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**PROPERTY TAX DEFERRAL REVISIONS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to property tax deferral.

**Highlighted Provisions:**

This bill:

- ▶ modifies defined terms;
- ▶ addresses when deferred property taxes come due;
- ▶ allows a surviving spouse to take ownership of residential property without triggering an obligation to repay deferred property taxes;
- ▶ clarifies the requirements for recording and maintaining a lien securing payment of deferred property taxes;
- ▶ for certain deferrals, requires the owner be current on all property tax and tax notice charges;
- ▶ establishes penalties for providing false information to a county related to a deferral or an abatement; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**



28 AMENDS:

29 **59-2-1801**, as last amended by Laws of Utah 2022, Chapter 242

30 **59-2-1802**, as last amended by Laws of Utah 2022, Chapter 242

31 **59-2-1804**, as last amended by Laws of Utah 2022, Chapter 242

32 **63I-2-263**, as last amended by Laws of Utah 2022, Chapters 63, 209, 240, 242, 264,  
33 354, and 435

34 **63J-1-602.2**, as last amended by Laws of Utah 2022, Chapters 59, 68, 154, 224, 236,  
35 242, and 447 and last amended by Coordination Clause, Laws of Utah 2022,  
36 Chapter 154

37 ENACTS:

38 **59-2-1802.5**, Utah Code Annotated 1953

39 **59-2-1806**, Utah Code Annotated 1953



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

42 Section 1. Section **59-2-1801** is amended to read:

43 **59-2-1801. Definitions.**

44 As used in this part:

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

46 (2) "Deferral" means a ~~[tax deferral described in]~~ postponement of a tax due date  
47 granted in accordance with Section **59-2-1802** or **59-2-1802.5**.

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

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

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

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

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

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

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

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

63 (a) cash on hand;

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

65 (c) savings certificates; and

66 (d) stocks or bonds[~~;~~and].

67 [~~(e) lump sum payments.~~]

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

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

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

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

74 (B) the individual has a disability;

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

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

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

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

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

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

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

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

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

87 (10) "Relative" means a spouse, child, parent, grandparent, grandchild, brother, sister,  
88 parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a spouse  
89 of any of these individuals.

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

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

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

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

94 **59-2-1802. Tax deferral - County discretion to grant deferral - Creation of lien**  
95 **and due date.**

96 (1) (a) In accordance with this part and after receiving an application and giving notice  
97 to the taxpayer, a county may ~~[defer]~~ grant a deferral of a tax on residential property~~[, allowing~~  
98 ~~the taxpayer to pay the tax at a later date].~~

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

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

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

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

108 ~~[(3) In accordance with this part, if the conditions described in Subsection (4) are~~  
109 ~~satisfied, a county:]~~

110 ~~[(a) on or after January 1, 2022, may defer a tax on an attached single-family residence~~  
111 ~~or a detached single-family residence; or]~~

112 ~~[(b) on or after January 1, 2025, shall defer a tax on an attached single-family residence~~  
113 ~~or a detached single-family residence.]~~

114 ~~[(4) The conditions described in Subsection (3) are as follows:]~~

115 ~~[(a) the owner of the single-family residence is:]~~

116 ~~[(i) an eligible owner; or]~~

117 ~~[(ii) a trust described in Section 59-2-1805 for which the grantor is an eligible owner;]~~

118 ~~[(b) the single-family residence was the eligible owner's primary residence as of~~  
119 ~~January 1 of the year for which the eligible owner applies for a deferral;]~~

120 ~~[(c) (i) subject to Subsection (5), the value of the single-family residence for the year~~

121 for which the eligible owner applies for a deferral is no greater than 100% of the median  
122 property value of attached and detached single-family residences within the county; or]

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

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

127 [~~(5) The values described in Subsection (4)(c) are based on the county assessment roll  
128 for the county in which the single-family residence is located.]~~

129 [~~(6) For purposes of Subsection (4)(c)(ii), if a single-family residence is transferred  
130 between an eligible owner and a trust described in Section 59-2-1805, ownership is considered  
131 continuous if the eligible owner is the grantor of the trust.]~~

132 [~~(7) Taxes deferred by the county accumulate with interest as a lien against the  
133 residential property, as described in Subsection (8), until the owner sells or otherwise disposes  
134 of the residential property.]~~

135 [~~(8) Deferred taxes under this section:]~~

136 [~~(a) bear interest at an interest rate equal to 50% of the rate described in Subsections  
137 59-2-1331(2)(c) and (d); and]~~

138 [~~(b) have the same status as a lien as described in Sections 59-2-1301 and 59-2-1325.]~~

139 [~~(9) If the owner of residential property that is granted deferral under this section is an  
140 indigent individual, during the period of deferral the county may not subject the residential  
141 property to a tax sale.]~~

142 [~~(10) (a) Upon written application from a county in a form prescribed by the  
143 commission, the commission shall reimburse the county for the amount of any tax that the  
144 county defers in accordance with Subsections (3) through (6).]~~

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

146 [~~(i) an amount of a tax before the county grants the eligible owner a deferral of the tax;  
147 or]~~

148 [~~(ii) a tax assessed after December 31, 2026.]~~

149 [~~(11) A county that receives money in accordance with this section for a deferred tax  
150 shall:]~~

151 [~~(a) distribute the money to the taxing entities in the same proportion the county would~~

152 have distributed the revenue from the deferred tax; and]  
153       ~~[(b) repay the money:]~~  
154       ~~[(i) in an amount equal to the amount necessary to satisfy the lien described in~~  
155 ~~Subsection (7) as of the earlier of:]~~  
156       ~~[(A) the day on which the county repays the money; or]~~  
157       ~~[(B) the day on which the lien described in Subsection (7) is satisfied; and]~~  
158       ~~[(ii) no later than June 30 of the calendar year immediately following the calendar year~~  
159 ~~in which the lien described in Subsection (7) is satisfied.]~~  
160       ~~[(12) The commission shall deposit money received under this section into the General~~  
161 ~~Fund.]~~  
162       (3) (a) Taxes deferred under this part accumulate with interest and applicable recording  
163 fees as a lien against the residential property.  
164       (b) A lien described in this Subsection (3) has the same legal status as a lien described  
165 in Section [59-2-1325](#).  
166       (c) To release the lien described in this Subsection (3), an owner shall pay the total  
167 amount subject to the lien:  
168           (i) upon the owner selling or otherwise disposing of the residential property; or  
169           (ii) when the residential property is no longer the owner's primary residence.  
170       (d) (i) Notwithstanding Subsection (3)(c), an owner that receives a deferral does not  
171 have to pay the deferred taxes and applicable recording fees when the residential property  
172 transfers:  
173           (A) to the owner's surviving spouse as a result of the owner's death; or  
174           (B) between the owner and a trust described in Section [59-2-1805](#) for which the owner  
175 is the grantor.  
176           (ii) After the residential property transfers to the owner's surviving spouse, the deferred  
177 taxes and applicable recording fees are due:  
178           (A) upon the surviving spouse selling or otherwise disposing of the residential  
179 property; or  
180           (B) when the residential property is no longer the surviving spouse's primary residence.  
181       (4) (a) If a county grants an owner more than one deferral for the same single-family  
182 residence, the county is not required to submit for recording more than one lien.

- 183 (b) Each subsequent deferral relates back to the date of the initial lien filing.
- 184 (5) (a) For each residential property for which the county grants a deferral, the treasurer  
185 shall maintain a record that is an itemized account of the total amount subject to the lien for  
186 deferred property taxes.
- 187 (b) The record described in this Subsection (5) is the official record of the amount of  
188 the lien.
- 189 (6) Taxes deferred under this part bear interest at a rate equal to 50% of the rate  
190 described in Subsections 59-2-1331(2)(c) and (d).
- 191 Section 3. Section **59-2-1802.5** is enacted to read:
- 192 **59-2-1802.5. Nondiscretionary tax deferral for elderly property owners.**
- 193 (1) An eligible owner may apply for a deferral under this section if:
- 194 (a) the eligible owner uses the single-family residence as the eligible owner's primary  
195 residence as of January 1 of the year for which the eligible owner applies for the deferral;
- 196 (b) with respect to the single-family residence, there are no:
- 197 (i) delinquent property taxes;
- 198 (ii) delinquent tax notice charges; or
- 199 (iii) outstanding penalties, interest, or administrative costs related to a delinquent  
200 property tax or a delinquent tax notice charge;
- 201 (c) (i) the value of the single-family residence for which the eligible owner applies for  
202 the deferral is no greater than the median property value of:
- 203 (A) attached single-family residences within the county, if the single-family residence  
204 is an attached single-family residence; or
- 205 (B) detached single-family residences within the county, if the single-family residence  
206 is a detached single-family residence; or
- 207 (ii) the eligible owner has owned the single-family residence for a continuous 20-year  
208 period as of January 1 of the year for which the eligible owner applies for the deferral; and
- 209 (d) the holder of each mortgage or trust deed outstanding on the single-family  
210 residence gives written approval of the deferral.
- 211 (2) If the conditions in Subsection (1) are satisfied and the applicant complies with the  
212 other applicable provisions of this part:
- 213 (a) a county shall defer the property tax on an attached single-family residence or a

214 detached single-family residence for an application of deferral made on or after January 1,  
215 2024; and

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

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

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

223 (5) (a) Upon application from a county in a form prescribed by the commission, the  
224 commission shall reimburse the county for the amount of any tax that the county defers in  
225 accordance with this section.

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

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

228 (ii) for a tax assessed after December 31, 2026.

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

230 (i) distribute the money to the taxing entities in the same proportion the county would  
231 have distributed the revenue from the deferred tax; and

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

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

236 Section 4. Section **59-2-1804** is amended to read:

237 **59-2-1804. Application for tax deferral or tax abatement.**

238 (1) (a) Except as provided in Subsection (1)(b), an applicant for deferral or abatement  
239 for the current tax year shall annually file an application on or before September 1 with the  
240 county in which the applicant's property is located.

241 (b) If a county finds good cause exists, the county may extend until December 31 the  
242 deadline described in Subsection (1)(a).

243 (c) An indigent individual may apply and potentially qualify for deferral, abatement, or  
244 both.



245 (2) (a) An applicant shall include in an application a signed statement that describes the  
246 eligibility of the applicant for deferral or abatement.

247 (b) For an application for a deferral under [~~Subsection 59-2-1802(3)~~] Section  
248 59-2-1802.5, the requirements described in Subsection (2)(a) include:

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

251 (ii) proof of age; and

252 (iii) proof of household income.

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

255 (a) in which both spouses reside; and

256 (b) that the spouses own as joint tenants.

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

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

262 Section 5. Section **59-2-1806** is enacted to read:

263 **59-2-1806. Fraudulent or negligent representation - Penalties and interest.**

264 (1) If a county determines that a person knowingly provided false information to the  
265 county related to a requirement under this part, the county shall:

266 (a) deny or revoke any deferral or abatement related to the false information; and

267 (b) recover by assessment the amount of the claimed or granted deferral or abatement,  
268 plus interest that accrues at a rate of 1% per month beginning the day on which the person  
269 knowingly provided the false information.

270 (2) If a county determines that a person negligently provided false information to the  
271 county related to a requirement under this part, the county shall:

272 (a) reduce by 10% the amount of any deferral or abatement for which the person is  
273 eligible and that relates to the false information; and

274 (b) recover by assessment the amount of any deferral or abatement the county approved  
275 in reliance on the false information that exceeds the amount to which the person is entitled,

276 plus interest that accrues at a rate of 1% per month beginning the day on which the deferral or  
277 abatement was approved.

278 Section 6. Section **63I-2-263** is amended to read:

279 **63I-2-263. Repeal dates: Title 63A to Title 63N.**

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

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

283 (3) Subsection **63A-17-304(1)(c)** is repealed July 1, 2022.

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

286 (5) Section **63G-1-502** is repealed July 1, 2022.

287 (6) The following sections regarding the World War II Memorial Commission are  
288 repealed July 1, 2022:

289 (a) Section **63G-1-801**;

290 (b) Section **63G-1-802**;

291 (c) Section **63G-1-803**; and

292 (d) Section **63G-1-804**.

293 [~~7~~] Title 63H, Chapter 5, Utah State Railroad Museum Authority, is repealed on July  
294 1, 2022.]

295 [~~8~~] (7) Section **63H-7a-303** is repealed July 1, 2024.

296 [~~9~~] (8) Subsection **63H-7a-403(2)(b)**, regarding the charge to maintain the public  
297 safety communications network, is repealed July 1, 2033.

298 [~~10~~] (9) Subsection [~~63J-1-602.2(44)~~] **63J-1-602.2(43)**, which lists appropriations to  
299 the State Tax Commission for property tax deferral reimbursements, is repealed July 1, 2027.

300 [~~11~~] (10) Sections **63M-7-213** and **63M-7-213.5** are repealed January 1, 2023.

301 [~~12~~] (11) Section **63M-7-217** is repealed July 1, 2022.

302 [~~13~~] (12) Subsection **63N-2-213(12)(a)**, relating to claiming a tax credit in the same  
303 taxable year as the targeted business income tax credit, is repealed December 31, 2024.

304 [~~14~~] (13) Title 63N, Chapter 2, Part 3, Targeted Business Income Tax Credit in an  
305 Enterprise Zone, is repealed December 31, 2024.

306 Section 7. Section **63J-1-602.2** is amended to read:

- 307           **63J-1-602.2. List of nonlapsing appropriations to programs.**  
308           Appropriations made to the following programs are nonlapsing:  
309           (1) The Legislature and the Legislature's committees.  
310           (2) The State Board of Education, including all appropriations to agencies, line items,  
311 and programs under the jurisdiction of the State Board of Education, in accordance with  
312 Section [53F-9-103](#).  
313           (3) The Percent-for-Art Program created in Section [9-6-404](#).  
314           (4) The LeRay McAllister Critical Land Conservation Program created in Section  
315 4-46- 301.  
316           (5) The Utah Lake Authority created in Section [11-65-201](#).  
317           (6) Dedicated credits accrued to the Utah Marriage Commission as provided under  
318 Subsection [17-16-21\(2\)\(d\)\(ii\)](#).  
319           (7) The Division of Wildlife Resources for the appraisal and purchase of lands under  
320 the Pelican Management Act, as provided in Section [23-21a-6](#).  
321           (8) The Emergency Medical Services Grant Program in Section [26-8a-207](#).  
322           (9) The primary care grant program created in Section [26-10b-102](#).  
323           (10) Sanctions collected as dedicated credits from Medicaid providers under  
324 Subsection [26-18-3\(7\)](#).  
325           (11) The Utah Health Care Workforce Financial Assistance Program created in Section  
326 [26-46-102](#).  
327           (12) The Rural Physician Loan Repayment Program created in Section [26-46a-103](#).  
328           (13) The Opiate Overdose Outreach Pilot Program created in Section [26-55-107](#).  
329           (14) The Utah Medical Education Council for the:  
330           (a) administration of the Utah Medical Education Program created in Section  
331 [26-69-403](#);  
332           (b) provision of medical residency grants described in Section [26-69-407](#); and  
333           (c) provision of the forensic psychiatric fellowship grant described in Section  
334 [26-69-408](#).  
335           (15) Funds that the Department of Alcoholic Beverage Services retains in accordance  
336 with Subsection [32B-2-301\(8\)\(a\)](#) or (b).  
337           (16) The General Assistance program administered by the Department of Workforce

- 338 Services, as provided in Section [35A-3-401](#).
- 339 (17) The Utah National Guard, created in Title 39, Militia and Armories.
- 340 (18) The State Tax Commission under Section [41-1a-1201](#) for the:
- 341 (a) purchase and distribution of license plates and decals; and
- 342 (b) administration and enforcement of motor vehicle registration requirements.
- 343 (19) The Search and Rescue Financial Assistance Program, as provided in Section
- 344 [53-2a-1102](#).
- 345 (20) The Motorcycle Rider Education Program, as provided in Section [53-3-905](#).
- 346 (21) The Utah Board of Higher Education for teacher preparation programs, as
- 347 provided in Section [53B-6-104](#).
- 348 (22) Innovation grants under Section [53G-10-608](#), except as provided in Subsection
- 349 [53G-10-608\(6\)](#).
- 350 (23) The Division of Services for People with Disabilities, as provided in Section
- 351 [62A-5-102](#).
- 352 (24) The Division of Fleet Operations for the purpose of upgrading underground
- 353 storage tanks under Section [63A-9-401](#).
- 354 (25) The Utah Seismic Safety Commission, as provided in Section [63C-6-104](#).
- 355 (26) The Division of Technology Services for technology innovation as provided under
- 356 Section [63A-16-903](#).
- 357 (27) The Office of Administrative Rules for publishing, as provided in Section
- 358 [63G-3-402](#).
- 359 (28) The Colorado River Authority of Utah, created in Title 63M, Chapter 14,
- 360 Colorado River Authority of Utah Act.
- 361 (29) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act,
- 362 as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 363 (30) The Governor's Office of Economic Opportunity's Rural Employment Expansion
- 364 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program.
- 365 (31) Programs for the Jordan River Recreation Area as described in Section [65A-2-8](#).
- 366 (32) The Division of Human Resource Management user training program, as provided
- 367 in Section [63A-17-106](#).
- 368 (33) A public safety answering point's emergency telecommunications service fund, as

369 provided in Section [69-2-301](#).

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

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

374 (36) The Judicial Council for compensation for special prosecutors, as provided in  
375 Section [77-10a-19](#).

376 (37) A state rehabilitative employment program, as provided in Section [78A-6-210](#).

377 (38) The Utah Geological Survey, as provided in Section [79-3-401](#).

378 (39) The Bonneville Shoreline Trail Program created under Section [79-5-503](#).

379 (40) Adoption document access as provided in Sections [78B-6-141](#), [78B-6-144](#), and  
380 [78B-6-144.5](#).

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

383 (42) The program established by the Division of Facilities Construction and  
384 Management under Section [63A-5b-703](#) under which state agencies receive an appropriation  
385 and pay lease payments for the use and occupancy of buildings owned by the Division of  
386 Facilities Construction and Management.

387 (43) The State Tax Commission for reimbursing counties for deferred property taxes in  
388 accordance with Section [~~59-2-1802~~] [59-2-1802.5](#).

389 Section 8. **Retrospective operation.**

390 This bill provides retrospective operation to January 1, 2023.