individual if the county does not defer or abate the individual's taxes; or

(B) the individual has a disability;

(b) has a total household income, as defined in Section 59-2-1202, of less than the maximum household income certified to a homeowner's credit described in Section 59-2-1208;

(c) resides for at least 10 months of the year in the residence that would be subject to the requested abatement or deferral; and

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

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

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

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

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

(a) the amount of property taxes the indigent individual paid for the taxable year for which the indigent individual applied for the abatement; and

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

(10) "Qualifying increase" means a valuation that is equal to or more than 150% higher than the previous year's valuation for property that:

(a) is county assessed; and

(b) on or after January 1 of the previous year and before January 1 of the current year has not had:

(i) a physical improvement if the fair market value of the physical improvement increases enough to result in the valuation increase solely as a result of the physical improvement;

(ii) a zoning change if the fair market value of the real property increases enough to result in the valuation increase solely as a result of the zoning change; or

(iii) a change in the legal description of the real property, if the fair market value of the real property increases enough to result in the valuation increase solely as a result of the change in the legal description of the real property.

~~[(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.

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

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

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

(13) "Tax notice charge" means the same as that term is defined in Section [59-2-1301.5](#).

Section 12. Section **59-2-1802.1** is enacted to read:

59-2-1802.1. Property tax deferral for property with a qualifying increase.

(1) A county shall grant a deferral for any real property that:

(a) applies for a property tax deferral; and

(b) has a qualifying increase for the tax year that begins on January 1, 2023, or January 1, 2024.

770 (2) (a) The period of deferral is five years.

771 (b) The property owner shall pay 20% of the taxes and tax notice charges due during
772 each year of the five-year deferral period.

773 (c) A county shall grant a separate five-year deferral period if an owner has a qualifying
774 increase for both the tax year that begins on January 1, 2023, and the tax year that begins on
775 January 1, 2024.

776 (3) (a) Taxes and tax notice charges deferred under this part accumulate as a lien
777 against the residential property.

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

780 (c) To release the lien described in this Subsection (3), an owner shall pay the total
781 amount subject to the lien on or before the earlier of:

782 (i) the day on which the five-year deferral period ends; or

783 (ii) the day the owner sells or otherwise disposes of the real property.

784 (d) When the deferral period ends:

785 (i) the lien becomes due and subject to the collection procedures described in Section
786 [59-2-1331](#); and

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

788 (4) (a) Notwithstanding Section [59-2-1331](#), a county may not impose a penalty or
789 interest during the period of deferral.

790 (b) If the property owner does not make all deferred payments before the day on which
791 the five-year deferral period ends, the county may assess a penalty or interest in accordance
792 with Section [59-2-1331](#) on the unpaid amount.

793 (5) (a) If a county grants an owner more than one deferral for the same property, the
794 county is not required to submit for recording more than one lien.

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

796 (6) (a) For each property for which the county grants a deferral, the treasurer shall
797 maintain a record that is an itemized account of the total amount of deferred property taxes and
798 deferred tax notice charges subject to the lien.

799 (b) The record described in this Subsection (6) is the official record of the amount of
800 the lien.

801 (7) On or before May 31, 2024, and May 31, 2025, a county assessor shall notify the
802 owner of record for each property with a qualifying increase of:

803 (a) the option to file an appeal under the extended period described in Section
804 59-2-1004;

805 (b) instructions for filing an appeal;

806 (c) the option to apply for a deferral in accordance with this section; and

807 (d) the ability of the county to waive any late penalty or interest assessed in accordance
808 with Section 59-2-1331.

809 Section 13. **Effective date.**

810 This bill takes effect on May 1, 2024.

811 Section 14. **Retrospective operation.**

812 This bill has retrospective operation to January 1, 2024.