

1 **TRUTH IN TAXATION HEARINGS**

2 1998 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Raymond W. Short**

5 A. Lamont Tyler

6 AN ACT RELATING TO THE PROPERTY TAX ACT; REQUIRING A TAXING TO HOLD
7 TRUTH IN TAXATION HEARINGS BEGINNING AT OR AFTER 6 P.M.; MAKING
8 TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **59-2-918**, as last amended by Chapter 292, Laws of Utah 1997

12 **59-2-919**, as last amended by Chapter 292, Laws of Utah 1997

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

14 Section 1. Section **59-2-918** is amended to read:

15 **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

16 (1) A taxing entity may not budget an increased amount of ad valorem tax revenue
17 exclusive of revenue from new growth as defined in Subsection 59-2-924(2) unless it advertises
18 its intention to do so at the same time that it advertises its intention to fix its budget for the
19 forthcoming fiscal year.

20 (2) (a) For taxing entities operating under a July 1 through June 30 fiscal year, the
21 advertisement required by this section may be combined with the advertisement required by
22 Section 59-2-919.

23 (b) For taxing entities operating under a January 1 through December 31 fiscal year, the
24 advertisement shall meet the size, type, placement, and frequency requirements established under
25 Section 59-2-919.

26 (3) The form of the advertisement shall meet the size, type, placement, and frequency
27 requirements established under Section 59-2-919 and shall be substantially as follows:

"NOTICE OF PROPOSED TAX INCREASE

The (name of the taxing entity) is proposing to increase its property tax revenue. As a result of the proposed increase, the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence will be \$_____, and the tax on a business having the same value as the average value of a residence in the taxing entity will be_____. Without the proposed increase the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would be \$_____, and the tax on a business having the same value as the average value of a residence in the taxing entity would be_____. The (name of the taxing entity) is proposing to increase its property tax revenue from \$_____ collected last year to \$_____ proposed this year, an increase of _____%.

All concerned citizens are invited to a public hearing on the tax increase to be held on (date and time) at (meeting place)."

(4) If a final decision regarding the budgeting of an increased amount of ad valorem tax revenue is not made at the public hearing, the taxing entity shall announce at the public hearing the scheduled time and place for consideration and adoption of the proposed budget increase.

(5) (a) Each taxing entity operating under the January 1 through December 31 fiscal year shall by March 1 notify the county of the date, time, and place of the public hearing at which the budget for the following fiscal year will be considered.

(b) The county shall include [that] the information described in Subsection (5)(a) with the tax notice.

(6) A taxing entity shall hold a public hearing under this section beginning at or after 6 p.m.

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

59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of personal mailed notice -- Hearing -- Dates.

A tax rate in excess of the certified tax rate may not be levied until a resolution has been approved by the taxing entity in accordance with the following procedure:

(1) (a) The taxing entity shall advertise its intent to exceed the certified tax rate in a newspaper or combination of newspapers of general circulation in the taxing entity.

1 (b) The advertisement shall be no less than 1/4 page in size and the type used shall be no
2 smaller than 18 point, and surrounded by a 1/4-inch border.

3 (c) The advertisement may not be placed in that portion of the newspaper where legal
4 notices and classified advertisements appear.

5 (d) It is legislative intent that, whenever possible, the advertisement appear in a newspaper
6 that is published at least one day per week.

7 (e) It is further the intent of the Legislature that the newspaper or combination of
8 newspapers selected be of general interest and readership in the taxing entity, and not of limited
9 subject matter.

10 (f) The advertisement shall be run once each week for the two weeks preceding the
11 adoption of the final budget.

12 (g) The advertisement shall state that the taxing entity will meet on a certain day, time, and
13 place fixed in the advertisement, which shall be not less than seven days after the day the first
14 advertisement is published, for the purpose of hearing comments regarding any proposed increase
15 and to explain the reasons for the proposed increase.

16 (h) The meeting on the proposed increase may coincide with the hearing on the proposed
17 budget of the taxing entity.

18 (2) The form and content of the notice shall be substantially as follows:

19 "NOTICE OF PROPOSED TAX INCREASE

20 The (name of the taxing entity) is proposing to increase its property tax revenue. As a
21 result of the proposed increase, the tax on a (insert the average value of a residence in the taxing
22 entity rounded to the nearest thousand dollars) residence will be \$_____, and the tax on a
23 business having the same value as the average value of a residence in the taxing entity will be
24 \$_____. Without the proposed increase the tax on a (insert the average value of a residence
25 in the taxing entity rounded to the nearest thousand dollars) residence would be \$_____, and
26 the tax on a business having the same value as the average value of a residence in the taxing entity
27 would be \$_____. The (name of the taxing entity) is proposing to increase its property tax
28 revenue from \$_____ collected last year to \$_____ proposed this year, an increase of
29 _____%.

30 The (insert year) proposed tax rate is _____. Without the proposed increase the rate
31 would be _____.

1 All concerned citizens are invited to a public hearing on the tax increase to be held on (date
2 and time) at (meeting place)."

3 (3) The commission shall adopt rules governing the joint use of one advertisement under
4 this section or Section 59-2-918 by two or more taxing entities and may, upon petition by any
5 taxing entity, authorize either:

6 (a) the use of weekly newspapers in counties having both daily and weekly newspapers
7 where the weekly newspaper would provide equal or greater notice to the taxpayer; or

8 (b) the use of a commission-approved direct notice to each taxpayer if the cost of the
9 advertisement would cause undue hardship and the direct notice is different and separate from that
10 provided for in Subsection (4).

11 (4) In addition to providing the notice required by Subsections (1) and (2), the county
12 auditor, on or before July 22 of each year, shall notify, by mail, each owner of real estate as
13 defined in Section 59-2-102 who is listed on the assessment roll. The notice shall:

14 (a) be sent to all owners of real property by mail not less than ten days before the day on
15 which:

16 (i) the county board of equalization meets; and

17 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax
18 rate;

19 (b) the notice shall be printed on a form that is:

20 (i) approved by the commission; and

21 (ii) uniform in content in all counties in the state;

22 (c) contain for each property:

23 (i) the value of the property;

24 (ii) the date the county board of equalization will meet to hear complaints on the valuation;

25 (iii) itemized tax information for all taxing entities, including a separate statement for the
26 minimum school levy under Section 53A-17a-135 stating:

27 (A) the dollar amount the taxpayer would have paid based on last year's rate; and

28 (B) the amount of the taxpayer's liability under the current rate;

29 (iv) the tax impact on the property;

30 (v) the time and place of the required public hearing for each entity;

31 (vi) property tax information pertaining to taxpayer relief, options for payment of taxes,

1 and collection procedures;

2 (vii) other information specifically authorized to be included on the notice under Title 59,
3 Chapter 2, Property Tax Act; and

4 (viii) other property tax information approved by the commission.

5 (5) (a) The taxing entity, after ~~[the]~~ holding a hearing ~~[has been held in accordance with~~
6 ~~the above procedures]~~ as provided in this section, may adopt a resolution levying a tax rate in
7 excess of the certified tax rate.

8 (b) If ~~[the]~~ a resolution adopting ~~[the]~~ a tax rate is not adopted on the day of the public
9 hearing, the scheduled time and place for consideration and adoption of the resolution shall be
10 announced at the public hearing.

11 (c) If ~~[the]~~ a resolution adopting a tax rate is to be considered at a day and time that is
12 more than two weeks after the public hearing described in Subsection (4)(c)(v), the taxing entity
13 shall advertise the date of the proposed adoption of the resolution in the same manner as provided
14 under Subsections (1) and (2).

15 (6) (a) All hearings shall be open to the public.

16 (b) The governing body of ~~[the]~~ a taxing entity conducting ~~[the]~~ a hearing shall permit all
17 interested parties desiring to be heard an opportunity to present oral testimony within reasonable
18 time limits.

19 (7) (a) Each taxing entity shall notify the county legislative body by March 1 of each year
20 of the date, time, and place of its public hearing.

21 (b) A taxing entity may not schedule its hearing at the same time as another overlapping
22 taxing entity in the same county, but all taxing entities in which the power to set tax levies is
23 vested in the same governing board or authority may consolidate the required hearings into one
24 hearing.

25 (c) The county legislative body shall resolve any conflicts in hearing dates and times after
26 consultation with each affected taxing entity.

27 (8) A taxing entity shall hold a public hearing under this section beginning at or after 6
28 p.m.

29 **Section 3. Effective date.**

30 This act takes effect on January 1, 1999.

Legislative Review Note
as of 12-1-97 10:06 AM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Committee Note

The Revenue and Taxation Interim Committee recommended this bill.