

TRUTH IN TAXATION REQUIREMENTS REVISIONS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions relating to truth in taxation.

Highlighted Provisions:

This bill:

- ▶ defines a term;
- ▶ allows a taxing entity to increase taxes to allow for inflation without holding a truth in taxation hearing; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53F-8-201, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-301, as renumbered and amended by Laws of Utah 2018, Chapter 2

53G-7-303, as last amended by Laws of Utah 2018, Chapter 101 and renumbered and amended by Laws of Utah 2018, Chapter 3

59-2-919, as last amended by Laws of Utah 2018, Chapters 68 and 415

59-2-920, as last amended by Laws of Utah 1988, Chapter 3



28 [59-2-921](#), as last amended by Laws of Utah 2009, Chapter 204

29 [59-2-924](#), as last amended by Laws of Utah 2018, Chapters 101, 368, and 415



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

32 Section 1. Section **53F-8-201** is amended to read:

33 **53F-8-201. Annual certification of tax rate proposed by local school board --**
34 **Inclusion of school district budget -- Modified filing date.**

35 (1) Prior to June 22 of each year, each local school board shall certify to the county
36 legislative body in which the district is located, on forms prescribed by the State Tax
37 Commission, the proposed tax rate approved by the local school board.

38 (2) A copy of the district's budget, including items under Section [53G-7-302](#), and a
39 certified copy of the local school board's resolution which approved the budget and set the tax
40 rate for the subsequent school year beginning July 1 shall accompany the tax rate.

41 (3) If the tax rate approved by the board [~~is in excess of the certified tax rate, as defined~~
42 ~~in Section [59-2-924](#)]~~ is subject to the notice and public hearing requirements described in
43 Section [59-2-919](#), the date for filing the tax rate and budget adopted by the board [~~shall be that~~
44 ~~established under Section [59-2-919](#)]~~ is August 31.

45 Section 2. Section **53F-8-301** is amended to read:

46 **53F-8-301. State-supported voted local levy authorized -- Election requirements**
47 **-- Reconsideration of the program.**

48 (1) The terms defined in Section [53F-2-102](#) apply to this section.

49 (2) An election to consider adoption or modification of a voted local levy is required if
50 initiative petitions signed by 10% of the number of electors who voted at the last preceding
51 general election are presented to the local school board or by action of the local school board.

52 (3) (a) (i) To impose a voted local levy, a majority of the electors of a school district
53 voting at an election in the manner set forth in Subsections (8) and (9) must vote in favor of a
54 special tax.

55 (ii) The tax rate may not exceed .002 per dollar of taxable value.

56 (b) Except as provided in Subsection (3)(c), in order to receive state support in
57 accordance with Section [53F-2-601](#) the first year, a school district shall receive voter approval
58 no later than December 1 of the year prior to implementation.

59 (c) Beginning on or after January 1, 2012, a school district may receive state support in
60 accordance with Section 53F-2-601 without complying with the requirements of Subsection
61 (3)(b) if the local school board imposed a tax in accordance with this section during the taxable
62 year beginning on January 1, 2011 and ending on December 31, 2011.

63 (4) (a) An election to modify an existing voted local levy is not a reconsideration of the
64 existing authority unless the proposition submitted to the electors expressly so states.

65 (b) A majority vote opposing a modification does not deprive the local school board of
66 authority to continue the levy.

67 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
68 school board levies, the local school board shall allow the electors, in an election, to consider
69 modifying or discontinuing the imposition of the levy prior to a subsequent increase in other
70 levies that would increase the total local school board levy.

71 (d) Nothing contained in this section terminates, without an election, the authority of a
72 local school board to continue imposing an existing voted local levy previously authorized by
73 the voters as a voted leeway program.

74 (5) Notwithstanding Section 59-2-919, a local school board may budget an increased
75 amount of ad valorem property tax revenue derived from a voted local levy imposed under this
76 section [~~in addition to revenue from eligible new growth as defined in Section 59-2-924~~] that
77 exceeds the certified tax rate plus inflation, as defined in Section 59-2-919, without having to
78 comply with the notice requirements of Section 59-2-919, if:

79 (a) the voted local levy is approved:

80 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

81 (ii) within the four-year period immediately preceding the year in which the local
82 school board seeks to budget an increased amount of ad valorem property tax revenue derived
83 from the voted local levy; and

84 (b) for a voted local levy approved or modified in accordance with this section on or
85 after January 1, 2009, the local school board complies with the requirements of Subsection (7).

86 (6) Notwithstanding Section 59-2-919, a local school board may levy a tax rate under
87 this section that exceeds the certified tax rate plus inflation, as defined in Section 59-2-919,
88 without having to comply with the notice requirements of Section 59-2-919 if:

89 (a) the levy exceeds the certified tax rate as the result of a local school board budgeting

90 an increased amount of ad valorem property tax revenue derived from a voted local levy
91 imposed under this section;

92 (b) the voted local levy was approved:

93 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

94 (ii) within the four-year period immediately preceding the year in which the local
95 school board seeks to budget an increased amount of ad valorem property tax revenue derived
96 from the voted local levy; and

97 (c) for a voted local levy approved or modified in accordance with this section on or
98 after January 1, 2009, the local school board complies with requirements of Subsection (7).

99 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the
100 electors regarding the adoption or modification of a voted local levy shall contain the following
101 statement:

102 "A vote in favor of this tax means that the local school board of [name of the school
103 district] may increase revenue from this property tax without advertising the increase for the
104 next five years."

105 (8) (a) Before a local school board may impose a property tax levy pursuant to this
106 section, a local school board shall submit an opinion question to the school district's registered
107 voters voting on the imposition of the tax rate so that each registered voter has the opportunity
108 to express the registered voter's opinion on whether the tax rate should be imposed.

109 (b) The election required by this Subsection (8) shall be held:

110 (i) at a regular general election conducted in accordance with the procedures and
111 requirements of Title 20A, Election Code, governing regular elections;

112 (ii) at a municipal general election conducted in accordance with the procedures and
113 requirements of Section 20A-1-202; or

114 (iii) at a local special election conducted in accordance with the procedures and
115 requirements of Section 20A-1-203.

116 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or
117 after January 1, 2012, a local school board may levy a tax rate in accordance with this section
118 without complying with the requirements of Subsections (8)(a) and (b) if the local school board
119 imposed a tax in accordance with this section at any time during the taxable year beginning on
120 January 1, 2011, and ending on December 31, 2011.

121 (9) If a local school board determines that a majority of the school district's registered
122 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
123 rate in accordance with Subsection (8), the local school board may impose the tax rate.

124 Section 3. Section **53G-7-303** is amended to read:

125 **53G-7-303. Local governing board budget procedures.**

126 (1) As used in this section:

127 (a) "Budget officer" means:

128 (i) for a school district, the school district's superintendent; or

129 (ii) for a charter school, an individual selected by the charter school governing board.

130 (b) "Governing board" means:

131 (i) for a school district, the local school board; or

132 (ii) for a charter school, the charter school governing board.

133 (2) (a) For a school district, before June 30 of each year, a local school board shall
134 adopt a budget and make appropriations for the next fiscal year.

135 (b) For a school district, if the tax rate in the school district's proposed budget [~~exceeds~~
136 ~~the certified tax rate defined in Section 59-2-924~~] is subject to the notice and public hearing
137 requirements described in Section 59-2-919, the local school board shall comply with Section
138 59-2-919 in adopting the budget, except as provided by Section 53F-8-301.

139 (3) (a) For a school district, before the adoption or amendment of a budget, a local
140 school board shall hold a public hearing, as defined in Section 10-9a-103, on the proposed
141 budget or budget amendment.

142 (b) In addition to complying with Title 52, Chapter 4, Open and Public Meetings Act,
143 in regards to the public hearing described in Subsection (3)(a), at least 10 days prior to the
144 public hearing, a local school board shall:

145 (i) publish a notice of the public hearing in a newspaper or combination of newspapers
146 of general circulation in the school district, except as provided in Section 45-1-101;

147 (ii) publish a notice of the public hearing electronically in accordance with Section
148 45-1-101;

149 (iii) file a copy of the proposed budget with the local school board's business
150 administrator for public inspection; and

151 (iv) post the proposed budget on the school district's Internet website.

152 (c) A notice of a public hearing on a school district's proposed budget shall include
153 information on how the public may access the proposed budget as provided in Subsections
154 (3)(b)(iii) and (iv).

155 (4) For a charter school, before June 30 of each year, a charter school governing board
156 shall adopt a budget for the next fiscal year.

157 (5) Within 30 days of adopting a budget, a governing board shall file a copy of the
158 adopted budget with the state auditor and the State Board of Education.

159 Section 4. Section 59-2-919 is amended to read:

160 **59-2-919. Notice and public hearing requirements for certain tax increases --**
161 **Exceptions.**

162 (1) As used in this section:

163 (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue
164 generated by the portion of the tax rate that exceeds the taxing entity's certified tax rate plus
165 inflation.

166 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including
167 revenue from:

168 (i) eligible new growth as defined in Section 59-2-924; or

169 (ii) personal property that is:

170 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and

171 (B) semiconductor manufacturing equipment.

172 (c) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year
173 that begins on January 1 and ends on December 31.

174 (d) "Certified tax rate plus inflation" means the certified tax rate plus the greater of:

175 (i) the actual total percent change of the consumer price index during the last 12

176 months as measured in June of the prior fiscal year; or

177 (ii) zero.

178 (e) "Consumer price index" means the Consumer Price Index for All Urban
179 Consumers, as published by the Bureau of Labor Statistics of the United States Department of
180 Labor.

181 [~~(d)~~] (f) "County executive calendar year taxing entity" means a calendar year taxing
182 entity that operates under the county executive-council form of government described in

183 Section [17-52a-203](#).

184 ~~[(e)]~~ (g) "Current calendar year" means the calendar year immediately preceding the
185 calendar year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the
186 calendar year taxing entity's certified tax rate plus inflation.

187 ~~[(f)]~~ (h) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal
188 year that begins on July 1 and ends on June 30.

189 ~~[(g)]~~ (i) "Last year's property tax budgeted revenue" does not include revenue received
190 by a taxing entity from a debt service levy voted on by the public.

191 (2) A taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax
192 rate plus inflation unless the taxing entity meets:

193 (a) the requirements of this section that apply to the taxing entity; and

194 (b) all other requirements as may be required by law.

195 (3) (a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar
196 year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax
197 rate plus inflation if the calendar year taxing entity:

198 (i) 14 or more days before the date of the regular general election or municipal general
199 election held in the current calendar year, states at a public meeting:

200 (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the
201 calendar year taxing entity's certified tax rate plus inflation;

202 (B) the dollar amount of and purpose for additional ad valorem tax revenue that would
203 be generated by the proposed increase ~~[(m)]~~ over the certified tax rate plus inflation; and

204 (C) the approximate percentage increase in ad valorem tax revenue for the taxing entity
205 based on the proposed increase described in Subsection (3)(a)(i)(B);

206 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in
207 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a
208 separate item on the meeting agenda that notifies the public that the calendar year taxing entity
209 intends to make the statement described in Subsection (3)(a)(i);

210 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
211 calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);

212 (iv) provides notice by mail:

213 (A) seven or more days before the regular general election or municipal general

214 election held in the current calendar year; and
215 (B) as provided in Subsection (3)(c); and
216 (v) conducts a public hearing that is held:
217 (A) in accordance with Subsections (8) and (9); and
218 (B) in conjunction with the public hearing required by Section [17-36-13](#) or [17B-1-610](#).
219 (b) (i) For a county executive calendar year taxing entity, the statement described in
220 Subsection (3)(a)(i) shall be made by the:
221 (A) county council;
222 (B) county executive; or
223 (C) both the county council and county executive.
224 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
225 county council states a dollar amount of additional ad valorem tax revenue that is greater than
226 the amount of additional ad valorem tax revenue previously stated by the county executive in
227 accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:
228 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before the
229 county executive calendar year taxing entity conducts the public hearing under Subsection
230 (3)(a)(v); and
231 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the
232 county executive calendar year taxing entity conducts the public hearing required by
233 Subsection (3)(a)(v).
234 (c) The notice described in Subsection (3)(a)(iv):
235 (i) shall be mailed to each owner of property:
236 (A) within the calendar year taxing entity; and
237 (B) listed on the assessment roll;
238 (ii) shall be printed on a separate form that:
239 (A) is developed by the commission;
240 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
241 "NOTICE OF PROPOSED TAX INCREASE"; and
242 (C) may be mailed with the notice required by Section [59-2-1317](#);
243 (iii) shall contain for each property described in Subsection (3)(c)(i):
244 (A) the value of the property for the current calendar year;

245 (B) the tax on the property for the current calendar year; and

246 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
247 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax
248 rate plus inflation, the estimated tax on the property;

249 (iv) shall contain the following statement:

250 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
251 year]. This notice contains estimates of the tax on your property and the proposed tax increase
252 on your property as a result of this tax increase. These estimates are calculated on the basis of
253 [insert previous applicable calendar year] data. The actual tax on your property and proposed
254 tax increase on your property may vary from this estimate.";

255 (v) shall state the date, time, and place of the public hearing described in Subsection
256 (3)(a)(v); and

257 (vi) may contain other property tax information approved by the commission.

258 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall
259 calculate the estimated tax on property on the basis of:

260 (i) data for the current calendar year; and

261 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
262 section.

263 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate
264 that exceeds the fiscal year taxing entity's certified tax rate plus inflation if the fiscal year
265 taxing entity:

266 (a) provides notice by meeting the advertisement requirements of Subsections (6) and
267 (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year
268 taxing entity's annual budget is adopted; and

269 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
270 fiscal year taxing entity's annual budget is adopted.

271 (5) (a) A taxing entity is not required to meet the notice or public hearing requirements
272 of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with
273 the requirements of this section.

274 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or
275 (4) if:

276 (i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that
277 certified tax rate plus inflation without having to comply with the notice provisions of this
278 section; or

279 (ii) the taxing entity:

280 (A) budgeted less than \$20,000 in ad valorem tax revenues for the previous fiscal year;
281 and

282 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax
283 revenues.

284 (6) (a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this
285 section shall be published:

286 (i) subject to Section 45-1-101, in a newspaper or combination of newspapers of
287 general circulation in the taxing entity;

288 (ii) electronically in accordance with Section 45-1-101; and

289 (iii) on the Utah Public Notice Website created in Section 63F-1-701.

290 (b) The advertisement described in Subsection (6)(a)(i) shall:

291 (i) be no less than 1/4 page in size;

292 (ii) use type no smaller than 18 point; and

293 (iii) be surrounded by a 1/4-inch border.

294 (c) The advertisement described in Subsection (6)(a)(i) may not be placed in that
295 portion of the newspaper where legal notices and classified advertisements appear.

296 (d) It is the intent of the Legislature that:

297 (i) whenever possible, the advertisement described in Subsection (6)(a)(i) appear in a
298 newspaper that is published at least one day per week; and

299 (ii) the newspaper or combination of newspapers selected:

300 (A) be of general interest and readership in the taxing entity; and

301 (B) not be of limited subject matter.

302 (e) (i) The advertisement described in Subsection (6)(a)(i) shall:

303 (A) except as provided in Subsection (6)(f), be run once each week for the two weeks
304 before a taxing entity conducts a public hearing described under Subsection (3)(a)(v) or (4)(b);
305 and

306 (B) state that the taxing entity will meet on a certain day, time, and place fixed in the

307 advertisement, which shall be seven or more days after the day the first advertisement is
308 published, for the purpose of hearing comments regarding any proposed increase and to explain
309 the reasons for the proposed increase.

310 (ii) The advertisement described in Subsection (6)(a)(ii) shall:

311 (A) be published two weeks before a taxing entity conducts a public hearing described
312 in Subsection (3)(a)(v) or (4)(b); and

313 (B) state that the taxing entity will meet on a certain day, time, and place fixed in the
314 advertisement, which shall be seven or more days after the day the first advertisement is
315 published, for the purpose of hearing comments regarding any proposed increase and to explain
316 the reasons for the proposed increase.

317 (f) If a fiscal year taxing entity's public hearing information is published by the county
318 auditor in accordance with Section 59-2-919.2, the fiscal year taxing entity is not subject to the
319 requirement to run the advertisement twice, as required by Subsection (6)(e)(i), but shall run
320 the advertisement once during the week before the fiscal year taxing entity conducts a public
321 hearing at which the taxing entity's annual budget is discussed.

322 (g) For purposes of Subsection (3)(a)(iii) or (4)(a), the form and content of an
323 advertisement shall be substantially as follows:

324 "NOTICE OF PROPOSED TAX INCREASE

325 (NAME OF TAXING ENTITY)

326 The (name of the taxing entity) is proposing to increase its property tax revenue.

327 ● The (name of the taxing entity) tax on a (insert the average value of a residence
328 in the taxing entity rounded to the nearest thousand dollars) residence would
329 increase from \$_____ to \$_____, which is \$_____ per year.

330 ● The (name of the taxing entity) tax on a (insert the value of a business having
331 the same value as the average value of a residence in the taxing entity) business
332 would increase from \$_____ to \$_____, which is \$_____ per year.

333 ● If the proposed budget is approved, (name of the taxing entity) would increase
334 its property tax budgeted revenue by ___% above last year's property tax
335 budgeted revenue excluding eligible new growth.

336 All concerned citizens are invited to a public hearing on the tax increase.

337 PUBLIC HEARING

338 Date/Time: (date) (time)
339 Location: (name of meeting place and address of meeting place)
340 To obtain more information regarding the tax increase, citizens may contact the (name
341 of the taxing entity) at (phone number of taxing entity)."

342 (7) The commission:
343 (a) shall adopt rules in accordance with Title 63G, Chapter 3, Utah Administrative
344 Rulemaking Act, governing the joint use of one advertisement described in Subsection (6) by
345 two or more taxing entities; and

346 (b) subject to Section 45-1-101, may authorize:
347 (i) the use of a weekly newspaper:
348 (A) in a county having both daily and weekly newspapers if the weekly newspaper
349 would provide equal or greater notice to the taxpayer; and
350 (B) if the county petitions the commission for the use of the weekly newspaper; or
351 (ii) the use by a taxing entity of a commission approved direct notice to each taxpayer

352 if:
353 (A) the cost of the advertisement would cause undue hardship;
354 (B) the direct notice is different and separate from that provided for in Section
355 59-2-919.1; and

356 (C) the taxing entity petitions the commission for the use of a commission approved
357 direct notice.

358 (8) (a) (i) (A) A fiscal year taxing entity shall, on or before March 1, notify the county
359 legislative body in which the fiscal year taxing entity is located of the date, time, and place of
360 the first public hearing at which the fiscal year taxing entity's annual budget will be discussed.

361 (B) A county that receives notice from a fiscal year taxing entity under Subsection
362 (8)(a)(i)(A) shall include on the notice required by Section 59-2-919.1 the date, time, and place
363 of the public hearing described in Subsection (8)(a)(i)(A).

364 (ii) A calendar year taxing entity shall, on or before October 1 of the current calendar
365 year, notify the county legislative body in which the calendar year taxing entity is located of the
366 date, time, and place of the first public hearing at which the calendar year taxing entity's annual
367 budget will be discussed.

368 (b) (i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be open to the

369 public.

370 (ii) The governing body of a taxing entity conducting a public hearing described in
371 Subsection (3)(a)(v) or (4)(b) shall provide an interested party desiring to be heard an
372 opportunity to present oral testimony within reasonable time limits.

373 (c) (i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a
374 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing
375 of another overlapping taxing entity in the same county.

376 (ii) The taxing entities in which the power to set tax levies is vested in the same
377 governing board or authority may consolidate the public hearings described in Subsection
378 (3)(a)(v) or (4)(b) into one public hearing.

379 (d) A county legislative body shall resolve any conflict in public hearing dates and
380 times after consultation with each affected taxing entity.

381 (e) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or
382 (4)(b) beginning at or after 6 p.m.

383 (9) (a) If a taxing entity does not make a final decision on budgeting additional ad
384 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b), the taxing
385 entity shall announce at that public hearing the scheduled time and place of the next public
386 meeting at which the taxing entity will consider budgeting the additional ad valorem tax
387 revenue.

388 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount
389 of additional ad valorem tax revenue that exceeds the largest amount of additional ad valorem
390 tax revenue stated at a public meeting under Subsection (3)(a)(i).

391 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
392 certified tax rate plus inflation may coincide with a public hearing on the fiscal year taxing
393 entity's proposed annual budget.

394 Section 5. Section **59-2-920** is amended to read:

395 **59-2-920. Resolution and levy to be forwarded to commission -- Exception.**

396 [~~The resolution approved in the manner provided under Section 59-2-919]~~

397 (1) A resolution shall be included with the statement of the amount and purpose of the
398 levy required under Sections **59-2-912** and **59-2-913** and forwarded to the commission under
399 Section **59-2-913**. [~~No tax rate in excess of the certified tax rate may]~~

400 (2) A tax rate that is subject to the notice and public hearing requirements described in
401 Section 59-2-919 may not be certified by the commission or implemented by the taxing entity
402 until the resolution [required under Section 59-2-919] described in Subsection (1) is adopted by
403 the governing authority of the taxing entity and submitted to the commission. [If the resolution
404 is not forwarded to the county auditor by August 17, the auditor shall forward the certified tax
405 rate to the commission.]

406 Section 6. Section **59-2-921** is amended to read:

407 **59-2-921. Changes in assessment roll -- Rate adjustments -- Exemption from**
408 **notice and public hearing provisions.**

409 (1) On or before September 15 the county board of equalization and, in cases involving
410 the original jurisdiction of the commission or an appeal from the county board of equalization,
411 the commission, shall annually notify each taxing entity of the following changes resulting
412 from actions by the commission or the county board of equalization:

413 (a) a change in the taxing entity's assessment roll; and

414 (b) a change in the taxing entity's adopted tax rate.

415 (2) A taxing entity is not required to comply with the notice and public hearing
416 provisions of Section 59-2-919 if the commission, the county board of equalization, or a court
417 of competent jurisdiction:

418 (a) changes a taxing entity's adopted tax rate; or

419 (b) (i) makes a reduction in the taxing entity's assessment roll; and

420 (ii) the taxing entity adopts by resolution an increase in its tax rate above the certified
421 tax rate plus inflation, as defined in Section 59-2-919, as a result of the reduction under
422 Subsection (2)(b)(i).

423 (3) A rate adjustment under this section for:

424 (a) a taxing entity shall be:

425 (i) made by the county auditor;

426 (ii) aggregated;

427 (iii) reported by the county auditor to the commission; and

428 (iv) certified by the commission; and

429 (b) the state shall be made by the commission.

430 Section 7. Section **59-2-924** is amended to read:

431 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
432 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
433 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
434 **commission.**

435 (1) As used in this section:

436 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
437 this chapter.

438 (ii) "Ad valorem property tax revenue" does not include:

439 (A) interest;

440 (B) penalties;

441 (C) collections from redemptions; or

442 (D) revenue received by a taxing entity from personal property that is semiconductor
443 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
444 Assessment.

445 (b) (i) "Aggregate taxable value of all property taxed" means:

446 (A) the aggregate taxable value of all real property a county assessor assesses in
447 accordance with Part 3, County Assessment, for the current year;

448 (B) the aggregate taxable value of all real and personal property the commission
449 assesses in accordance with Part 2, Assessment of Property, for the current year; and

450 (C) the aggregate year end taxable value of all personal property a county assessor
451 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
452 of the taxing entity.

453 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
454 end taxable value of personal property that is:

455 (A) semiconductor manufacturing equipment assessed by a county assessor in
456 accordance with Part 3, County Assessment; and

457 (B) contained on the prior year's tax rolls of the taxing entity.

458 (c) "Centrally assessed benchmark value" means an amount equal to the highest year
459 end taxable value of real and personal property the commission assesses in accordance with
460 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
461 2015, adjusted for taxable value attributable to:

462 (i) an annexation to a taxing entity; or
463 (ii) an incorrect allocation of taxable value of real or personal property the commission
464 assesses in accordance with Part 2, Assessment of Property.

465 (d) (i) "Centrally assessed new growth" means the greater of:

466 (A) zero; or

467 (B) the amount calculated by subtracting the centrally assessed benchmark value
468 adjusted for prior year end incremental value from the taxable value of real and personal
469 property the commission assesses in accordance with Part 2, Assessment of Property, for the
470 current year, adjusted for current year incremental value.

471 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
472 change in the method of apportioning the value prescribed by the Legislature, a court, or the
473 commission in an administrative rule or administrative order.

474 (e) "Certified tax rate" means a tax rate that will provide the same ad valorem property
475 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

476 (f) "Eligible new growth" means the greater of:

477 (i) zero; or

478 (ii) the sum of:

479 (A) locally assessed new growth;

480 (B) centrally assessed new growth; and

481 (C) project area new growth.

482 (g) "Incremental value" means the same as that term is defined in Section [17C-1-102](#).

483 (h) (i) "Locally assessed new growth" means the greater of:

484 (A) zero; or

485 (B) the amount calculated by subtracting the year end taxable value of real property the
486 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
487 adjusted for prior year end incremental value from the taxable value of real property the county
488 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
489 for current year incremental value.

490 (ii) "Locally assessed new growth" does not include a change in:

491 (A) value as a result of factoring in accordance with Section [59-2-704](#), reappraisal, or
492 another adjustment;

493 (B) assessed value based on whether a property is allowed a residential exemption for a
494 primary residence under Section 59-2-103;

495 (C) assessed value based on whether a property is assessed under Part 5, Farmland
496 Assessment Act; or

497 (D) assessed value based on whether a property is assessed under Part 17, Urban
498 Farming Assessment Act.

499 (i) "Project area" means the same as that term is defined in Section 17C-1-102.

500 (j) "Project area new growth" means an amount equal to the incremental value that is
501 no longer provided to an agency as tax increment.

502 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
503 county auditor and the commission the following statements:

504 (a) a statement containing the aggregate valuation of all taxable real property a county
505 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

506 (b) a statement containing the taxable value of all personal property a county assessor
507 assesses in accordance with Part 3, County Assessment, from the prior year end values.

508 (3) The county auditor shall, on or before June 8, transmit to the governing body of
509 each taxing entity:

510 (a) the statements described in Subsections (2)(a) and (b);

511 (b) an estimate of the revenue from personal property;

512 (c) the certified tax rate; and

513 (d) all forms necessary to submit a tax levy request.

514 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
515 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
516 prior year by the amount calculated under Subsection (4)(b).

517 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
518 calculate an amount as follows:

519 (i) calculate for the taxing entity the difference between:

520 (A) the aggregate taxable value of all property taxed; and

521 (B) any adjustments for current year incremental value;

522 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
523 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the

524 average of the percentage net change in the value of taxable property for the equalization
525 period for the three calendar years immediately preceding the current calendar year;
526 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
527 of:
528 (A) the amount calculated under Subsection (4)(b)(ii); and
529 (B) the percentage of property taxes collected for the five calendar years immediately
530 preceding the current calendar year; and
531 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount
532 determined by:
533 (A) multiplying the percentage of property taxes collected for the five calendar years
534 immediately preceding the current calendar year by eligible new growth; and
535 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount
536 calculated under Subsection (4)(b)(iii).
537 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be
538 calculated as follows:
539 (a) except as provided in Subsection (5)(b), for a new taxing entity, the certified tax
540 rate is zero;
541 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
542 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
543 services under Sections 17-34-1 and 17-36-9; and
544 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
545 purposes and such other levies imposed solely for the municipal-type services identified in
546 Section 17-34-1 and Subsection 17-36-3(22); and
547 (c) for debt service voted on by the public, the certified tax rate is the actual levy
548 imposed by that section, except that a certified tax rate for the following levies shall be
549 calculated in accordance with Section 59-2-913 and this section:
550 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
551 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative
552 orders under Section 59-2-1602.
553 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
554 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more

555 eligible judgments.

556 (b) The ad valorem property tax revenue generated by a judgment levy described in
557 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
558 rate.

559 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

560 (i) the taxable value of real property:

561 (A) the county assessor assesses in accordance with Part 3, County Assessment; and

562 (B) contained on the assessment roll;

563 (ii) the year end taxable value of personal property:

564 (A) a county assessor assesses in accordance with Part 3, County Assessment; and

565 (B) contained on the prior year's assessment roll; and

566 (iii) the taxable value of real and personal property the commission assesses in

567 accordance with Part 2, Assessment of Property.

568 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
569 growth.

570 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

571 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
572 notify the county auditor of:

573 (i) the taxing entity's intent to exceed the certified tax rate; and

574 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

575 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
576 exceeds the certified tax rate plus inflation in accordance with Sections [59-2-919](#) and

577 [59-2-919.1](#).

578 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
579 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
580 Committee if:

581 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
582 taxable value of the real and personal property the commission assesses in accordance with
583 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
584 value; and

585 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end

586 taxable value of the real and personal property of a taxpayer the commission assesses in
587 accordance with Part 2, Assessment of Property, for the previous year.

588 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
589 subtracting the taxable value of real and personal property the commission assesses in
590 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
591 incremental value, from the year end taxable value of the real and personal property the
592 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
593 adjusted for prior year end incremental value.

594 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
595 subtracting the total taxable value of real and personal property of a taxpayer the commission
596 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
597 year end taxable value of the real and personal property of a taxpayer the commission assesses
598 in accordance with Part 2, Assessment of Property, for the previous year.

599 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
600 the requirement under Subsection (9)(a)(ii).

601 Section 8. **Effective date.**

602 This bill takes effect on January 1, 2020.