

1                                   **CERTIFIED TAX RATE NOTICE AMENDMENT**

2   1999 GENERAL SESSION

3   STATE OF UTAH

4   **Sponsor: A. Lamont Tyler**

5 AN ACT RELATING TO TAXATION; PROVIDING ADDITIONAL INFORMATION ON THE  
6 CERTIFIED TAX RATE NOTICE ABOUT THE IMPACT OF A PROPOSED TAX  
7 INCREASE ON AN AVERAGE RESIDENCE.

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

9 AMENDS:

10           **59-2-918**, as last amended by Chapters 5 and 306, Laws of Utah 1998

11           **59-2-919**, as last amended by Chapters 5 and 306, Laws of Utah 1998

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

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

14           **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

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

19           (b) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the  
20 advertisement requirements of this section if the taxing entity collected less than \$15,000 in ad  
21 valorem tax revenues for the previous fiscal year.

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

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

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

30 "NOTICE OF PROPOSED TAX INCREASE

31 The (name of the taxing entity) is proposing to increase its property tax revenue. As a  
32 result of the proposed increase, the tax on a (insert the average value of a residence in the taxing  
33 entity rounded to the nearest thousand dollars) residence will be \$\_\_\_\_\_, and the tax on a  
34 business having the same value as the average value of a residence in the taxing entity will  
35 be\_\_\_\_\_. Without the proposed increase, the tax on a (insert the average value of a  
36 residence in the taxing entity rounded to the nearest thousand dollars) residence would be  
37 \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence  
38 in the taxing entity would be\_\_\_\_\_. [~~The (name of the taxing entity) is proposing to increase  
39 its property tax revenue from \$\_\_\_\_\_ collected last year to \$\_\_\_\_\_ proposed this year,  
40 an increase of \_\_\_\_\_%.~~]

41 This would be an increase of \_\_\_\_\_%, which is \$\_\_\_\_\_ per year (\$\_\_\_\_\_ per month)  
42 on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand  
43 dollars) residence or \$\_\_\_\_\_ per year on a business having the same value as the average value  
44 of a residence in the taxing entity. With this property tax increase, new growth and other factors,  
45 (name of taxing entity) will increase its property tax revenue from \$\_\_\_\_\_ collected last year to  
46 \$\_\_\_\_\_, or \_\_\_\_\_%.

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

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

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

55 (b) The county shall include the information described in Subsection (5)(a) with the tax  
56 notice.

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

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

60 **59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of**  
61 **proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of**  
62 **personal mailed notice -- Hearing -- Dates.**

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

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

67 (ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the  
68 advertisement requirements of this section if the taxing entity collected less than \$15,000 in ad  
69 valorem tax revenues for the previous fiscal year.

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

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

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

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

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

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

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

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

88 "NOTICE OF PROPOSED TAX INCREASE

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

90 result of the proposed increase, the tax on a (insert the average value of a residence in the taxing  
 91 entity rounded to the nearest thousand dollars) residence will be \$\_\_\_\_\_, and the tax on a  
 92 business having the same value as the average value of a residence in the taxing entity will be  
 93 \$\_\_\_\_\_. Without the proposed increase the tax on a (insert the average value of a residence  
 94 in the taxing entity rounded to the nearest thousand dollars) residence would be \$\_\_\_\_\_, and  
 95 the tax on a business having the same value as the average value of a residence in the taxing entity  
 96 would be \$\_\_\_\_\_. [The (name of the taxing entity) is proposing to increase its property tax  
 97 revenue from \$\_\_\_\_\_ collected last year to \$\_\_\_\_\_ proposed this year, an increase of  
 98 \_\_\_\_\_%].

99 The (insert year) proposed tax rate is \_\_\_\_\_. Without the proposed increase, the rate  
 100 would be \_\_\_\_\_. This would be an increase of \_\_\_\_\_%, which is \$\_\_\_\_\_ per year  
 101 (\$\_\_\_\_\_ per month) on a (insert the average value of a residence in the taxing entity rounded to  
 102 the nearest thousand dollars) residence or \$\_\_\_\_\_ per year on a business having the same value  
 103 as the average value of a residence in the taxing entity. With this property tax increase, new  
 104 growth and other factors, (name of taxing entity) will increase its property tax revenue from  
 105 \$\_\_\_\_\_ collected last year to \$\_\_\_\_\_, or \_\_\_\_\_%.

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

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

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

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

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

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

- 121 (i) the county board of equalization meets; and  
122 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax  
123 rate;
- 124 (b) the notice shall be printed on a form that is:
- 125 (i) approved by the commission; and  
126 (ii) uniform in content in all counties in the state;
- 127 (c) contain for each property:
- 128 (i) the value of the property;  
129 (ii) the date the county board of equalization will meet to hear complaints on the valuation;  
130 (iii) itemized tax information for all taxing entities, including a separate statement for the  
131 minimum school levy under Section 53A-17a-135 stating:
- 132 (A) the dollar amount the taxpayer would have paid based on last year's rate; and  
133 (B) the amount of the taxpayer's liability under the current rate;
- 134 (iv) the tax impact on the property;  
135 (v) the time and place of the required public hearing for each entity;  
136 (vi) property tax information pertaining to taxpayer relief, options for payment of taxes,  
137 and collection procedures;
- 138 (vii) other information specifically authorized to be included on the notice under Title 59,  
139 Chapter 2, Property Tax Act; and  
140 (viii) other property tax information approved by the commission.
- 141 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt a  
142 resolution levying a tax rate in excess of the certified tax rate.
- 143 (b) If a resolution adopting a tax rate is not adopted on the day of the public hearing, the  
144 scheduled time and place for consideration and adoption of the resolution shall be announced at  
145 the public hearing.
- 146 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more than  
147 two weeks after the public hearing described in Subsection (4)(c)(v), a taxing entity, other than a  
148 taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the proposed adoption  
149 of the resolution in the same manner as provided under Subsections (1) and (2).
- 150 (6) (a) All hearings shall be open to the public.
- 151 (b) The governing body of a taxing entity conducting a hearing shall permit all interested

152 parties desiring to be heard an opportunity to present oral testimony within reasonable time limits.

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

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

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

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

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**Legislative Review Note**  
**as of 11-25-98 2:48 PM**

A limited legal review of this legislation 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.