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PROPERTY TAX RELIEF AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Travis M. Seegmiller

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the deferral provisions of the Property Tax Act.

Highlighted Provisions:

This bill:

- ▶ requires a county to grant a deferral to a homeowner who is 66 years old or older and whose home is valued at less than \$500,000 under certain circumstances; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-1802, as enacted by Laws of Utah 2019, Chapter 453

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

Section 1. Section **59-2-1802** is amended to read:

59-2-1802. Tax deferral.

(1) (a) In accordance with this part, a county may defer a tax on residential property after giving notice to the taxpayer.



28 (b) In determining a deferral, a county shall consider an asset transferred to a relative
29 by an applicant for deferral, if the transfer took place during the three years prior to the day on
30 which the applicant applied for deferral.

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

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

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

36 (3) In accordance with this part, a county shall defer a tax on residential property if:

37 (a) the owner of the residential property is:

38 (i) an individual who is 66 years old or older on or before December 31 of the year for
39 which the individual applies for a deferral; or

40 (ii) a trust described in Section 59-2-1805, for which the grantor is an individual who is
41 66 years old or older on or before December 31 of the year for which the individual applies for
42 a deferral;

43 (b) the residential property was the owner's primary residence as of January 1 of the
44 year for which the owner makes an application for a deferral;

45 (c) the value of the residential property for the year in which the owner makes the
46 application for deferral is, according to the county assessment roll, less than \$500,000; and

47 (d) the holder of each mortgage or trust deed outstanding on the property gives written
48 approval of the application deferral.

49 [~~3~~] (4) Taxes deferred by the county accumulate with interest as a lien against the
50 residential property, as described in Subsection [~~4~~] (5), until the owner sells or otherwise
51 disposes of the residential property.

52 [~~4~~] (5) Deferred taxes under this section:

53 (a) bear interest at an interest rate equal to the lesser of:

54 (i) 6%; or

55 (ii) the federal funds rate target:

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

57 (B) that exists on the January 1 immediately preceding the day on which the taxes are
58 deferred; and

59 (b) have the same status as a lien as described in Sections 59-2-1301 and 59-2-1325.
60 [~~5~~] (6) If the owner of residential property that is granted deferral under this section is
61 an indigent individual, [~~during the period of deferral~~] the county may not subject the residential
62 property to a tax sale during the period of deferral.