

PROPERTY TAX ADMINISTRATION AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keith Grover

House Sponsor: _____

LONG TITLE**General Description:**

This bill modifies the procedures for obtaining a residential property exemption on a primary residence.

Highlighted Provisions:

This bill:

- ▶ requires an owner of a residential property occupied by a tenant to submit a written declaration that the property is the primary residence of the tenant;
- ▶ provides the form of the written declaration and prohibits a county from obtaining additional verification from the owner or the tenant;
- ▶ recodifies a similar declaration requirement for residential property under construction in the procedures for obtaining a residential property exemption code; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-103, as last amended by Laws of Utah 2020, Chapters 38, 40



59-2-103.5, as last amended by Laws of Utah 2022, Chapter 239

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

Section 1. Section **59-2-103** is amended to read:

59-2-103. Rate of assessment of property -- Residential property.

(1) As used in this section:

(a) (i) "Household" means the association of individuals who live in the same dwelling, sharing the dwelling's furnishings, facilities, accommodations, and expenses.

(ii) "Household" includes married individuals, who are not legally separated, who have established domiciles at separate locations within the state.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "domicile."

(2) All tangible taxable property located within the state shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provided by law.

(3) Subject to Subsections (4) through ~~[(7)]~~ (6) and Section **59-2-103.5**, for a calendar year, the fair market value of residential property located within the state is allowed a residential exemption equal to a 45% reduction in the value of the property.

(4) Part-year residential property located within the state is allowed the residential exemption described in Subsection (3) if the part-year residential property is used as residential property for 183 or more consecutive calendar days during the calendar year for which the owner seeks to obtain the residential exemption.

(5) No more than one acre of land per residential unit may qualify for the residential exemption described in Subsection (3).

(6) (a) Except as provided in Subsections (6)(b)(ii) and (iii), a residential exemption described in Subsection (3) is limited to one primary residence per household.

(b) An owner of multiple primary residences located within the state is allowed a residential exemption under Subsection (3) for:

(i) subject to Subsection (6)(a), the primary residence of the owner;

(ii) each residential property that is the primary residence of a tenant; and

(iii) subject to Subsection ~~[(7)]~~ **59-2-103.5**(4), each residential property described in

Subsection ~~59-2-102~~(34)(b)(ii).

~~[(7) Before residential property described in Subsection 59-2-102(34)(b)(ii) is allowed a residential exemption described in Subsection (3), an owner of the residential property shall file with the county assessor a written declaration that:]~~

~~[(a) states under penalty of perjury that, to the best of each owner's knowledge, upon completion of construction or occupancy of the residential property, the residential property will be used for residential purposes as a primary residence;]~~

~~[(b) is signed by each owner of the residential property; and]~~

~~[(c) is on a form prescribed by the commission.]~~

Section 2. Section **59-2-103.5** is amended to read:

**59-2-103.5. Procedures to obtain an exemption for residential property --
Procedure if property owner or property no longer qualifies to receive a residential exemption.**

(1) Subject to ~~[Subsection (8)]~~ Subsections (4), (5), and (10), for residential property other than part-year residential property, a county legislative body may adopt an ordinance that requires an owner to file an application with the county board of equalization before the county applies a residential exemption ~~[under Section 59-2-103 may be applied]~~ authorized under Section 59-2-103 to the value of the residential property if:

(a) the residential property was ineligible for the residential exemption during the calendar year immediately preceding the calendar year for which the owner is seeking to have the residential exemption applied to the value of the residential property;

(b) an ownership interest in the residential property changes; or

(c) the county board of equalization determines that there is reason to believe that the residential property no longer qualifies for the residential exemption.

(2) (a) The application described in Subsection (1):

(i) shall be on a form the commission ~~[prescribes]~~ provides by rule and makes available to the counties;

(ii) shall be signed by the owner of the residential property; and

(iii) may not request the sales price of the residential property.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules ~~[prescribing]~~ providing the contents of the form described in

Subsection (2)(a).

(c) For purposes of the application described in Subsection (1), a county may not request information from an owner of a residential property beyond the information ~~[provided]~~ in the form ~~[prescribed]~~ provided by the commission under this Subsection (2).

(3) (a) Regardless of whether a county legislative body adopts an ordinance described in Subsection (1), before a county may apply a residential exemption ~~[may be applied]~~ to the value of part-year residential property, an owner of the property shall:

(i) file the application described in Subsection (2)(a) with the county board of equalization; and

(ii) include as part of the application described in Subsection (2)(a) a statement that certifies:

(A) the date the part-year residential property became residential property;

(B) that the part-year residential property will be used as residential property for 183 or more consecutive calendar days during the calendar year for which the owner seeks to obtain the residential exemption; and

(C) that the owner, or a member of the owner's household, may not claim a residential exemption for any property for the calendar year for which the owner seeks to obtain the residential exemption, other than the part-year residential property, or as allowed under Section [59-2-103](#) with respect to the primary residence or household furnishings, furniture, and equipment of the owner's tenant.

(b) If an owner files an application under this Subsection (3) on or after May 1 of the calendar year for which the owner seeks to obtain the residential exemption, the county board of equalization may require the owner to pay an application fee not to exceed \$50.

(4) Before a county allows residential property described in Subsection [59-2-102](#)(34)(b)(ii) a residential exemption authorized under Section [59-2-103](#), an owner of the residential property shall file with the county assessor a written declaration that:

(a) states under penalty of perjury that, to the best of each owner's knowledge, upon completion of construction or occupancy of the residential property, the residential property will be used for residential purposes as a primary residence;

(b) is signed by each owner of the residential property; and

(c) is on a form approved by the commission.

121 (5) (a) Before a county allows residential property described in Subsection
122 59-2-103(6)(b) a residential exemption authorized under Section 59-2-103, an owner of the
123 residential property shall file with the county assessor a written declaration that:

124 (i) states under penalty of perjury that, to the best of each owner's knowledge, the
125 residential property will be used for residential purposes as a primary residence of a tenant;

126 (ii) is signed by each owner of the residential property; and

127 (iii) is on a form approved by the commission.

128 (b) A county assessor may not request information from an owner seeking a residential
129 exemption for a tenant or the owner's tenant beyond the declaration described in Subsection
130 (5)(a).

131 ~~[(4)]~~ (6) Except as provided in Subsection ~~[(5)]~~ (7), if a property owner no longer
132 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
133 owner's primary residence, the property owner shall:

134 (a) file a written statement with the county board of equalization of the county in which
135 the property is located:

136 (i) on a form provided by the county board of equalization; and

137 (ii) notifying the county board of equalization that the property owner no longer
138 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
139 owner's primary residence; and

140 (b) declare on the property owner's individual income tax return under Chapter 10,
141 Individual Income Tax Act, for the taxable year for which the property owner no longer
142 qualifies to receive a residential exemption authorized under Section 59-2-103 for the property
143 owner's primary residence, that the property owner no longer qualifies to receive a residential
144 exemption authorized under Section 59-2-103 for the property owner's primary residence.

145 ~~[(5)]~~ (7) A property owner is not required to file a written statement or make the
146 declaration described in Subsection ~~[(4)]~~ (6) if the property owner:

147 (a) changes primary residences;

148 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for
149 the residence that was the property owner's former primary residence; and

150 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for
151 the residence that is the property owner's current primary residence.

152 ~~[(6)]~~ (8) Subsections (2) through ~~[(5)]~~ (7) do not apply to qualifying exempt primary
153 residential rental personal property.

154 ~~[(7)]~~ (9) (a) Subject to Subsection ~~[(8)]~~ (10), for the first calendar year in which a
155 property owner qualifies to receive a residential exemption under Section 59-2-103, a county
156 assessor may require the property owner to file a signed statement described in Section
157 59-2-306.

158 (b) Subject to Subsection ~~[(8)]~~ (10) and notwithstanding Section 59-2-306, for a
159 calendar year after the calendar year described in Subsection ~~[(7)(a)]~~ (9)(a) in which a property
160 owner qualifies for an exemption ~~[described in Subsection 59-2-1115(2)]~~ authorized under
161 Section 59-2-1115 for qualifying exempt primary residential rental personal property, a signed
162 statement described in Section 59-2-306 with respect to the qualifying exempt primary
163 residential rental personal property may only require the property owner to certify, under
164 penalty of perjury, that the property owner qualifies for the exemption ~~[under Subsection~~
165 ~~59-2-1115~~(2)] authorized under Section 59-2-1115.

166 ~~[(8)]~~ (10) (a) After an ownership interest in residential property changes, the county
167 assessor shall:

168 (i) notify the owner of the residential property that the owner is required to submit a
169 written declaration described in Subsection ~~[(8)(d)]~~ (10)(d) within 90 days after the day on
170 which the county assessor mails the notice under this Subsection ~~[(8)(a)]~~ (10)(a); and

171 (ii) provide the owner of the residential property with the form described in Subsection
172 ~~[(8)(e)]~~ (10)(e) to make the written declaration described in Subsection ~~[(8)(d)]~~ (10)(d).

173 (b) A county assessor is not required to provide a notice to an owner of residential
174 property under Subsection ~~[(8)(a)]~~ (10)(a) if the situs address of the residential property is the
175 same as any one of the following:

176 (i) the mailing address of the residential property owner or the tenant of the residential
177 property;

178 (ii) the address listed on the:

179 (A) residential property owner's driver license; or

180 (B) tenant of the residential property's driver license; or

181 (iii) the address listed on the:

182 (A) residential property owner's voter registration; or

(B) tenant of the residential property's voter registration.

(c) A county assessor is not required to provide a notice to an owner of residential property under Subsection ~~[(8)(a)]~~ (10)(a) if:

(i) the owner is using a post office box or rural route box located in the county where the residential property is located; and

(ii) the residential property is located in a county of the fourth, fifth, or sixth class.

(d) An owner of residential property that receives a notice described in Subsection ~~[(8)(a)]~~ (10)(a) shall submit a written declaration to the county assessor under penalty of perjury certifying the information contained in the form ~~[provided]~~ described in Subsection ~~[(8)(e)]~~ (10)(e).

(e) The written declaration required by Subsection ~~[(8)(d)]~~ (10)(d) shall be:

(i) signed by the owner of the residential property; and

(ii) in substantially the following form:

"Residential Property Declaration"

This form must be submitted to the County Assessor's office where your new residential property is located within 90 days of receipt. Failure to do so will result in the county assessor taking action that could result in the withdrawal of the primary residential exemption from your residential property.

Residential Property Owner Information

Name(s): _____

Home Phone: _____

Work Phone: _____

Mailing Address: _____

Residential Property Information

Physical Address: _____

Certification

1. Is this property used as a primary residential property or part-year residential property for you or another person?

"Part-year residential property" means owned property that is not residential property on January 1 of a calendar year but becomes residential property after January 1 of the calendar year.

214 Yes No

215 2. Will this primary residential property or part-year residential property be occupied
216 for 183 or more consecutive calendar days by the owner or another person?

217 A part-year residential property occupied for 183 or more consecutive calendar days in
218 a calendar year by the owner(s) or a tenant is eligible for the exemption.

219 Yes No

220 If a property owner or a property owner's spouse claims a residential exemption under
221 Utah Code Ann. §59-2-103 for property in this state that is the primary residence of the
222 property owner or the property owner's spouse, that claim of a residential exemption creates a
223 rebuttable presumption that the property owner and the property owner's spouse have domicile
224 in Utah for income tax purposes. The rebuttable presumption of domicile does not apply if the
225 residential property is the primary residence of a tenant of the property owner or the property
226 owner's spouse.

227 Signature

228 Under penalties of perjury, I declare to the best of my knowledge and belief, this
229 declaration and accompanying pages are true, correct, and complete.

230 _____(Owner signature) _____Date (mm/dd/yyyy)

231 _____(Owner printed name)

232 (f) For purposes of a written declaration described in this Subsection ~~[(8)]~~ (10), a
233 county may not request information from a property owner beyond the information described in
234 the form provided in Subsection ~~[(8)(e)]~~ (10)(e).

235 (g) (i) If, after receiving a written declaration filed under Subsection ~~[(8)(d)]~~ (10)(d),
236 the county determines that the property has been incorrectly qualified or disqualified to receive
237 a residential exemption, the county shall:

238 (A) redetermine the property's qualification to receive a residential exemption; and

239 (B) notify the claimant of the redetermination and the county's reason for the
240 redetermination.

241 (ii) The redetermination provided in Subsection ~~[(8)(g)(i)(A)]~~ (10)(g)(i)(A) is final
242 unless:

243 (A) except as provided in Subsection ~~[(8)(g)(iii)]~~ (10)(g)(iii), the property owner
244 appeals the redetermination to the board of equalization in accordance with Subsection

59-2-1004(2); or

(B) the county determines that the property is eligible to receive a primary residential exemption as part-year residential property.

(iii) The board of equalization may not accept an appeal that is filed after the later of:

(A) September 15 of the current calendar year; or

(B) the last day of the 45-day period beginning on the day on which the county auditor provides the notice under Section 59-2-919.1.

(h) (i) If a residential property owner fails to file a written declaration required by Subsection ~~[(8)(d)]~~ (10)(d), the county assessor shall mail to the owner of the residential property a notice that:

(A) the property owner failed to file a written declaration as required by Subsection ~~[(8)(d)]~~ (10)(d); and

(B) the property owner will no longer qualify to receive the residential exemption authorized under Section 59-2-103 for the property that is the subject of the written declaration if the property owner does not file the written declaration required by Subsection ~~[(8)(d)]~~ (10)(d) within 30 days after the day on which the county assessor mails the notice under this Subsection ~~[(8)(h)(i)]~~ (10)(h)(i).

(ii) If a property owner fails to file a written declaration required by Subsection ~~[(8)(d)]~~ (10)(d) after receiving the notice described in Subsection ~~[(8)(h)(i)]~~ (10)(h)(i), the property owner no longer qualifies to receive the residential exemption authorized under Section 59-2-103 in the calendar year for the property that is the subject of the written declaration unless:

(A) except as provided in Subsection ~~[(8)(h)(iii)]~~ (10)(h)(iii), the property owner appeals the redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or

(B) the county determines that the property is eligible to receive a primary residential exemption as part-year residential property.

(iii) The board of equalization may not accept an appeal that is filed after the later of:

(A) September 15 of the current calendar year; or

(B) the last day of the 45-day period beginning on the day on which the county auditor provides the notice under Section 59-2-919.1.

276 (iv) A property owner that is disqualified to receive the residential exemption under
277 Subsection ~~[(8)(h)(ii)]~~ (10)(h)(ii) may file an application described in Subsection (1) to
278 determine whether the owner is eligible to receive the residential exemption.

279 (i) The requirements of this Subsection ~~[(8)]~~ (10) do not apply to a county assessor in a
280 county that has, for the five calendar years prior to 2019, had in place and enforced an
281 ordinance described in Subsection (1).

282 Section 3. **Effective date.**

283 This bill takes effect on May 1, 2024.