

2022 Property Tax Related Legislation

May 10, 2022

HB 26 Renter's Credit Amendments – Rep. Steve Eliason (Retrospective to January 1, 2022)

Clarifies the calculation of gross rent for purposes of the renter's credit to account for situations where the cost of electricity, natural gas or both is included in the contracted rent amount but the exact cost of the electricity or natural gas is not known or itemized. If the contracted rent amount includes either electricity or natural gas but not both, 7% is deducted from the contracted rent amount to determine gross rent. If the contracted rent amount includes both electricity and natural gas, 13% is deducted from the contracted rent amount to determine gross rent.

HB 41 County Property Tax Statement Amendments-Rep. Stewart E. Barlow (Effective May 4, 2022)

This bill repeals the requirement that the county auditor provide the State Auditor a property tax statement. The county auditor is still required to provide the tax commission a statement, 59-2-325 before November 1st. This is the year end 233b request year end request. The board of equalization adjusted values by property type.

HB 106 Tax Sale Notice Amendments-Rep. Douglas Welton (Effective May 4, 2022)

This bill allows the county auditor to send a notice of tax sale by **any** delivery service that includes tracking and delivery confirmation. The previous requirement was certified mail.

HB 199 Tangible Personal Property Tax Amendments – Rep. Robert M. Spendlove (Effective January 1, 2023)

Exempts a taxpayer from the requirement to file a business tangible personal property statement in subsequent years if the taxpayer: filed a signed tangible personal property statement in a prior year; qualified for a tangible personal property tax exemption in the prior year in which the signed statement was filed; and continues to qualify for a tangible personal property tax exemption in each consecutive subsequent year.

HB 232 Utah Lake Authority – Rep. Brady Brammer (Effective May 4, 2022)

Creates the Utah Lake Authority and defines "lake authority boundary". Beginning the next full calendar quarter following the creation of the Utah Lake Authority, requires the tax commission to distribute 50% of each dollar collected under the Local Sales and Use Tax Act from transactions occurring within the lake authority boundary. Requires the Authority to provide notice of a public meeting to a public entity that has entered into an agreement with the Authority for sharing property tax revenue. Authorizes the Authority to issue bonds which are exempt from all state taxes except the corporate franchise tax.

HB 347 Property Tax Exemption Amendments – Rep. Douglas R. Welton (Effective January 1, 2023)

Enacts a deadline of March 1 by which a taxpayer who was granted an exclusive use exemption must file an annual statement to establish that their property continues to be eligible for the

exemption. Authorizes a taxpayer who fails to file the annual exclusive use statement by March 1 to file by March 31 if the taxpayer submits with the annual statement a statement of fact establishing that no other responsible party was capable of filing the annual statement and a medical emergency, death, or other extraordinary and unanticipated circumstances prevented the owner from filing by March 1. Extends the initial deadline for a newly acquired property to apply for the exclusive use exemption from 30 days to 120 days after the property is acquired. Eliminates the requirement that a non-profit applicant for the exclusive use exemption not receive income from any source, including gifts, donations, or payments from recipients of products or services, that produces a profit to the entity in excess of operating and long-term maintenance expenses.

HB 438 Point of the Mountain State Land Authority Amendments – Rep. Lowry V. Snow (Effective May 4, 2022)

Authorizes the Point of the Mountain State Land Authority (POMSLA) to levy up to a 6% of delivered value energy sales and use tax on an energy supplier that supplies energy to a facility on POMSLA land. Specifies that the energy sales and use tax is payable by the energy supplier to the authority on a monthly basis except that the energy supplier may retain 1% of the tax remittance. Beginning July 1, 2022, authorizes the Point of the Mountain State 5 Land Authority to levy the municipal energy sales and use tax within point of the mountain state land and prohibits any municipality from imposing the municipal energy sales and use tax within point of the mountain state land. Defines “base taxable value”, “incremental value”, “project area new growth”, and “property tax augmentation” for purposes of property taxation on point of the mountain state land. Imposes the annual fee in lieu of property tax to be imposed on exempt property on point of the mountain state land. Directs a portion of property tax augmentation to be paid to the Authority by the counties which include point of the mountain state land.

HB 443 Utah Inland Port Authority Amendments – Rep. Mike Schultz (Effective March 21, 2022)

Beginning July 1, 2022, requires the tax commission to distribute 50% of each dollar collected under the Local Sales and Use Tax Act from transactions occurring within a project area created under the Utah Inland Port Authority Act. Clarifies that any revenue collected before July 1, 2022, from transactions occurring within a project area, shall not be distributed to the authority. Modifies and expands the definition of publicly owned infrastructure and improvements to include certain privately owned facilities. Eliminates language making an intermodal facility owned by the Authority subject to the privilege tax. Removes a primary municipality's property tax revenue from property tax differential, in some circumstances. Requires the primary municipality (Salt Lake City), the primary municipality's community development and renewal agency, and the Authority to enter into an agreement relating to the distribution of certain property tax revenue.

SB 2 Public Education Budget Amendments - Sen. Lincoln Fillmore (Effective July 1, 2022)

Provides that the minimum basic local amount for fiscal year 2023 is \$645,921,400 (up from \$575,931,800); sets the preliminary estimate for the minimum basic tax rate for fiscal year 2023 at .001579 (up from .001544); sets the WPU value amount for fiscal year 2023 at \$24,952,000 in statewide revenue (up from \$22,484,800); and sets the preliminary estimate for the WPU value rate for fiscal year 2022 at 0.000061 (down from 0.000063).

SB 20 Property Tax Amendments - Sen. Curtis S. Bramble (Multiple Effective Dates)

Retrospective to January 1, 2022, excludes a property owner from the requirement to file the primary residential declaration if: the property is in a class four, five, and six county; and the owner is using a P.O. box or rural route box in the same county. Allows owners of residences whose primary residential exemption status is redetermined for failure to file the declaration, to appeal the redetermination until September 15 or 45 days after the valuation notice is provided.

Increases the rate of the multicounty assessing and collecting levy to 0.000015. Which is frozen at .000015 through 2024.

Beginning January 1, 2023, clarifies the formula for calculating an energy supplier's fee in lieu of property tax to include any subsequent sale, resale, or layoff of capacity to an energy supplier whose tangible personal property is not exempt from property tax under the Utah Constitution. Requires an interlocal entity that owns an electric generation and transmission facility to annually report on or before March 1 to the tax commission information about sales of electricity to energy suppliers and public agencies. Defines the terms "public utility" and "telecommunications service provider" for purposes of property taxation. Prohibits the tax commission from assessing property owned by a telecommunications service provider. Creates a process for the Multicounty Appraisal Trust to value personal property of a telecommunications service provider before forwarding the information to county assessors for assessment. Modifies the definition of "centrally assessed benchmark value" for purposes of property tax new growth by excluding a change in centrally assessed value resulting from a change in the method of apportioning the value prescribed by the Legislature, a court, or the tax commission in an administrative rule or administrative order.

SB 25 Property Tax Deferral Amendments - Sen. Lincoln Fillmore (Retrospective to January 1, 2022)

Defines "eligible owner" to mean an owner of a single-family residence: who is 75 years old or older during the year in which the deferral application is made; whose household income does not exceed 200% of the maximum income for purposes of the homeowner's credit; and whose household liquid resources do not exceed 20 times the amount of property taxes levied on the owner's residence in the previous calendar year. Beginning January 1, 2022, authorizes a county to grant an eligible owner a deferral of property tax on a qualified residence. Beginning January 1, 2025, requires a county to grant an eligible owner a deferral of property tax on a qualified residence. Requires that for a residence to be qualified for deferral, on January 1 of the year in which the deferral application is made, the residence must: be the eligible owners primary residence; and be owned by the qualified owner for a continuous 20 years or not have a fair market value greater than 100% of the median property value within the county. Specifies that a residence in a trust is still eligible for deferral and transference to the trust does not preclude the 20-year ownership criteria. Requires that the holder of a mortgage or trust deed on the property give written approval of the deferral of property taxes. Subjects deferred property taxes to interest at a rate equal to 50% of the rate applied to delinquent property taxes. Directs the tax commission to administer an \$8 million fund to reimburse counties for deferrals granted for taxes assessed between January 1, 2022, and December 31, 2026. Requires counties to repay reimbursement amounts when the deferral ends and the taxes are redeemed. Directs the tax commission to deposit repaid amounts into the General Fund.

SB 61 Delinquent Property Tax Collections Amendments – Sen. Wayne Harper (Effective May 4, 2022)

Allows the state, governmental entity, or local agency to collect a delinquent property tax from the debtor's overpayment or refund of income tax.

Provides the order in which a debtor's income tax overpayment or refund shall be credited against a delinquent property tax. Earliest year first.

SB 81 Affordable Housing Tax Amendments - Sen. Jani Iwamoto (Effective January 1, 2023)

Requires a county assessor to use the income capitalization approach to determine fair market value (FMV), if the county assessor finds that the income capitalization approach is a valid indicator of the specific property's FMV. Directs a county assessor using the income capitalization approach to calculate the property's net operating income using the reduced rent amounts that result from the low-income housing covenant, and during the lease-up period, account for rent loss due to vacancy and lease-up costs. Requires a county assessor to send a form approved by the tax commission to each owner of real property subject to a low-income housing covenant.

SB 93 Business Tax Amendments - Sen. Lincoln Fillmore (Multiple Effective Dates)

Beginning July 1, 2022, exempts from sales and use tax consumable tangible personal property (TPP) if consumed in the performance of specified taxable services. A specified taxable service is limited to a telecommunications service, an admission or user fee, a repair or renovation of tangible personal property, an assisted cleaning or washing service of tangible personal property, a short term rental accommodation, and a laundry or dry cleaning service. To qualify for the exemption: the consumption of the TPP by the service provider, must be essential to providing the specified taxable service; the service provider must actually consume the TPP in the performance of a specified taxable service; and the TPP must be consumed in providing the service to one or more customers to the point where the TPP disappears or cannot be used for any other purpose.

Beginning January 1, 2023, defines "supply" for purposes of business tangible personal property taxation and exempts supplies from property tax.

SB 140 Housing and Transit Reinvestment Zone Amendments - Sen. Wayne A. Harper (Effective May 4, 2022)

Defines "base taxable value", "incremental value", "project area new growth", and "tax increment" for property tax purposes within a housing and transit reinvestment zone. Clarifies that any authorized transfer of sales and use tax revenue to the housing and transit reinvestment zone will begin on the first day of a calendar quarter.

SB 174 Pollution Control Equipment Tax Amendments - Sen. Evan J. Vickers (Effective January 1, 2023)

Defines "pollution control equipment" for purposes of property taxation. Enacts a depreciation schedule for pollution control equipment based on the IRS depreciation schedules, which reduces the percent good to 6% after five years from the date of acquisition. Provides a

taxpayer the ability to appeal the valuation determined under the depreciation schedule and request a deviation for a specific item if necessary to reach fair market value. Authorizes a county assessor to deviate from the depreciation schedule upon a showing by verifiable data that a deviation is necessary to reach fair market value.

SB 200 Revisions to Property Tax - Sen. Wayne A. Harper (Effective January 1, 2022)

Requires a business to include the business's NAICS code when filing a signed statement related to the business's taxable personal property. Modifies the contents of a property tax notice related to a property tax increase of the state basic or multicounty assessing and collecting levy. Requires a county assessor to notify a taxpayer when the taxpayer qualifies for an exemption from the requirement to file a signed personal property statement.

SB 232 Military Installation Development Authority Revisions-Sen. Jerry W. Stevenson (Effective January 1, 2022)

Authorizes an authority subsidiary to: create tax areas; apply different property tax rates to each tax area; and secure a bond from property taxes from one or more tax areas. Authorizes the authority to enforce a delinquent annual payment in the same manner as a delinquent property tax.