Property Tax Code Recodification

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Douglas R. Welton

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 10 voting for 0 voting against 8 absent

General Description:

This bill recodifies provisions related to relief granted through property tax.

Highlighted Provisions:

This bill:

- recodifies:
  - Title 59, Chapter 2, Part 12, Property Tax Relief;
  - Title 59, Chapter 2, Part 18, Tax Deferral and Tax Abatement; and
  - Title 59, Chapter 2, Part 19, Armed Forces Exemptions;
- creates a General Provisions part that clarifies the procedures and rights available for each type of tax relief; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-2-109.1 (Effective 01/01/26), as enacted by Laws of Utah 2024, Chapter 263

59-2-1004.1 (Effective 01/01/26), as enacted by Laws of Utah 2024, Chapter 263

59-2-1006 (Effective 01/01/26), as last amended by Laws of Utah 2020, Chapter 86

59-2-1331 (Effective 01/01/26), as last amended by Laws of Utah 2024, Chapter 263

59-2-1343 (Effective 01/01/26), as last amended by Laws of Utah 2024, Chapter 263

63J-1-602.2, as last amended by Laws of Utah 2024, Chapters 241, 285, 425, and 467

ENACTS:

59-2a-111 (Effective 01/01/26), Utah Code Annotated 1953

59-2a-201 (Effective 01/01/26), Utah Code Annotated 1953
59-2a-302 (Effective 01/01/26), Utah Code Annotated 1953
59-2a-601 (Effective 01/01/26), Utah Code Annotated 1953
59-2a-702 (Effective 01/01/26), Utah Code Annotated 1953
59-2a-802 (Effective 01/01/26), Utah Code Annotated 1953
59-2a-902 (Effective 01/01/26), Utah Code Annotated 1953
59-2a-903 (Effective 01/01/26), Utah Code Annotated 1953

RENUMBERS AND AMENDS:

59-2a-101 (Effective 01/01/26), (Renumbered from 59-2-1202, as last amended by Laws of Utah 2024, Chapter 279)
59-2a-102 (Effective 01/01/26), (Renumbered from 59-2-1203, as last amended by Laws of Utah 2021, Chapter 391)
59-2a-103 (Effective 01/01/26), (Renumbered from 59-2-1211, as last amended by Laws of Utah 2001, Chapters 221, 310)
59-2a-104 (Effective 01/01/26), (Renumbered from 59-2-1214, as last amended by Laws of Utah 2001, Chapters 221, 310)
59-2a-105 (Effective 01/01/26), (Renumbered from 59-2-1215, as last amended by Laws of Utah 2001, Chapters 221, 310)
59-2a-106 (Effective 01/01/26), (Renumbered from 59-2-1217, as renumbered and amended by Laws of Utah 1987, Chapter 4)
59-2a-107 (Effective 01/01/26), (Renumbered from 59-2-1219, as last amended by Laws of Utah 2001, Chapters 221, 310)
59-2a-108 (Effective 01/01/26), (Renumbered from 59-2-1220, as last amended by Laws of Utah 2024, Chapter 279)
59-2a-109 (Effective 01/01/26), (Renumbered from 59-2-1805, as enacted by Laws of Utah 2019, Chapter 453)
59-2a-110 (Effective 01/01/26), (Renumbered from 59-2-1807, as enacted by Laws of Utah 2023, Chapter 471)
59-2a-202 (Effective 01/01/26), (Renumbered from 59-2-1204, as last amended by Laws of Utah 1998, Chapter 309)
59-2a-203 (Effective 01/01/26), (Renumbered from 59-2-1205, as renumbered and amended by Laws of Utah 1987, Chapter 4)
59-2a-204 (Effective 01/01/26), (Renumbered from 59-2-1213, as renumbered and amended by Laws of Utah 1987, Chapter 4)

59-2a-205 (Effective 01/01/26), (Renumbered from 59-2-1209, as last amended by Laws of Utah 2024, Chapter 272)

59-2a-206 (Effective 01/01/26), (Renumbered from 59-2-1216, as last amended by Laws of Utah 1998, Chapter 309)

59-2a-301 (Effective 01/01/26), (Renumbered from 59-2-1201, as renumbered and amended by Laws of Utah 1987, Chapter 4)

59-2a-303 (Effective 01/01/26), (Renumbered from 59-2-1206, as last amended by Laws of Utah 2021, Chapter 391)

59-2a-304 (Effective 01/01/26), (Renumbered from 59-2-1207, as last amended by Laws of Utah 2001, Chapters 221, 310)

59-2a-305 (Effective 01/01/26), (Renumbered from 59-2-1208, as last amended by Laws of Utah 2021, Chapter 391)

59-2a-401 (Effective 01/01/26), (Renumbered from 59-2-1803, as last amended by Laws of Utah 2023, Chapter 471)

59-2a-402 (Effective 01/01/26), (Renumbered from 59-2-1804, as last amended by Laws of Utah 2023, Chapter 354)

59-2a-501 (Effective 01/01/26), (Renumbered from 59-2-1903, as last amended by Laws of Utah 2023, Chapter 44)

59-2a-502 (Effective 01/01/26), (Renumbered from 59-2-1904, as last amended by Laws of Utah 2023, Chapter 483)

59-2a-602 (Effective 01/01/26), (Renumbered from 59-2-1902, as enacted by Laws of Utah 2019, Chapter 453)

59-2a-701 (Effective 01/01/26), (Renumbered from 59-2-1802, as last amended by Laws of Utah 2024, Chapter 241)

59-2a-801 (Effective 01/01/26), (Renumbered from 59-2-1802.1, as enacted by Laws of Utah 2024, Chapter 263)

59-2a-901 (Effective 01/01/26), (Renumbered from 59-2-1802.5, as last amended by Laws of Utah 2024, Chapter 241)

REPEALS:

59-2-1801 (Effective 01/01/26), as last amended by Laws of Utah 2024, Chapters 241, 263

59-2-1806 (Effective 01/01/26), as enacted by Laws of Utah 2023, Chapter 354

59-2-1901 (Effective 01/01/26), as last amended by Laws of Utah 2023, Chapters 329, 461

59-2-1905 (Effective 01/01/26), as last amended by Laws of Utah 2020, Chapter 354

59-2-1906 (Effective 01/01/26), as enacted by Laws of Utah 2023, Chapter 471

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

Section 1. Section **59-2-109.1** is amended to read:

59-2-109.1 (Effective 01/01/26). Burden of proof for an appeal involving property eligible for deferral for 2023.

(1) This section applies to an appeal to the county board of equalization or the commission involving the valuation or equalization of real property that is eligible for a deferral under Section [~~59-2-1802.1~~] 59-2a-801 for the calendar year that begins on January 1, 2023.

(2)(a) The party carrying the burden of proof shall demonstrate:

(i) except as provided in Subsection (2)(b), substantial error in:

(A) the adjusted value set by the county assessor in accordance with Section 59-2-303.3 in an appeal to the county board of equalization; or

(B) the value set by the county board of equalization in an appeal to the commission; and

(ii) a sound evidentiary basis to support the value the party requests.

(b) The party carrying the burden of proof does not have to show substantial error as required by Subsection (2)(a)(i) if the party is requesting:

(i) the adjusted value in an appeal to the county board of equalization; or

(ii) the value set by the county board of equalization in an appeal to the commission.

(3) The following shall carry the burden of proof:

(a) the county assessor or the county board of equalization that is a party to the appeal has the burden of proof to support the value the county assessor or the county board of equalization requests; and

(b) the taxpayer that is a party to the appeal has the burden of proof to support the value the taxpayer requests.

Section 2. Section **59-2-1004.1** is amended to read:

59-2-1004.1 (Effective 01/01/26). Appeals of valuation or equalization of property eligible for deferral for 2023.

(1)(a) Subject to Subsections (2) through (4) and for the calendar year that begins on January 1, 2023, a taxpayer may file an appeal to the commission of the valuation or equalization of real property that is eligible for a deferral under Section [~~59-2-1802.1~~]

59-2a-801 for the calendar year that begins on January 1, 2023, if:

(i) the taxpayer filed an appeal of the valuation or equalization of the property with the county board of equalization for the calendar year that begins on January 1, 2023;

(ii) the county board of equalization has issued a decision in accordance with Section 59-2-1004;

(iii) the parties have not entered a stipulation regarding the value of the property; and

(iv) the county board of equalization does not make an adjustment in accordance with Subsection 59-2-303.3.

(b) A taxpayer shall file an appeal to the commission on or before June 30, 2025.

(c) This Subsection (1) does not allow more than one formal adjudicative proceeding by the commission for the calendar year beginning on January 1, 2023.

(2)(a) For the calendar year that begins on January 1, 2023, a taxpayer may file an appeal of the valuation or equalization of real property for which a county assessor makes an adjustment under [~~Subsection~~] Subsection 59-2-303.3(3) for the calendar year that begins on January 1, 2023, in accordance with this Subsection (2).

(b) A taxpayer shall make an appeal under this Subsection (2):

(i) to the county board of equalization; and

(ii) on or before June 30, 2025.

(c) If a 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.

(d) A taxpayer may file an appeal of the valuation or equalization of property under this Subsection (2) regardless of whether:

(i) the taxpayer previously filed an appeal of the valuation or equalization of the property for the calendar year that begins on January 1, 2023;

(ii) the county board of equalization has issued a decision on the appeal in accordance with Section 59-2-1004;

(iii) the commission has issued a decision on the appeal in accordance with Section 59-2-1006;

(iv) the parties have entered a stipulation regarding the value of the property; or

(v) any appeal of the valuation or equalization of the property for the calendar year that begins on January 1, 2023, has been closed.

(3) Except as specifically provided in this section:

(a) an appeal to the county board of equalization shall be filed in accordance with

Section 59-2-1004; and

(b) an appeal to the commission shall be filed in accordance with Section 59-2-1006.

(4) For each property eligible to receive a deferral under Section [~~59-2-1802.1~~] 59-2a-801, this section may not be interpreted to require a taxpayer to refile:

(a) an application to appeal in accordance with Section 59-2-1004 if an appeal before the county board of equalization is pending for the calendar year that begins on January 1, 2023; or

(b) a notice of appeal in accordance with Section 59-2-1006 if an appeal before the commission is pending for the calendar year that begins on January 1, 2023.

Section 3. Section **59-2-1006** is amended to read:

59-2-1006 (Effective 01/01/26). Appeal to commission -- Duties of auditor -- Decision by commission.

(1) Any person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, or a tax relief decision made under designated decision-making authority as described in Section 59-2-1101 or Chapter 2a, Tax Relief Through Property Tax, may appeal that decision to the commission by:

(a) filing a notice of appeal specifying the grounds for the appeal with the county auditor within 30 days after the final action of the county board or entity with designated decision-making authority described in Section 59-2-1101 or Chapter 2a, Tax Relief Through Property Tax; and

(b) if the county assessor valued the property in accordance with Section 59-2-301.8 and the taxpayer intends to contest the value of personal property located in a multi-tenant residential property, as that term is defined in Section 59-2-301.8, submitting a signed statement of the personal property with the notice of appeal.

(2) The auditor shall:

(a) file one notice with the commission;

(b) certify and transmit to the commission:

(i) the minutes of the proceedings of the county board of equalization or entity with designated decision-making authority for the matter appealed;

(ii) all documentary evidence received in that proceeding; and

(iii) a transcript of any testimony taken at that proceeding that was preserved;

(c) if the appeal is from a hearing where an exemption was granted or denied, certify and transmit to the commission the written decision of:

(i) the board of equalization as required by Section 59-2-1102; or
(ii) the entity with designated decision-making authority; and
(d) any signed statement submitted in accordance with Subsection (1)(b).
(3) In reviewing a decision described in Subsection (1), the commission may:
(a) admit additional evidence;
(b) issue orders that it considers to be just and proper; and
(c) make any correction or change in the assessment or order of the county board of equalization or entity with decision-making authority.
(4) In reviewing evidence submitted to the commission to decide an appeal under this section, the commission shall consider and weigh:
(a) the accuracy, reliability, and comparability of the evidence presented;
(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.
(5) In reviewing a decision described in Subsection (1), the commission shall adjust property valuations to reflect a value equalized with the assessed value of other comparable properties if:
(a) the issue of equalization of property values is raised; and
(b) the commission determines that the property that is the subject of the appeal deviates in value plus or minus 5% from the assessed value of comparable properties.
(6) The commission shall decide all appeals taken pursuant to this section not later than March 1 of the following year for real property and within 90 days for personal property, and shall report its decision, order, or assessment to the county auditor, who shall make all changes necessary to comply with the decision, order, or assessment.

Section 4. Section **59-2-1331** is amended to read:

59-2-1331 (Effective 01/01/26). 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), (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~~] Market 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~~] 59-2a-801 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 5. Section **59-2-1343** is amended to read:

59-2-1343 (Effective 01/01/26). 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) 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~~] 59-2a-801 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 6. Section **59-2a-101**, which is renumbered from Section 59-2-1202 is renumbered and amended to read:

CHAPTER 2a. TAX RELIEF THROUGH PROPERTY TAX

Part 1. General Provisions

[~~59-2-1202~~] 59-2a-101 (Effective 01/01/26). Definitions.

As used in this [~~part~~] chapter:

(1) "Active component of the United States Armed Forces" means the same as that term is defined in Section 59-10-1027.

(2) "Active duty claimant" means a member of an active component of the United States Armed Forces or a reserve component of the United States Armed Forces who:

(a) performed qualifying active duty military service; and

(b) applies for an exemption described in Part 6, Active Duty Armed Forces Exemption.

(3) "Adjusted taxable value limit" means:

(a) for the calendar year that begins on January 1, 2023, $479,504; or

(b) for each calendar year after the calendar year that begins on January 1, 2023, the amount of the adjusted taxable value limit for the previous year plus an amount calculated by multiplying the amount of the adjusted taxable value limit for the previous year by the actual percent change in the consumer price index during the previous calendar year.

(4) "Claim" means:

(a) a claim for tax abatement described in Subsection (21)(a) or a credit under Part 2, Renter's Credit, or Part 3, Homeowner's Credit;

(b) an exemption under Part 5, Veteran Armed Forces Exemption, or Part 6, Active Duty Armed Forces Exemption; or

(c) an application for an abatement under Part 4, Abatement for Indigent Individuals, or a deferral under Part 7, Discretionary Deferral, Part 8, Nondiscretionary Deferral for Property with Qualifying Increase, or Part 9, Nondiscretionary Deferral for Elderly Property Owners.

[~~(1)~~] (5)(a) "Claimant" means a homeowner or renter who:

(i) files a claim under [~~this part~~] Part 2, Renter's Credit, or Part 3, Homeowner's Credit, for a residence;

(ii) is domiciled in this state for the entire calendar year for which a claim for relief is filed[~~ under this part~~]; and

(iii) on or before December 31 of the year for which a claim for relief is filed[~~ under this part~~], is:

(A) 66 years old or older if the individual was born on or before December 31, 1959; or

(B) 67 years old or older if the individual was born on or after January 1, 1960.

(b) Notwithstanding Subsection [~~(1)(a)~~] (5)(a), "claimant" includes a surviving spouse:

(i) regardless of:

(A) the age of the surviving spouse; or

(B) the age of the deceased spouse at the time of death;

(ii) if the surviving spouse meets:

(A) the requirements [~~of this part except for the age requirement~~] described in Subsections (5)(a)(i) and (5)(a)(ii); and

(B) the income requirements described in Part 2, Renter's Credit, if the surviving spouse is filing a claim for a renter's credit or Part 3, Homeowner's Credit, if the surviving spouse is filing a claim for a homeowner's credit;

(iii) if the surviving spouse is part of the same household of the deceased spouse at the time of death of the deceased spouse; and

(iv) if the surviving spouse is unmarried at the time the surviving spouse files the claim.

(c) If two or more individuals of a household are able to meet the qualifications for a claimant, [~~they~~] the individuals may determine among them as to who the claimant shall be, but if [~~they~~] the individuals are unable to agree, the matter shall be referred to the county legislative body for a determination of the claimant of an owned residence and to the commission for a determination of the claimant of a rented residence.

[~~(2)~~] (6) "Consumer price index[~~ housing~~]" means:

(a) for Part 2, Renter's Credit, and Part 3, Homeowner's Credit, the Consumer Price Index - All Urban Consumers, Housing United States Cities Average, published by the Bureau of Labor Statistics of the United States Department of Labor; and

(b) for the other parts of this chapter, the same as that term is described in Section 1(f)(4), Internal Revenue Code, and defined in Section 1(f)(5), Internal Revenue Code.

(7) "Deceased veteran with a disability" means a deceased individual who was a veteran with a disability at the time the individual died.

(8) "Deferral" means a postponement of a tax due date or a tax notice charge granted in accordance with Section 59-2a-701, 59-2a-801, or 59-2a-901.

(9) "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 59-2a-305; 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 59-2a-109 if the grantor of the trust is an individual described in Subsection (9)(a).

(10) "Eligible property" means property owned by a veteran claimant that is:

(a) the veteran claimant's primary residence, including a residence that the veteran claimant does not reside in because the veteran claimant is admitted as an inpatient at a health care facility as defined in Section 26B-4-501; or

(b) tangible personal property that:

(i) is held exclusively for personal use; and

(ii) is not used in a trade or business.

[~~(3)~~] (11)(a) "Gross rent" means rent actually paid in cash or [~~its~~] the cash equivalent solely for the right of occupancy, at [~~arm's-length~~] arm's length, of a residence, exclusive of charges for any utilities, services, furniture, furnishings, or personal appliances furnished by the landlord as a part of the rental agreement.

(b) If a claimant occupies two or more residences in the year, "gross rent" means the total rent paid for the residences during the one-year period for which the renter files a claim under this part.

[~~(4)~~] (12)(a) "Homeowner" means:

(i) an individual whose name is listed on the deed of a residence; or

(ii) if a residence is owned in a qualifying trust, an individual who is a grantor, trustor, or settlor or holds another similar role in the trust.

(b) "Homeowner" does not include:

(i) if a residence is owned by any type of entity other than a qualifying trust, an individual who holds an ownership interest in that entity; or

(ii) an individual who is listed on a deed of a residence along with an entity other than a qualifying trust.

[~~(5)~~] (13) "Homeowner's credit" means a credit against a claimant's property tax liability.

[~~(6)~~] (14) "Household" means the association of individuals who live in the same dwelling, sharing the dwelling's furnishings, facilities, accommodations, and expenses.

[~~(7)~~] (15)(a) [~~Except as provided in Subsection (7)(b), "household~~] "Household income" means all income received by all members of a claimant's household in:

(i) for a claimant who owns a residence, the calendar year preceding the calendar year in which property taxes are due; or

(ii) for a claimant who rents a residence, the year for which a claim is filed.

(b) "Household income" does not include income received by a member of a claimant's household who is:

(i) under the age of 18; or

(ii) a parent or a grandparent, through blood, marriage, or adoption, of the claimant or the claimant's spouse.

(16) "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.

[~~(8)~~] (17) "Income" means the sum of:

(a) federal adjusted gross income as defined in Section 62, Internal Revenue Code; and

(b) nontaxable income.

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

(a)(i) is 65 years old or older; 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 of less than the maximum household income certified to a homeowner's credit described in Section 59-2a-305;

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

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

(19) "Military entity" means:

(a) the United States Department of Veterans Affairs;

(b) an active component of the United States Armed Forces; or

(c) a reserve component of the United States Armed Forces.

[~~(9)~~] (20)(a) "Nontaxable income" means amounts excluded from adjusted gross income under the Internal Revenue Code, including:

(i) capital gains;

(ii) loss carry forwards claimed during the taxable year in which a claimant files for relief under this [~~part or Part 18, Tax Deferral and Tax Abatement~~] chapter;

(iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on the residence for which the claimant files for relief under this [~~part or Part 18, Tax Deferral and Tax Abatement~~] chapter;

(iv) support money received;

(v) nontaxable strike benefits;

(vi) the gross amount of a pension or annuity, including benefits under the Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231 et seq., and veterans disability pensions;

(vii) except for payments described in Subsection [~~(9)(b)(vi)~~] (20)(b)(vi), payments received under the Social Security Act;

(viii) state unemployment insurance amounts;

(ix) nontaxable interest received from any source;

(x) workers' compensation;

(xi) the gross amount of "loss of time" insurance; and

(xii) voluntary contributions to a tax-deferred retirement plan.

(b) "Nontaxable income" does not include:

(i) public assistance;

(ii) aid, assistance, or contributions from a tax-exempt nongovernmental source;

(iii) surplus foods;

(iv) relief in kind supplied by a public or private agency;

(v) relief provided under this [~~part or Part 18, Tax Deferral and Tax Abatement~~] chapter;

(vi) Social Security Disability Income payments received under the Social Security Act;

(vii) federal tax refunds;

(viii) federal child tax credits received under 26 U.S.C. Sec. 24;

(ix) federal earned income tax credits received under 26 U.S.C. Sec. 32;

(x) payments received under a reverse mortgage;

(xi) payments or reimbursements to senior program volunteers under 42 U.S.C. Sec. 5058; or

(xii) gifts or bequests.

[~~(10)~~] (21)(a) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest, and charges for service, levied on 35% of the fair market value, as reflected on the assessment roll, of a claimant's residence in this state.

(b) For a mobile home, "property taxes accrued" includes taxes imposed on both the land upon which the home is situated and on the structure of the home itself, whether classified as real property or personal property taxes.

(c) The relief described in Subsection [~~(10)(a)~~] (21)(a) constitutes:

(i) a tax abatement for the poor in accordance with Utah Constitution, Article XIII, Section 3; and

(ii) the residential exemption provided for in Section 59-2-103.

(d) For purposes of this Subsection [~~(10)~~] (21), property taxes accrued are levied on the lien date.

(e) When a household owns and occupies two or more different residences in this state in the same calendar year, and neither residence is acquired or sold during the calendar year for which relief is claimed under this part, property taxes accrued shall relate only to the residence occupied on the lien date by the household as the household's principal place of residence.

(f)(i) If a residence is an integral part of a large unit such as a farm or a multipurpose or multidwelling building, property taxes accrued shall be calculated on the percentage that the value of the residence is of the total value of the unit.

(ii) For purposes of this Subsection [~~(10)(f)~~] (21)(f), "unit" refers to the parcel of property covered by a single tax statement of which the residence is a part.

(22) "Property taxes due" means:

(a) for a claimant:

(i) the taxes due for which the county or the commission grants a tax abatement for the poor described in Subsection 59-2a-101(21) or a credit; and

(ii) for the calendar year for which the tax abatement for the poor or credit is granted;

(b) for an indigent individual:

(i) the taxes due for which a county granted an abatement under Section 59-2a-401; and

(ii) for the calendar year for which the county grants the abatement;

(c) for an active duty claimant:

(i) the taxes due for which the county or the commission grants an exemption; and

(ii) for the calendar year for which the exemption is granted; or

(d) for a veteran claimant:

(i)(A) the taxes due for which the county or the commission grants an exemption; and

(B) for the calendar year for which the exemption is granted; and

(ii) a uniform fee on tangible personal property described in Section 59-2-405 that is:

(A) owned by the veteran claimant; and

(B) assessed for the calendar year for which the county grants an exemption.

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

(a) the amount of property taxes, and for a veteran claimant, uniform fee, paid for the taxable year for which the individual applied for relief described in this chapter; and

(b) the amount of the relief the county grants under this chapter.

[~~(11)~~] (24) "Public assistance" means:

(a) medical assistance provided under Title 26B, Chapter 3, Health Care - Administration and Assistance;

(b) SNAP benefits as defined in Section 35A-1-102;

(c) services or benefits provided under Title 35A, Chapter 3, Employment Support Act; and

(d) foster care maintenance payments provided from the General Fund or under Title IV-E of the Social Security Act.

(25) "Qualifying active duty military service" means at least 200 days, regardless of whether consecutive, in any continuous 365-day period of active duty military service outside the state in an active component of the United States Armed Forces or a reserve

component of the United States Armed Forces, if the days of active duty military service:

(a) were completed in the year before an individual applies for an exemption described in Section 59-2a-601; and

(b) have not previously been counted as qualifying active duty military service for purposes of qualifying for an exemption described in Section 59-2a-601 or applying for the exemption as described in Section 59-2a-602.

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

(27) "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.

[~~(12)~~] (28) "Qualifying trust" means a trust holding title to real or tangible personal property for which an individual:

(a) makes a claim under this part;

(b) proves to the satisfaction of the county that title to the portion of the trust will revest in the individual upon the exercise of a power:

(i) by:

(A) the individual as grantor, trustor, settlor, or in another similar role of the trust;

(B) a nonadverse party; or

(C) both the individual and a nonadverse party; and

(ii) regardless of whether the power is a power:

(A) to revoke;

(B) to terminate;

(C) to alter;

(D) to amend; or

(E) to appoint; and

(c) is obligated to pay the taxes on that portion of the trust property beginning January 1 of the year the individual makes the claim.

(29) "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.

[~~(13)~~] (30)[~~(a)~~] "Rental assistance payment" means any payment that:

[~~(i)~~] (a) is made by a:

[~~(A)~~] (i) governmental entity;

[~~(B)~~] (ii) charitable organization; or

[~~(C)~~] (iii) religious organization; and

[~~(ii)~~] (b) is specifically designated for the payment of rent of a claimant:

[~~(A)~~] (i) for the calendar year for which the claimant seeks a renter's credit under this part; and

[~~(B)~~] (ii) regardless of whether the payment is made to the claimant or the landlord.

[~~(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the terms:~~]

[~~(i) "governmental entity";~~]

[~~(ii) "charitable organization"; or~~]

[~~(iii) "religious organization."~~]

(31) "Reserve component of the United States Armed Forces" means the same as that term is defined in Section 59-10-1027.

[~~(14)~~] (32)(a)(i) "Residence" means [~~the~~] a dwelling in this state, whether owned or rented, and so much of the land surrounding the dwelling, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home.

(ii) "Residence" includes a dwelling that is:

(A) a part of a multidwelling or multipurpose building and a part of the land upon which the multidwelling or multipurpose building is built; and

(B) a mobile home, manufactured home, or houseboat.

(b) "Residence" does not include personal property such as furniture, furnishings, or appliances.

(c) For purposes of this Subsection [~~(14)~~] (32), "owned" includes a vendee in possession under a land contract or one or more joint tenants or tenants in common.

(33) "Statement of disability" means a document:

(a) issued by a military entity; and

(b) that lists the percentage of disability for the veteran with a disability or deceased veteran with a disability.

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

(35) "Veteran claimant" means one of the following individuals who applies for an exemption described in Section 59-2a-501:

(a) a veteran with a disability;

(b) the unmarried surviving spouse:

(i) of a deceased veteran with a disability; or

(ii) a veteran who was killed in action or died in the line of duty; or

(c) a minor orphan:

(i) of a deceased veteran with a disability; or

(ii) a veteran who was killed in action or died in the line of duty.

(36) "Veteran who was killed in action or died in the line of duty" means an individual who was killed in action or died in the line of duty in an active component of the United States Armed Forces or a reserve component of the United States Armed Forces, regardless of whether that individual had a disability at the time that individual was killed in action or died in the line of duty.

(37) "Veteran with a disability" means an individual with a disability who, during military training or a military conflict, acquired a disability in the line of duty in an active component of the United States Armed Forces or a reserve component of the United States Armed Forces, as determined by a military entity.

Section 7. Section **59-2a-102**, which is renumbered from Section 59-2-1203 is renumbered and amended to read:

[~~59-2-1203~~] 59-2a-102 (Effective 01/01/26). Right to file claim -- Death of claimant.

(1)(a) The right to file a claim under this part is personal to the [~~claimant~~] individual eligible to file the claim.

(b) The right to file a claim does not survive the [~~claimant's~~]death of the individual eligible to file the claim.

(c) The right to file a claim may be exercised on behalf of [~~a claimant~~] an individual eligible to file the claim by:

(i) a legal guardian[~~ of the claimant~~]; or

(ii) an attorney-in-fact[~~ of the claimant~~].

(2)(a) If [~~a claimant~~] an individual dies after having filed a timely claim, the county or the commission shall disburse the amount of the claim [~~shall be disbursed~~]to another member of the household as determined by the commission by rule.

(b) If the [~~claimant~~] individual described in Subsection (2)(a) was the only member of the household, the county or the commission may pay the claim [~~may be paid~~]to the executor or administrator, except that if neither an executor or administrator is appointed and qualified within two years of the filing of the claim, the amount of the claim [~~shall escheat~~] escheats to the state.

(3) If the [~~claimant~~] individual is the grantor, trustor, or settlor of or holds another similar role in a qualifying trust and the [~~claimant~~] individual meets the requirements of [~~this part~~] one or more parts of this chapter, the [~~claimant~~] individual may claim the portion of the credit and be treated as the owner of that portion of the property held in trust.

(4) The relief described in Subsection [~~59-2-1202(10)(a)~~] 59-2a-101(21)(a) is in addition to any other exemption or reduction for which a homeowner may be eligible, including the homeowner's credit provided for in Section [~~59-2-1206~~] 59-2a-305.

Section 8. Section **59-2a-103**, which is renumbered from Section 59-2-1211 is renumbered and amended to read:

[~~59-2-1211~~] 59-2a-103 (Effective 01/01/26). Forms and instructions -- County legislative body authority to adopt rules or ordinances.

(1) The commission shall [~~prescribe and~~]make available suitable forms and instructions for:

(2)(a) [~~claimants~~] individuals filing claims; and

(b) counties.

[~~(2)~~] (3) A county is not required to use the forms and instructions [~~prescribed~~] made available by the commission under Subsection (1) if the county prepares suitable forms and instructions for [~~a claimant~~] an individual filing a claim consistent with:

(a) this chapter; and

(b) rules adopted by the commission.

[~~(3)~~] (4) The county legislative body may adopt rules or ordinances to:

(a) effectuate the property tax relief under this part; and

(b) designate one or more persons to perform the functions given the county under this part.

Section 9. Section **59-2a-104**, which is renumbered from Section 59-2-1214 is renumbered and amended to read:

[~~59-2-1214~~] 59-2a-104 (Effective 01/01/26). Redetermination of claim by commission or county.

(1) If, on the audit of any claim filed under this [~~part~~] chapter, the commission or the county determines the amount has been incorrectly determined, the commission or the county shall:

(a) redetermine the claim; and

(b) notify the [~~claimant~~] individual filing the claim of the redetermination and [~~its~~] the reason for the redetermination.

(2) The redetermination provided in Subsection (1)(a) [~~shall be~~] is final unless appealed within 30 days after the day on which the commission or the county provides the notice required by Subsection (1)(b).

Section 10. Section **59-2a-105**, which is renumbered from Section 59-2-1215 is renumbered and amended to read:

[~~59-2-1215~~] 59-2a-105 (Effective 01/01/26). Fraudulently or negligently prepared claim -- Penalties and interest.

(1)(a) If the commission or the county determines that a claim is excessive and was filed with fraudulent intent, the commission or the county shall:

(i) disallow the claim [~~shall be disallowed~~]in full;

(ii) cancel the credit [~~shall be cancelled~~]; and

(iii) recover the amount paid or claimed [~~shall be recovered~~]by assessment[~~; and~~] with interest:

[~~(iv) the assessment provided for in Subsection (1)(a)(iii) shall bear interest:~~]

(A) from the date of the claim[~~;~~] until the claim is refunded or repaid; and

[~~(B) until refunded or paid; and~~]

[~~(C)~~] (B) at the rate of 1% per month.

(b) [~~The claimant, and any person who assists in the preparation or filing of an excessive claim or supplies information upon which an excessive claim was prepared, with fraudulent intent, is guilty of a class A misdemeanor.~~]

(i) An individual who files an excessive claim, with fraudulent intent is guilty of a class A misdemeanor.

(ii) An individual who assists in the preparation or filing of an excessive claim or supplies information upon which an excessive claim was prepared, with fraudulent intent, is guilty of a class A misdemeanor.

(2) If the commission or the county determines that a claim is excessive and negligently

prepared, the commission or the county shall:

(a) disallow 10% of the corrected claim[~~ shall be disallowed~~]; and

(b) recover the proper portion of any amount paid [~~shall be similarly recovered ~~]by assessment[~~; and~~] with interest:

(i) from the date of the claim until the claim is refunded or repaid; and

(ii) at the rate of 1% per month.

[~~(c) the assessment provided for in Subsection (2)(b) shall bear interest at 1% per month from the date of payment until refunded or paid.~~]

Section 11. Section **59-2a-106**, which is renumbered from Section 59-2-1217 is renumbered and amended to read:

[~~59-2-1217~~] 59-2a-106 (Effective 01/01/26). Denial of relief -- Appeal.

Any person aggrieved by the denial in whole or in part of relief claimed under this[~~ part~~] chapter, except when the denial is based upon late filing of claim for relief, may appeal the denial to the commission by filing a [~~petition within 30 days after the denial~~] notice of appeal in accordance with Section 59-2-1006.

Section 12. Section **59-2a-107**, which is renumbered from Section 59-2-1219 is renumbered and amended to read:

[~~59-2-1219~~] 59-2a-107 (Effective 01/01/26). Claim disallowed if residence obtained for purpose of receiving benefits.

A claim shall be disallowed if the commission or county finds that the claimant received title to a residence primarily for the purpose of receiving benefits under this [~~part~~] chapter.

Section 13. Section **59-2a-108**, which is renumbered from Section 59-2-1220 is renumbered and amended to read:

[~~59-2-1220~~] 59-2a-108 (Effective 01/01/26). Extension of time for filing application -- Rulemaking authority -- County authority to make refunds.

(1)(a) The commission or a county may extend the time for filing an application until December 31 of the year the application is required to be filed if, subject to any rules made by the commission under Subsection (1)(b), the commission or county finds that good cause exists to extend the deadline.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to establish the circumstances under which the commission or a county may, for good cause, extend the deadline for filing an application under Subsection (1)(a).

(2)[~~(a) For purposes of this Subsection (2):~~]

[~~(i) "Abatement" means the amount of property taxes accrued that constitutes a tax abatement for the poor in accordance with Subsection 59-2-1202(10).~~]

[~~(ii) "Credit" means a homeowner's credit or renter's credit authorized by this part.~~]

[~~(iii) "Property taxes due" means the taxes due on a claimant's property:~~]

[~~(A) for which the county or the commission grants an abatement or a credit; and~~]

[~~(B) for the calendar year for which the abatement or credit is granted.~~]

[~~(iv) "Property taxes paid" is an amount equal to the sum of:~~]

[~~(A) the amount of the property taxes paid for the taxable year for which the claimant is applying for the abatement or credit; and~~]

[~~(B) the amount of the abatement or credit the county or the commission grants.~~]

[~~(b) A county or the commission granting an abatement or a credit to a claimant~~] A county granting an abatement described in Subsection 59-2a-101(21) or to an indigent individual, a homeowner's credit, or an exemption described in Part 5, Veteran Armed Forces Exemption, or Part 6, Active Duty Armed Forces Exemption, shall refund to [~~that claimant~~] the recipient of the abatement, homeowner's credit, or exemption an amount equal to the amount by which the [~~claimant's~~]property taxes paid exceed the [~~claimant's~~]property taxes due, if that amount is $1 or more.

Section 14. Section **59-2a-109**, which is renumbered from Section 59-2-1805 is renumbered and amended to read:

[~~59-2-1805~~] 59-2a-109 (Effective 01/01/26). Treatment of trusts.

If an applicant for a homeowner's credit, a deferral, or an abatement is the grantor of a trust holding title to real or tangible personal property for which a homeowner's credit, a deferral, or an abatement is claimed, a county may allow the applicant to claim a portion of the homeowner's credit, deferral, or abatement and be treated as the owner of that portion of the property held in trust, if the applicant proves to the satisfaction of the county that:

(1) title to the portion of the trust will revest in the applicant upon the exercise of a power by:

(a) the claimant as grantor of the trust;

(b) a nonadverse party; or

(c) both the claimant and a nonadverse party;

(2) title will revest as described in Subsection (1), regardless of whether the power described in Subsection (1) is a power to revoke, terminate, alter, amend, or appoint;

(3) the applicant is obligated to pay the taxes on that portion of the trust property beginning January 1 of the year the claimant claims the homeowner's credit, deferral, or abatement; and

(4) the claimant satisfies the requirements described in this [~~part~~] chapter for homeowner's credit, deferral, or abatement.

Section 15. Section **59-2a-110**, which is renumbered from Section 59-2-1807 is renumbered and amended to read:

[~~59-2-1807~~] 59-2a-110 (Effective 01/01/26). County legislative body authority to adopt rules or ordinances.

A county legislative body may adopt rules or ordinances to:

(1) effectuate [~~an abatement or exemption~~] a claim under this chapter, other than a claim under Part 2, Renter's Credit; or

(2) designate one or more persons to perform the functions given to the county under this [~~part~~] chapter.

Section 16. Section **59-2a-111** is enacted to read:

59-2a-111 (Effective 01/01/26). Application of Chapter 2, Property Tax Act.

(1) Unless otherwise provided by this chapter, the relief authorized under this chapter shall be administered, enforced, and interpreted in accordance with Chapter 2, Property Tax Act.

(2) If relief is granted, the county shall collect the tax due in accordance with the collection procedures of Chapter 2, Property Tax Act.

Section 17. Section **59-2a-201** is enacted to read:

Part 2. Renter's Credit

59-2a-201 (Effective 01/01/26). Purpose.

(1) The purpose of this part is to provide general tax relief for certain persons who rent their places of residence through a system of tax credits, refunds, and appropriations from the General Fund.

(2) The relief is to offset in part the general tax burden, a significant portion of which, directly or indirectly, is represented by property tax.

(3)(a) Accordingly, the tax relief provided by this part is determined in part by reference to the property tax assessment and collection mechanisms, but is not limited to property tax relief nor is the tax relief formulated upon the Legislature's power to relieve property taxes.

(b) The tax relief is for the general relief of all taxes.

Section 18. Section **59-2a-202**, which is renumbered from Section 59-2-1204 is renumbered and amended to read:

[~~59-2-1204~~] 59-2a-202 (Effective 01/01/26). Renter's credits authorized -- No interest allowed.

(1) [~~If a claimant who owns a residence files an application for a homeowner's credit under Section 59-2-1206 and meets the requirements of this part, the claimant's property tax liability for the calendar year is equal to property taxes accrued.~~] A claimant who rents a residence and meets the requirements of this part may receive a renter's credit.

(2)[~~(a)~~] A claimant [~~meeting~~] who meets the requirements of this part and Part 3, Homeowner's Credit, may claim in any year [~~either~~]a renter's credit under Section [~~59-2-1209~~] 59-2a-205, a homeowner's credit as provided under [~~Section 59-2-1208~~] Part 3, Homeowner's Credit, or both.

[~~(b) If a claimant who owns a residence claims a credit under Subsection (2)(a), the credit shall be applied against the claimant's property taxes accrued.~~]

(3) Interest is not allowed on any payment made to a [~~renter's or homeowner's credit~~] claimant under this part.

Section 19. Section **59-2a-203**, which is renumbered from Section 59-2-1205 is renumbered and amended to read:

[~~59-2-1205~~] 59-2a-203 (Effective 01/01/26). Time for filing claim for renter's credit -- One claimant per household per year.

(1) [~~No claim with respect to a renter's credit may be paid or allowed~~] The commission may not allow or pay a renter's credit unless the claim is actually filed with, and in the possession of, the commission on or before December 31 of each calendar year.

(2) Only one claimant per household per calendar year is entitled to payment under this part.

Section 20. Section **59-2a-204**, which is renumbered from Section 59-2-1213 is renumbered and amended to read:

[~~59-2-1213~~] 59-2a-204 (Effective 01/01/26). Statement required of renter claimant.

Every [~~renter claimant under this part~~] claimant shall supply to the commission, in support of the claim, a statement showing reasonable proof of rent paid, the name and address of the owner or managing agent of the property rented, and any changes of residence.

Section 21. Section **59-2a-205**, which is renumbered from Section 59-2-1209 is renumbered and amended to read:

[~~59-2-1209~~] 59-2a-205 (Effective 01/01/26). Amount of renter's credit -- Cost-of-living

adjustment -- Prohibition on credit for rental assistance payment -- Calculation of credit when rent includes utilities -- Limitation -- General Fund as source of credit -- Maximum credit.

(1)(a) Subject to Subsections (2) and (3), for a calendar year beginning on or after January 1, [~~2021~~] 2024, a claimant may claim a renter's credit for the previous calendar year that does not exceed the following amounts:

If household income is	Percentage of gross rent allowed as a credit
$0 -- [~~$11,785~~] $13,884	9.5%
[~~$11,786 -- $15,716~~] $13,885 -- $18,515	8.5%
[~~$15,717 -- $19,643~~] $18,516 -- $23,141	7.0%
[~~$19,644 -- $23,572~~] $23,142 -- $27,770	5.5%
[~~$23,573 -- $27,503~~] $27,771 -- $32,401	4.0%
[~~$27,504 -- $31,198~~] $32,402 -- $36,754	3.0%
[~~$31,199 -- $34,666~~] $36,755 -- $40,840	2.5%

(b) For a calendar year beginning on or after January 1, [~~2022~~] 2025, the commission shall increase or decrease the household income eligibility amounts under Subsection (1)(a) by a percentage equal to the percentage difference between the [~~Consumer Price Index housing~~] consumer price index for the preceding calendar year and the [~~Consumer Price Index housing~~] consume price index for calendar year [~~2020~~] 2023.

(2)(a) A claimant may claim a renter's credit under this part only for gross rent that does not constitute a rental assistance payment.

(b) For purposes of determining whether a claimant receives a rental assistance payment and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the terms:

(i) "governmental entity";

(ii) "charitable organization"; or

(iii) "religious organization."

(3) For purposes of calculating gross rent when a claimant's rent includes electricity or natural gas and the utility amount is not itemized in the statement provided in accordance with Section [~~59-2-1213~~] 59-2a-204, the commission shall deduct from rent:

(a) 7% of rent if the rent includes electricity or natural gas but not both; or

(b) 13% of rent if the rent includes both electricity and natural gas.

(4) An individual may not receive the renter's credit under this section if the individual is:

(a) claimed as a personal exemption on another individual's federal income tax return during any portion of a calendar year for which the individual seeks to claim the renter's credit under this section; or

(b) a dependent with respect to whom another individual claims a tax credit under Section 24(h)(4), Internal Revenue Code, during any portion of a calendar year for which the individual seeks to claim the renter's credit under this section.

(5) A payment for a renter's credit allowed by this section, and [~~provided for in Section 59-2-1204~~] authorized by Section 59-2a-202, shall be paid from the General Fund.

(6) A credit under this section may not exceed the maximum amount allowed as a homeowner's credit for each income bracket under Section [~~59-2-1208~~] 59-2a-305.

Section 22. Section **59-2a-206**, which is renumbered from Section 59-2-1216 is renumbered and amended to read:

[~~59-2-1216~~] 59-2a-206 (Effective 01/01/26). Determination of rent when not arm's-length transaction.

If a homestead is rented by a person from another person under circumstances deemed by the commission to be not at [~~arm's-length~~] arm's length, the commission may determine rent as at [~~arm's-length~~] arm's length, and the determination [~~shall be~~] is final unless appealed within 30 days after the day on which the commission determines the rent at arm's length.

Section 23. Section **59-2a-301**, which is renumbered from Section 59-2-1201 is renumbered and amended to read:

Part 3. Homeowner's Credit

[~~59-2-1201~~] 59-2a-301 (Effective 01/01/26). Purpose of part.

(1) The purpose of this part is to provide general property tax relief for certain persons who own [~~or rent~~]their places of residence through a system of tax credits, refunds, and appropriations from the General Fund.

(2) The relief is to offset in part the general tax burden, a significant portion of which, directly or indirectly, is represented by property tax.

(3)(a) Accordingly, the tax relief provided by this part is determined in part by reference to the property tax assessment and collection mechanisms, but[~~, however,~~] is not limited to property tax relief nor is [~~it~~] the tax relief formulated upon the Legislature's power to relieve [~~those~~] property taxes.

(b) [~~It~~] The tax relief is for the general relief of all taxes.

Section 24. Section **59-2a-302** is enacted to read:

59-2a-302 (Effective 01/01/26). Homeowner's credit authorized -- No interest allowed.

(1) If a claimant who owns a residence meets the requirements of this part, the claimant's property tax liability for the calendar year is equal to property taxes accrued.

(2)(a) A claimant meeting the requirements of this part and Part 2, Renter's Credit, may claim in any year a renter's credit under Part 2, Renter's Credit, a homeowner's credit as provided under Section 59-2a-305, or both.

(b) If a claimant who owns a residence claims a credit under Subsection (2)(a), the county shall apply the credit against the claimant's property taxes accrued.

(3) Interest is not allowed on any payment made to a claimant under this part.

Section 25. Section **59-2a-303**, which is renumbered from Section 59-2-1206 is renumbered and amended to read:

[~~59-2-1206~~] 59-2a-303 (Effective 01/01/26). Application for homeowner's credit -- Time for filing -- Obtaining payment from General Fund.

(1)(a) A claimant [~~applying for a homeowner's credit~~]shall file annually an application for the credit with the county in which the residence for which the claimant is seeking a homeowner's credit is located before September 1.

(b) The application under this section shall:

(i) be on forms provided by the county that meet the requirements of [~~Section 59-2-1211~~] Subsection 59-2a-103(3); and

(ii) include a household income statement signed by the claimant stating that:

(A) the income statement is correct; and

(B) the claimant qualifies for the credit.

(c)(i) Subject to Subsection (1)(c)(ii), a county shall apply the credit in accordance with this section and Section [~~59-2-1207~~] 59-2a-304 for the year in which the claimant applies for a homeowner's credit if the claimant meets the criteria for obtaining a homeowner's credit as provided in this part.

(ii) A homeowner's credit under this part may not exceed the claimant's property tax liability for the residence for the year in which the claimant applies for a homeowner's credit under this part.

(d) A claimant may qualify for a homeowner's credit under this part regardless of whether the claimant owes delinquent property taxes.

(2)(a)(i) The county shall compile a list of claimants and the homeowner's credits granted to the claimants for purposes of obtaining payment from the General Fund for the amount of credits granted.

(ii) A county may not obtain payment from the General Fund for the amount described in Subsection [~~59-2-1202(10)~~] 59-2a-101(21).

(b) Upon certification by the commission the payment for the credits under this Subsection (2) shall be made to the county on or before January 1 if the list of claimants and the credits granted are received by the commission on or before November 30 of the year in which the credits under this part are granted.

(c) If the commission does not receive the list under this Subsection (2) on or before November 30, payment shall be made within 30 days of receipt of the list of claimants and credits from the county.

Section 26. Section **59-2a-304**, which is renumbered from Section 59-2-1207 is renumbered and amended to read:

[~~59-2-1207~~] 59-2a-304 (Effective 01/01/26). Claim applied against tax liability -- One claimant per household per year.

(1) A county shall apply as provided in Subsection [~~59-2-1206(1)(c)~~] 59-2-2004(1)(c) the amount of a credit under this part against:

(a) a claimant's property tax liability; or

(b) the property tax liability of a spouse who was a member of the claimant's household in the year in which the claimant applies for a homeowner's credit under this part.

(2) Only one claimant per household per year is entitled to payment under this part.

Section 27. Section **59-2a-305**, which is renumbered from Section 59-2-1208 is renumbered and amended to read:

[~~59-2-1208~~] 59-2a-305 (Effective 01/01/26). Amount of homeowner's credit -- Cost-of-living adjustment -- Limitation -- General Fund as source of credit.

(1)(a) Subject to [~~Subsections (2) and (4)~~] Subsection (2), for a calendar year beginning on or after January 1, [~~2021~~] 2024, a claimant may claim a homeowner's credit that does not exceed the following amounts:

If household income is		Homeowner's credit	
$0 -- [~~$11,785~~] $13,884		[~~$1,027~~] $1,259	

[~~$11,786 -- $15,716~~] $13,885 -- $18,515		[~~$896~~] $1,105	
[~~$15,717 -- $19,643~~] $18,516 -- $23,141		[~~$768~~] $954	
[~~$19,644 -- $23,572~~] $23,142 -- $27,770		[~~$575~~] $726	
[~~$23,573 -- $27,503~~] $27,771 -- $32,401		[~~$448~~] $577	
[~~$27,504 -- $31,198~~] $32,402 -- $36,754		[~~$256~~] $351	
[~~$31,199 -- $34,666~~] $36,755 -- $40,840		[~~$126~~] $197	

(b) For a calendar year beginning on or after January 1, [~~2022~~] 2025, the commission shall increase or decrease the household income eligibility amounts and the credits under Subsection (1)(a) by a percentage equal to the percentage difference between the consumer price index [~~housing~~]for the preceding calendar year and the consumer price index [~~housing~~]for calendar year [~~2020~~] 2023.

(2)(a) An individual may not receive the homeowner's credit under this section or the [~~tax relief~~] abatement described in Subsection [~~59-2-1202(10)(a)~~] 59-2a-101(21) on 20% of the fair market value of the residence if:

(i) the individual is claimed as a personal exemption on another individual's federal income tax return during any portion of a calendar year for which the individual seeks to claim the homeowner's credit under this section;

(ii) the individual is a dependent with respect to whom another individual claims a tax credit under Section 24(h)(4), Internal Revenue Code, during any portion of a calendar year for which the individual seeks to claim the homeowner's credit under this section; or

(iii) the individual did not own the residence for the entire calendar year for which the individual claims the homeowner's credit.

(b) For a calendar year in which a residence is sold, the amount received as a homeowner's credit under this section or as [~~tax relief~~] an abatement described in Subsection [~~59-2-1202(10)(a)~~] 59-2a-101(21) on 20% of the fair market value of the residence shall be repaid to the county on or before the day on which the sale of the residence closes.

(3) A payment for a homeowner's credit allowed by this section, and [~~provided for in Section 59-2-1204~~] authorized by Section 59-2a-302, shall be paid from the General Fund. [~~(4) For a calendar year that begins on or after January 1, 2018, after~~] After the commission has adjusted the homeowner credit amount under Subsection (1)(b), the

commission shall increase each homeowner credit amount under Subsection (1) by [~~the following amounts:~~] $49.

[~~(a) for a calendar year that begins on January 1, 2018, $14;~~]

[~~(b) for a calendar year that begins on January 1, 2019, $22;~~]

[~~(c) for a calendar year that begins on January 1, 2020, $31;~~]

[~~(d) for a calendar year that begins on January 1, 2021, $40; and~~]

[~~(e) for a calendar year that begins on or after January 1, 2022, $49.~~]

Section 28. Section **59-2a-401**, which is renumbered from Section 59-2-1803 is renumbered and amended to read:

Part 4. Abatement for Indigent Individuals

[~~59-2-1803~~] 59-2a-401 (Effective 01/01/26). Tax abatement for indigent individuals -- Maximum amount.

[~~(1)~~] In accordance with this part, a county may remit or abate the taxes of an indigent individual:

[~~(a)~~] (1) if the indigent individual owned the property as of January 1 of the year for which the county remits or abates the taxes; and

[~~(b)~~] (2) in an amount not more than the lesser of:

[~~(i)~~] (a) the amount provided as a homeowner's credit for the lowest household income bracket as described in Section [~~59-2-1208~~] 59-2a-305; or

[~~(ii)~~] (b) 50% of the total tax levied for the indigent individual for the current year.

[~~(2) A county that grants an abatement to an indigent individual shall refund to the indigent individual an amount that is equal to the amount by which the indigent individual's property taxes paid exceed the indigent individual's property taxes due, if the amount is at least $1.~~]

Section 29. Section **59-2a-402**, which is renumbered from Section 59-2-1804 is renumbered and amended to read:

[~~59-2-1804~~] 59-2a-402 (Effective 01/01/26). Application -- Rulemaking .

(1)(a) Except as provided in Section 59-2a-108 or Subsection [~~(1)(b) or~~](2), an applicant for [~~deferral or~~]abatement for the current tax year shall annually file an application on or before September 1 with the county in which the applicant's property is located.

[~~(b) If a county finds good cause exists, the county may extend until December 31 the~~

~~deadline described in Subsection (1)(a).~~]

[~~(c)~~] (b) An indigent individual may apply and potentially qualify for deferral under Part 7, Discretionary Deferral, Part 8, Nondiscretionary Deferral for Property with Qualifying Increase, or Part 9, Nondiscretionary Abatement for Elderly Property Owners, abatement, or both.

(2)[~~(a)~~] A county shall extend the [~~default~~] September 1 application deadline by one additional year if [~~the applicant had been approved for a deferral under this part in the prior year; or~~] the county determines that:

[~~(b) the county determines that:~~]

[~~(i)~~] (a) the applicant or a member of the applicant's immediate family had an illness or injury that prevented the applicant from filing the application on or before the [~~default~~] September 1 application deadline;

[~~(ii)~~] (b) a member of the applicant's immediate family died during the calendar year of the [~~default~~] September 1 application deadline;

[~~(iii)~~] (c) the failure of the applicant to file the application on or before the [~~default~~] September 1 application deadline was beyond the reasonable control of the applicant; or

[~~(iv)~~] (d) denial of an application would be unjust or unreasonable.

(3)[~~(a)~~] An applicant shall include in an application a signed statement that describes the eligibility of the applicant for [~~deferral or~~]abatement.

[~~(b) For an application for a deferral under Section 59-2-1802.5, the requirements described in Subsection (3)(a) include:~~]

[~~(i) proof that the applicant resides at the single-family residence for which the applicant seeks the deferral;~~]

[~~(ii) proof of age; and~~]

[~~(iii) proof of household income.~~]

(4) Both spouses shall sign an application if the application seeks [~~a deferral or~~] an abatement on a residence:

(a) in which both spouses reside; and

(b) that the spouses own as joint tenants.

[~~(5) If an applicant is dissatisfied with a county's decision on the applicant's application for deferral or abatement, the applicant may appeal the decision to the commission in accordance with Section 59-2-1006.~~]

[~~(6)~~] (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.

Section 30. Section **59-2a-501**, which is renumbered from Section 59-2-1903 is renumbered and amended to read:

Part 5. Veteran Armed Forces Exemption

[~~59-2-1903~~] 59-2a-501 (Effective 01/01/26). Veteran armed forces exemption amount.

[~~(1) As used in this section, "eligible property" means property owned by a veteran claimant that is:~~]

[~~(a) the veteran claimant's primary residence; or~~]

[~~(b) tangible personal property that:~~]

[~~(i) is held exclusively for personal use; and~~]

[~~(ii) is not used in a trade or business.~~]

[~~(2)~~] (1) In accordance with this part, the amount of taxable value of eligible property described in Subsection [~~(3) or (4)~~] (2) or (3) is exempt from taxation if the eligible property is owned by a veteran claimant.

[~~(3)~~] (2)(a) Except as provided in Subsection [~~(4) and in accordance with this Subsection (3)~~] (3), the amount of taxable value of eligible property that is exempt under Subsection [~~(2)~~] (1) is equal to the percentage of disability described in the statement of disability multiplied by the adjusted taxable value limit.

(b) The amount of an exemption calculated under Subsection [~~(3)(a)~~] (2)(a) may not exceed the taxable value of the eligible property.

(c) A county shall consider a veteran with a disability to have a 100% disability, regardless of the percentage of disability described on the statement of disability, if the United States Department of Veterans Affairs certifies the veteran in the classification of individual unemployability.

(d) A county may not allow an exemption claimed under this section if the percentage of disability listed on the statement of disability is less than 10%.

[~~(4)~~] (3) The amount of taxable value of eligible property that is exempt under Subsection [~~(2)~~] (1) is equal to the total taxable value of the veteran claimant's eligible property if the property is owned by:

(a) the unmarried surviving spouse of a veteran who was killed in action or died in the line of duty;

(b) a minor orphan of a veteran who was killed in action or died in the line of duty; or

(c) the unmarried surviving spouse or minor orphan of a deceased veteran with a disability:

(i) who served in the military service of the United States or the state prior to January 1, 1921; and

(ii) whose percentage of disability described in the statement of disability is 10% or more.

[~~(5)~~] (4) For purposes of this section and Section [~~59-2-1904~~] 59-2a-502, an individual who received an honorable or general discharge from military service of an active component of the United States Armed Forces or a reserve component of the United States Armed Forces:

(a) is presumed to be a citizen of the United States; and

(b) may not be required to provide additional proof of citizenship to establish that the individual is a citizen of the United States.

[~~(6)~~] (5) The Department of Veterans and Military Affairs created in Section 71A-1-201 shall, through an informal hearing held in accordance with Title 63G, Chapter 4, Administrative Procedures Act, resolve each dispute arising under this section concerning an individual's status as a veteran with a disability.

Section 31. Section **59-2a-502**, which is renumbered from Section 59-2-1904 is renumbered and amended to read:

[~~59-2-1904~~] 59-2a-502 (Effective 01/01/26). Application -- Rulemaking authority.

[~~(1) As used in this section:~~]

[~~(a) "Default application deadline" means the application deadline described in Subsection (3)(a).~~]

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

[~~(2)~~] (1) A veteran claimant may claim an exemption in accordance with Section [~~59-2-1903~~] 59-2a-501 and this section if the veteran claimant owns the property eligible for the exemption at any time during the calendar year for which the veteran claimant claims the exemption.

[~~(3)~~] (2)(a) Except as provided in Section 59-2a-108 or Subsection [~~(4), (5), or (7)~~] (3) or (5), a veteran claimant shall file, on or before September 1 of the calendar year for which the veteran claimant is applying for the exemption, an application for an exemption described in Section [~~59-2-1903~~] 59-2a-501 with the county in which the veteran claimant resides on September 1 of that calendar year.

(b) An application described in Subsection [~~(3)(a)~~] (2)(a) shall include:

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

(ii) for an application submitted under the circumstances described in Subsection [~~(5)(a)~~] (4)(a), a statement, issued by a military entity, that gives the date on which the written decision described in Subsection [~~(5)(a)~~] (4)(a) takes effect.

(c) A veteran claimant who is claiming an exemption for a veteran with a disability or a deceased veteran with a disability[~~,~~] shall ensure that, as part of the application described in this Subsection [~~(3)~~] (2), the county has on file, for the veteran related to the exemption, a statement of disability[~~:~~] .

[~~(i) issued by a military entity; and~~]

[~~(ii) that lists the percentage of disability for the veteran with a disability or deceased veteran with a disability.~~]

(d) If a veteran claimant is in compliance with Subsection [~~(3)(c)~~] (2)(c), a county may not require the veteran claimant to file another statement of disability, except under the following circumstances:

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

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

(e) A county that receives an application described in Subsection [~~(3)(a)~~] (2)(a) shall, within 30 days after the day on which the county received the application, provide the veteran claimant with a receipt that states that the county received the veteran claimant's application.

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

[~~(5)~~] (3) A county shall extend the [~~default~~] September 1 application deadline by one additional year if, on or after January 4, 2004:

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

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

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

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

(b) the county legislative body determines that:

(i) the veteran claimant or a member of the veteran claimant's immediate family had an illness or injury that prevented the veteran claimant from filing the application on or before the [~~default~~] September 1 application deadline;

(ii) a member of the veteran claimant's immediate family died during the calendar year of the [~~default~~] September 1 application deadline;

(iii) the veteran claimant was not physically present in the state for a time period of at least six consecutive months during the calendar year of the [~~default~~] September 1 application deadline; or

(iv) the failure of the veteran claimant to file the application on or before the [~~default~~] September 1 application deadline:

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

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

[~~(6)~~] (4)(a) A county shall allow a veteran claimant to amend an application described in Subsection [~~(3)(a)~~] (2)(b) after the [~~default~~]application deadline if, on or after January 4, 2004, a military entity issues a written decision:

(i) that the percentage of disability has changed:

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

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

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

(b) A veteran claimant who files an amended application under Subsection [~~(6)(a)~~] (4)(a) shall include a statement, issued by a military entity, that gives the date on which the written decision described in Subsection [~~(6)(a)~~] (4)(a) takes effect.

[~~(7)~~] (5)(a) A qualifying disabled veteran claimant may submit an application described in Subsection [~~(3)(b)~~] (2)(b) before the qualifying disabled veteran claimant owns a residence if the qualifying disabled veteran claimant:

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

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

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

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

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

(B) if the application is preliminarily approved, the amount of the qualifying disabled veteran claimant's tax exemption calculated in accordance with Section [~~59-2-1903~~] 59-2a-501.

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

[~~(8)~~] (6) After issuing the receipt described in Subsection [~~(3)(e) or (7)(b)~~] (2)(e) or (5)(b), a county may not require a veteran claimant to file another application under Subsection [~~(3)(a) or (7)(a)~~] (2) or (5), except under the following circumstances relating to the veteran claimant:

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

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

(c) the veteran with a disability dies;

(d) a change in the veteran claimant's ownership of the veteran claimant's primary residence;

(e) a change in the veteran claimant's occupancy of the primary residence for which the veteran claimant claims an exemption under this section; or

(f) for an exemption relating to a deceased veteran with a disability or a veteran who was killed in action or died in the line of duty, the veteran claimant is not the same individual who filed an application for the exemption for the calendar year immediately preceding the current calendar year.

[~~(9) If a veteran claimant is the grantor of a trust holding title to real or tangible personal property for which an exemption described in Section 59-2-1903 is claimed, a county may allow the veteran claimant to claim a portion of the exemption and be treated as the owner of that portion of the property held in trust, if the veteran claimant proves to the satisfaction of the county that:~~]

[~~(a) title to the portion of the trust will revest in the veteran claimant upon the exercise of a power by:~~]

[~~(i) the veteran claimant as grantor of the trust;~~]

[~~(ii) a nonadverse party; or~~]

[~~(iii) both the veteran claimant and a nonadverse party;~~]

[~~(b) title will revest as described in Subsection (9)(a), regardless of whether the power described in Subsection (9)(a) is a power to revoke, terminate, alter, amend, or appoint; and~~]

[~~(c) the veteran claimant satisfies the requirements described in this part for the exemption described in Section 59-2-1903.~~]

[~~(10)~~] (7) A county may verify that real property for which a veteran claimant applies for an exemption is the veteran claimant's primary residence.

[~~(11)~~] (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may, by rule:

(a) establish procedures and requirements for amending an application described in Subsection [~~(3)(a)~~] (2);

(b) for purposes of Subsection [~~(5)(b)~~] (3)(b), define the terms:

(i) "immediate family"; or

(ii) "physically present";

(c) for purposes of Subsection [~~(5)(b)~~] (3)(b), provide the circumstances under which the failure of a veteran claimant to file an application on or before the [~~default~~] September 1 application deadline:

(i) would be against equity or good conscience; and

(ii) is beyond the reasonable control of a veteran claimant; or

(d) for purposes of Subsection [~~(7)(a)~~] (5)(a), establish the type of documentation that is evidence of intent to purchase.

Section 32. Section **59-2a-601** is enacted to read:

Part 6. Active Duty Armed Forces Exemption

59-2a-601 (Effective 01/01/26). Active duty armed forces exemption amount.

(1) The total taxable value of an active duty claimant's primary residence is exempt from taxation for the calendar year after the year in which the active duty claimant completed qualifying military service.

(2) An active duty claimant may claim an exemption in accordance with this section if the

active duty claimant owns the property eligible for the exemption at any time during the calendar year for which the active duty claimant claims the exemption.

Section 33. Section **59-2a-602**, which is renumbered from Section 59-2-1902 is renumbered and amended to read:

~~[59-2-1902]~~ 59-2a-602 (Effective 01/01/26). Application -- Rulemaking authority.

[~~(1) As used in this section, "default application deadline" means the application deadline described in Subsection (4)(a).~~]

[~~(2)(a) The total taxable value of an active duty claimant's primary residence is exempt from taxation for the calendar year after the year in which the active duty claimant completed qualifying military service.~~]

[~~(b) An active duty claimant may claim an exemption in accordance with this section if the active duty claimant owns the property eligible for the exemption at any time during the calendar year for which the active duty claimant claims the exemption.~~]

[~~(3)~~] (1) An active duty claimant shall:

(a) file an application as described in Subsection [~~(4)~~] (2) in the year after the year during which the active duty claimant completes the qualifying active duty military service; and

(b) if the active duty claimant meets the requirements of this section, claim one exemption only in the year the active duty claimant files the application.

[~~(4)~~] (2)(a) Except as provided in Section 59-2a-108 or Subsection [~~(5) or (6)~~] (3), an active duty claimant shall, on or before September 1 of the calendar year for which the active duty claimant is applying for the exemption, file an application for an exemption with the county in which the active duty claimant resides on September 1 of that calendar year.

(b) An application described in Subsection [~~(4)(a)~~] (2)(a) shall include:

(i) a completed travel voucher or other satisfactory evidence of eligible military service; and

(ii) a statement that lists the dates on which the 200 days of qualifying active duty military service began and ended.

(c) A county that receives an application described in Subsection [~~(4)(a)~~] (2)(a) shall, within 30 days after the day on which the county received the application, provide the active duty claimant with a receipt that states that the county received the active duty claimant's application.

[~~(5) A county may extend the default application deadline for an application described in~~

~~Subsection (4)(a) until December 31 of the year for which the active duty claimant is applying for the exemption if the county finds that good cause exists to extend the default application deadline.~~]

[~~(6)~~] (3) A county shall extend the [~~default~~] September 1 application deadline by one additional year if the county legislative body determines that:

(a) the active duty claimant or a member of the active duty claimant's immediate family had an illness or injury that prevented the active duty claimant from filing the application on or before the [~~default~~] September 1 application deadline;

(b) a member of the active duty claimant's immediate family died during the calendar year of the [~~default~~] September 1 application deadline;

(c) the active duty claimant was not physically present in the state for a time period of at least six consecutive months during the calendar year of the [~~default~~] September 1 application deadline; or

(d) the failure of the active duty claimant to file the application on or before the [~~default~~] September 1 application deadline:

(i) would be against equity or good conscience; and

(ii) was beyond the reasonable control of the active duty claimant.

[~~(7)~~] (4) After issuing the receipt described in Subsection [~~(4)(c)~~] (2)(c), a county may not require an active duty claimant to file another application under Subsection [~~(4)(a)~~] (2)(a), except under the following circumstances:

(a) a change in the active duty claimant's ownership of the active duty claimant's primary residence; or

(b) a change in the active duty claimant's occupancy of the primary residence for which the active duty claimant claims an exemption under this section.

[~~(8)~~] (5) A county may verify that real property for which an active duty claimant applies for an exemption is the active duty claimant's primary residence.

[~~(9)~~] (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule:

(a) establish procedures and requirements for amending an application described in Subsection [~~(4)~~] (2);

(b) for purposes of Subsection [~~(6)~~] (3), define the terms:

(i) "immediate family"; or

(ii) "physically present"; or

(c) for purposes of Subsection [~~(6)(d)~~] (3)(d), prescribe the circumstances under which the failure of an active duty claimant to file an application on or before the [~~default~~] September 1 application deadline:

(i) would be against equity or good conscience; and

(ii) is beyond the reasonable control of an active duty claimant.

Section 34. Section **59-2a-701**, which is renumbered from Section 59-2-1802 is renumbered and amended to read:

Part 7. Discretionary Deferral

[~~59-2-1802~~] 59-2a-701 (Effective 01/01/26). Tax and tax notice charge deferral.

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

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

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

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

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

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

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

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

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

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

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

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

(B) between the owner and a trust described in Section [~~59-2-1805~~] 59-2a-109 for which the owner is the grantor.

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

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

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

(e) When the deferral period ends:

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

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

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

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

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

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

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

Section 35. Section **59-2a-702** is enacted to read:

59-2a-702 (Effective 01/01/26). Application -- Rulemaking authority.

(1)(a) Except as provided in Section 59-2a-108 or Subsection (2), an applicant for deferral for the current tax year shall annually file an application on or before September 1 with the county in which the applicant's property is located.

(b) An indigent individual may apply and potentially qualify for deferral under this part, Part 8, Nondiscretionary Deferral for Property with Qualifying Increase, or Part 9, Nondiscretionary Deferral for Elderly Property Owners, an abatement, or both.

(2) A county shall extend the September 1 application deadline by one additional year if:

(a) the applicant had been approved for a deferral under this part in the prior year; or

(b) the county determines that:

(i) the applicant or a member of the applicant's immediate family had an illness or injury that prevented the applicant from filing the application on or before the

September 1 application deadline;

(ii) a member of the applicant's immediate family died during the calendar year of the September 1 application deadline;

(iii) the failure of the applicant to file the application on or before the September 1 application deadline was beyond the reasonable control of the applicant; or

(iv) denial of an application would be unjust or unreasonable.

(3) An applicant shall include in an application a signed statement that describes the eligibility of the applicant for deferral.

(4) Both spouses shall sign an application if the application seeks a deferral or abatement on a residence:

(a) in which both spouses reside; and

(b) that the spouses own as joint tenants.

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.

Section 36. Section **59-2a-801**, which is renumbered from Section 59-2-1802.1 is renumbered and amended to read:

Part 8. Nondiscretionary Deferral for Property with Qualifying Increase

[~~59-2-1802.1~~] 59-2a-801 (Effective 01/01/26). Nondiscretionary property tax and tax notice charge deferral for property with a qualifying increase.

(1)[~~(a)~~] A county shall grant a deferral for any real property if an owner of the property:

[~~(i)~~] (a) applies for a property tax deferral on or before the date provided in [~~Subsection (1)(b)~~] Section 59-2a-802; and

[~~(ii)~~] (b) has a qualifying increase for the calendar year that begins on January 1, 2023, or January 1, 2024.

[~~(b) The owner of the property shall apply for a deferral on or before the later of:~~]

[~~(i) June 30, 2025; or~~]

[~~(ii) if an appeal of valuation or equalization of a property described in Subsection (1)(a) is filed with a county board of equalization, the commission, or a court of competent jurisdiction, 30 days after the day on which the county board of equalization, the commission, or a court of competent jurisdiction issues a final, unappealable judgment or order.~~]

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

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

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

(3)(a) Taxes and tax notice charges deferred under this part accumulate as a lien against the [~~residential~~] real property.

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

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

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

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

(d) When the deferral period ends:

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

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

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

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

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

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

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

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

(7) For a property that has a qualifying increase for the calendar year that begins on January 1, 2023, or January 1, 2024, a county assessor shall include with the notice provided in accordance with Section 59-2-919.1 for the calendar year that begins on January 1, 2024, a notice informing the owner of record of:

(a)(i) for a property that has a qualifying increase for the calendar year that begins on January 1, 2023, the option to file an appeal under the extended period described in Section 59-2-1004.1; or

(ii) for a property that has a qualifying increase for the calendar year that begins on January 1, 2024, the option to file an appeal under Section 59-2-1004;

(b) instructions for filing an appeal;

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

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

Section 37. Section **59-2a-802** is enacted to read:

59-2a-802 (Effective 01/01/26). Application -- Rulemaking authority.

(1) The owner of the property shall apply for a deferral on or before the later of:

(a) June 30, 2025; or

(b) if an appeal of valuation or equalization of a property described in Subsection 59-2a-801(1) is filed with a county board of equalization, the commission, or a court of competent jurisdiction, 30 days after the day on which the county board of equalization, the commission, or a court of competent jurisdiction issues a final, unappealable judgment or order.

(2) An indigent individual may apply and potentially qualify for deferral under this part, Part 7, Discretionary Deferral, or Part 9, Nondiscretionary Deferral for Elderly Property Owners, an abatement, or both.

(3) An applicant shall include in an application a signed statement that describes the eligibility of the applicant for deferral.

(4) Both spouses shall sign an application if the application seeks a deferral or abatement on a residence:

(a) in which both spouses reside; and

(b) that the spouses own as joint tenants.

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.

Section 38. Section **59-2a-901**, which is renumbered from Section 59-2-1802.5 is renumbered and amended to read:

Part 9. Nondiscretionary Deferral for Elderly Property Owners

[~~59-2-1802.5~~] 59-2a-901 (Effective 01/01/26). Nondiscretionary tax and tax notice charge deferral for elderly property owners.

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

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

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

(i) delinquent property taxes;

(ii) delinquent tax notice charges; or

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

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

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

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

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

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

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

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

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

[~~(5)(a) Upon application from a county in a form prescribed by the commission, the commission shall reimburse the county for the amount of any tax or tax notice charge~~

~~that the county defers in accordance with this section.~~]

[~~(b) The commission may not reimburse a county:~~]

[~~(i) before the county approves the deferral; or~~]

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

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

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

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

[~~(d) The commission shall deposit money received under Subsection (5)(c)(ii) into the General Fund.~~]

Section 39. Section **59-2a-902** is enacted to read:

59-2a-902 (Effective 01/01/26). Application -- Rulemaking authority.

(1)(a) Except as provided in Section 59-2a-108 or Subsection (2), an applicant for deferral for the current tax year shall annually file an application on or before September 1 with the county in which the applicant's property is located.

(b) An indigent individual may apply and potentially qualify for deferral under Part 7, Discretionary Deferral, or Part 8, Nondiscretionary Deferral for Property with Qualifying Increase, an abatement, or both.

(2) A county shall extend the September 1 application deadline by one additional year if:

(a) the applicant had been approved for a deferral under this part in the prior year; or

(b) the county determines that:

(i) the applicant or a member of the applicant's immediate family had an illness or injury that prevented the applicant from filing the application on or before the September 1 application deadline;

(ii) a member of the applicant's immediate family died during the calendar year of the September 1 application deadline;

(iii) the failure of the applicant to file the application on or before the September 1 application deadline was beyond the reasonable control of the applicant; or

(iv) denial of an application would be unjust or unreasonable.

(3)(a) An applicant shall include in an application a signed statement that describes the eligibility of the applicant for deferral.

(b) The requirements described in Subsection (3)(a) include:

(i) proof that the applicant resides at the single-family residence for which the applicant seeks the deferral;

(ii) proof of age; and

(iii) proof of household income.

(4) Both spouses shall sign an application if the application seeks a deferral on a residence:

(a) in which both spouses reside; and

(b) that the spouses own as joint tenants.

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.

Section 40. Section **59-2a-903** is enacted to read:

59-2a-903 (Effective 01/01/26). Reimbursement to counties.

(1) Upon application from a county in a form approved by the commission, the commission shall reimburse the county for the amount of any tax or tax notice charge that the county defers in accordance with this part.

(2) The commission may not reimburse a county:

(a) before the county approves the deferral; or

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

(3) A county that receives money in accordance with this section shall:

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

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

(4) The commission shall deposit money received under Subsection (3)(b) into the General Fund.

Section 41. Section **63J-1-602.2** is amended to read:

63J-1-602.2 . List of nonlapsing appropriations to programs.

Appropriations made to the following programs are nonlapsing:

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

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

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

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

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

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

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

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

(9) Sanctions collected as dedicated credits from Medicaid providers under Subsection 26B-3-108(7).

(10) The primary care grant program created in Section 26B-4-310.

(11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.

(12) The Utah Health Care Workforce Financial Assistance Program created in Section 26B-4-702.

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

(14) The Utah Medical Education Council for the:

(a) administration of the Utah Medical Education Program created in Section 26B-4-707;

(b) provision of medical residency grants described in Section 26B-4-711; and

(c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.

(15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.

(16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program created in Section 26B-7-122.

(17) Funds that the Department of Alcoholic Beverage Services retains in accordance with Subsection 32B-2-301(8)(a) or (b).

(18) The General Assistance program administered by the Department of Workforce Services, as provided in Section 35A-3-401.

(19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.

(20) The Search and Rescue Financial Assistance Program, as provided in Section 53-2a-1102.

(21) The Emergency Medical Services Grant Program in Section 53-2d-207.

(22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.

(23) The Utah Board of Higher Education for teacher preparation programs, as provided in Section 53B-6-104.

(24) Innovation grants under Section 53G-10-608, except as provided in Subsection 53G-10-608(6).

(25) The Division of Fleet Operations for the purpose of upgrading underground storage tanks under Section 63A-9-401.

(26) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.

(27) The Division of Technology Services for technology innovation as provided under

Section 63A-16-903.

(28) The State Capitol Preservation Board created by Section 63O-2-201.

(29) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.

(30) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado River Authority of Utah Act.

(31) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

(32) The Governor's Office of Economic Opportunity's Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program.

(33) County correctional facility contracting program for state inmates as described in Section 64-13e-103.

(34) County correctional facility reimbursement program for state probationary inmates and state parole inmates as described in Section 64-13e-104.

(35) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.

(36) The Division of Human Resource Management user training program, as provided in Section 63A-17-106.

(37) A public safety answering point's emergency telecommunications service fund, as provided in Section 69-2-301.

(38) The Traffic Noise Abatement Program created in Section 72-6-112.

(39) The money appropriated from the Navajo Water Rights Negotiation Account to the Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a settlement of federal reserved water right claims.

(40) The Judicial Council for compensation for special prosecutors, as provided in Section 77-10a-19.

(41) A state rehabilitative employment program, as provided in Section 78A-6-210.

(42) The Utah Geological Survey, as provided in Section 79-3-401.

(43) The Bonneville Shoreline Trail Program created under Section 79-5-503.

(44) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and 78B-6-144.5.

(45) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense Commission.

(46) The program established by the Division of Facilities Construction and Management under Section 63A-5b-703 under which state agencies receive an appropriation and pay

lease payments for the use and occupancy of buildings owned by the Division of Facilities Construction and Management.

(47) The State Tax Commission for reimbursing counties for deferrals in accordance with Section [~~59-2-1802.5~~] 59-2a-801.

(48) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.

Section 42. **Repealer.**

This bill repeals:

Section **59-2-1801, Definitions.**

Section **59-2-1806, Fraudulent or negligent representation -- Penalties and interest.**

Section **59-2-1901, Definitions.**

Section **59-2-1905, Refund.**

Section **59-2-1906, County legislative body authority to adopt rules or ordinances.**

Section 43. **Effective Date.**

This bill takes effect on January 1, 2026.