

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.



(b) In determining a deferral, a county shall consider an asset transferred to a relative by an applicant for deferral, if the transfer took place during the three years prior to 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) In accordance with this part, a county shall defer a tax on residential property if:

(a) the owner of the residential property is:

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

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

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

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

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

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

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

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

(i) 6%; or

(ii) the federal funds rate target:

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

(B) that exists on the January 1 immediately preceding the day on which the taxes are 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.