

1 **PROPERTY TAX - TRUTH IN TAXATION**

2 **AMENDMENTS**

3 2002 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Max W. Young**

6 **This act modifies the Property Tax Act by providing that taxing entities operating on a**
7 **January 1 through December 31 fiscal year are only required to publish one advertisement**
8 **rather than two advertisements before budgeting an increased amount of property tax**
9 **revenue, and making technical changes.**

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

11 AMENDS:

12 **17-34-3**, as last amended by Chapters 107 and 258, Laws of Utah 2001

13 **17A-1-412**, as last amended by Chapter 145, Laws of Utah 1997

14 **53A-19-105**, as last amended by Chapter 309, Laws of Utah 1997

15 **59-2-906.1**, as last amended by Chapter 133, Laws of Utah 2001

16 **59-2-906.3**, as last amended by Chapter 292, Laws of Utah 1997

17 **59-2-911**, as last amended by Chapter 292, Laws of Utah 1997

18 **59-2-918**, as last amended by Chapter 127, Laws of Utah 1999

19 **59-2-918.5**, as last amended by Chapter 61, Laws of Utah 2000

20 **59-2-919**, as last amended by Chapter 127, Laws of Utah 1999

21 **59-2-921**, as last amended by Chapter 2, Laws of Utah 1997, Second Special Session

22 **59-2-924**, as last amended by Chapters 133, 195 and 258, Laws of Utah 2001

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

24 Section 1. Section **17-34-3** is amended to read:

25 **17-34-3. Taxes or service charges.**

26 (1) (a) If a county furnishes the municipal-type services and functions described in Section
27 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the entire cost of



28 the services or functions so furnished shall be defrayed from funds that the county has derived
29 from:

30 (i) taxes that the county may lawfully levy or impose outside the limits of incorporated
31 towns or cities;

32 (ii) service charges or fees the county may impose upon the persons benefited in any way
33 by the services or functions; or

34 (iii) a combination of these sources.

35 (b) As the taxes or service charges or fees are levied and collected, they shall be placed in
36 a special revenue fund of the county and shall be disbursed only for the rendering of the services
37 or functions established in Section 17-34-1 within the unincorporated areas of the county.

38 (2) For the purpose of levying taxes, service charges, or fees provided in this section, the
39 county legislative body may establish a district or districts in the unincorporated areas of the
40 county.

41 (3) Nothing contained in this chapter may be construed to authorize counties to impose
42 or levy taxes not otherwise allowed by law.

43 (4) (a) A county required under Subsection 17-34-1(4) to provide advanced life support
44 and paramedic services to the unincorporated area of the county and that previously paid for those
45 services through a countywide levy may increase its levy under Subsection (1)(a)(i) to generate in
46 the unincorporated area of the county the same amount of revenue as the county loses from that
47 area due to the required decrease in the countywide certified tax rate under Subsection
48 59-2-924(2)(k)(i).

49 (b) An increase in tax rate under Subsection (4)(a) is exempt from the notice requirements
50 of Section 59-2-919 and the hearing requirements of Sections 59-2-918 and 59-2-919.

51 Section 2. Section **17A-1-412** is amended to read:

52 **17A-1-412. Hearing to consider adoption.**

53 (1) At the meeting at which the tentative budget is adopted, the governing body shall
54 establish the time and place of a public hearing to consider its adoption and shall order that notice
55 of the hearing be published at least seven days prior to the hearing in at least one issue of a
56 newspaper of general circulation published in the county or counties in which the district is
57 located. If no newspaper is published, the notice required by this section may be posted in three
58 public places within the district.

59 (2) If the budget hearing is held in conjunction with a tax increase hearing, the notice shall
60 be published in accordance with [~~Sections 59-2-918 and~~] Section 59-2-919.

61 Section 3. Section **53A-19-105** is amended to read:

62 **53A-19-105. School district interfund transfers.**

63 (1) A school district shall spend revenues only within the fund for which they were
64 originally authorized, levied, collected, or appropriated.

65 (2) Except as otherwise provided in this section, school district interfund transfers of
66 residual equity are prohibited.

67 (3) The State Board of Education may authorize school district interfund transfers of
68 residual equity when a district states its intent to create a new fund or expand, contract, or liquidate
69 an existing fund.

70 (4) The State Board of Education may also authorize school district interfund transfers of
71 residual equity for a financially distressed district if the board determines the following:

72 (a) the district has a significant deficit in its maintenance and operations fund caused by
73 circumstances not subject to the administrative decisions of the district;

74 (b) the deficit cannot be reasonably reduced under Section 53A-19-104; and

75 (c) without the transfer, the school district will not be capable of meeting statewide
76 educational standards adopted by the State Board of Education.

77 (5) The board shall develop standards for defining and aiding financially distressed school
78 districts under this section in accordance with Title 63, Chapter 46a, Utah Administrative
79 Rulemaking Act.

80 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded
81 and reported in the debt service fund.

82 (b) Debt service levies under Subsection 59-2-924(2)(a)(iv)(C) that are not subject to the
83 certified tax rate hearing requirements of [~~Sections 59-2-918 and~~] Section 59-2-919 may not be
84 used for any purpose other than retiring general obligation debt.

85 (c) Amounts from these levies remaining in the debt service fund at the end of a fiscal year
86 shall be used in subsequent years for general obligation debt retirement.

87 (d) Any amounts left in the debt service fund after all general obligation debt has been
88 retired may be transferred to the capital projects fund upon completion of the budgetary hearing
89 process required under Section 53A-19-102.

90 Section 4. Section **59-2-906.1** is amended to read:

91 **59-2-906.1. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
92 **Additional county levy permitted.**

93 (1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by a
94 multicounty assessing and collecting levy not to exceed .0003 as provided in Subsection (2).

95 (b) The multicounty assessing and collecting levy under Subsection (1)(a) shall be imposed
96 annually by each county in the state.

97 (c) The purpose of the multicounty assessing and collecting levy created under Subsection
98 (1)(a) and the disbursement formulas established in Section 59-2-906.2 is to promote the accurate
99 valuation of property, the establishment and maintenance of uniform assessment levels within and
100 among counties, and the efficient administration of the property tax system, including the costs of
101 assessment, collection, and distribution of property taxes.

102 (d) Income derived from the investment of money in the fund created in this Subsection
103 (1) shall be deposited in and become part of the fund.

104 (2) (a) Except as authorized in Subsection (2)(b), beginning in fiscal year 1996-97 to fund
105 the Property Tax Valuation Agency Fund the Legislature shall authorize the amount of the
106 multicounty assessing and collecting levy, except that the multicounty assessing and collecting
107 levy may not exceed the certified revenue levy as defined in Section 53A-17a-103.

108 (b) If the Legislature authorizes a multicounty assessing and collecting levy that exceeds
109 the certified revenue levy, it is subject to the notice requirements of Section 59-2-926.

110 (c) For the calendar year beginning on January 1, 1998, and ending December 31, 1998,
111 the certified revenue levy shall be increased by the amount necessary to offset the decrease in
112 revenues from uniform fees on tangible personal property under Section 59-2-405 as a result of
113 the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by the
114 Legislature during the 1997 Annual General Session.

115 (d) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999,
116 the certified revenue levy shall be adjusted by the amount necessary to offset the adjustment in
117 revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result of
118 the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted by
119 the Legislature during the 1998 Annual General Session.

120 (3) (a) The multicounty assessing and collecting levy authorized by the Legislature under

121 Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and collecting
122 levy.

123 (b) The multicounty assessing and collecting levy authorized by the Legislature under
124 Subsection (2) is:

125 (i) exempt from the redevelopment provisions of Sections 17B-4-1003 and 17B-4-1004;

126 (ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908;

127 and

128 (iii) exempt from the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

129 (c) Each county shall transmit quarterly to the state treasurer the portion of the .0003
130 multicounty assessing and collecting levy which is above the amount to which that county is
131 entitled to under Section 59-2-906.2.

132 (i) The revenue shall be transmitted no later than the tenth day of the month following the
133 end of the quarter in which the revenue is collected.

134 (ii) If revenue is transmitted after the tenth day of the month following the end of the
135 quarter in which the revenue is collected, the county shall pay an interest penalty at the rate of 10%
136 each year until the revenue is transmitted.

137 (d) The state treasurer shall deposit the revenue from the multicounty assessing and
138 collecting levy, any interest accrued from that levy, and any penalties received under Subsection
139 (3)(c) in the Property Tax Valuation Agency Fund.

140 (4) Each county may levy an additional property tax up to .0002 per dollar of taxable value
141 of taxable property as reported by each county. This levy shall be stated on the tax notice as a
142 county assessing and collecting levy.

143 (a) The purpose of the levy established in this Subsection (4) is to promote the accurate
144 valuation of property, the establishment and maintenance of uniform assessment levels within and
145 among counties, and the efficient administration of the property tax system, including the costs of
146 assessment, collection, and distribution of property taxes.

147 (b) Any levy established in Subsection (4)(a) is:

148 (i) exempt from the redevelopment provisions of Sections 17B-4-1003 and 17B-4-1004;

149 (ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908;

150 and

151 (iii) [~~is~~] subject to the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

152 Section 5. Section **59-2-906.3** is amended to read:

153 **59-2-906.3. Additional levies by counties.**

154 (1) Beginning January 1, 1994, a county may levy an additional tax to fund state mandated
155 actions to meet legislative mandates or judicial or administrative orders which relate to promoting
156 the accurate valuation of property, the establishment and maintenance of uniform assessment levels
157 within and among counties, and the administration of the property tax system. An additional rate
158 levied under this Subsection (1):

159 (a) shall be stated on the tax notice, and may be included on the tax notice with the county
160 assessing and collecting levy authorized under Subsection 59-2-906.1(4);

161 (b) may not be included in determining the maximum allowable levy for the county or
162 other taxing entities; and

163 (c) is subject to the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

164 (2) Beginning January 1, 1994, a county may levy an additional tax for reappraisal
165 programs that are formally adopted by the county commission and which conform to tax
166 commission rules. An additional rate levied under this Subsection (2):

167 (a) shall be stated on the tax notice, and may be included on the tax notice with the county
168 assessing and collecting levy authorized under Subsection 59-2-906.1(4);

169 (b) may not be included in determining the maximum allowable levy for the county or
170 other taxing entities; and

171 (c) is subject to the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

172 Section 6. Section **59-2-911** is amended to read:

173 **59-2-911. Exceptions to maximum levy limitation.**

174 (1) The maximum levies set forth in Section 59-2-908 do not apply to and do not include:

175 (a) levies made to pay outstanding judgment debts;

176 (b) levies made in any special improvement districts;

177 (c) levies made for extended services in any county service area;

178 (d) levies made for county library services;

179 (e) levies made to be used for storm water, flood, and water quality control;

180 (f) levies made to share disaster recovery expenses for public facilities and structures as
181 a condition of state assistance when a Presidential Declaration has been issued under the Disaster
182 Relief Act of 1974, 42 U.S.C. Sec. 5121;

183 (g) levies made to pay interest and provide for a sinking fund in connection with any
184 bonded or voter authorized indebtedness, including the bonded or voter authorized indebtedness
185 of county service areas, special service districts, and special improvement districts;

186 (h) levies made to fund local health departments;

187 (i) levies made to fund public transit districts;

188 (j) levies made to establish, maintain, and replenish special improvement guaranty funds;

189 (k) levies made in any special service district;

190 (l) levies made to fund municipal-type services to unincorporated areas of counties under
191 Title 17, Chapter 34, Municipal-type Services to Unincorporated Areas;

192 (m) levies made to fund the purchase of paramedic or ambulance facilities and equipment
193 and to defray administration, personnel, and other costs of providing emergency medical and
194 paramedic services, but this exception only applies to those counties in which a resolution setting
195 forth the intention to make those levies has been duly adopted by the county legislative body and
196 approved by a majority of the voters of the county voting at a special or general election;

197 (n) levies made to pay for the costs of state legislative mandates or judicial or
198 administrative orders under Section 59-2-906.3;

199 (o) the multicounty and county assessing and collecting levies made to promote accurate
200 property valuations, uniform assessment levels, and the efficient administration of the property tax
201 system under Section 59-2-906.1; and

202 (p) all other exceptions to the maximum levy limitation pursuant to statute.

203 (2) (a) Upon the retirement of bonds issued for the development of a convention complex
204 described in Section 17-12-4, and notwithstanding Section 59-2-908, any county of the first class
205 may continue to impose a property tax levy equivalent to the average property tax levy previously
206 imposed to pay debt service on those retired bonds.

207 (b) Notwithstanding that the imposition of the levy set forth in Subsection (2)(a) may not
208 result in an increased amount of ad valorem tax revenue, it is subject to the notice requirements
209 of [~~Sections 59-2-918 and~~] Section 59-2-919.

210 (c) The revenues from this continued levy shall be used only for the funding of convention
211 facilities as defined in Section 59-12-602.

212 Section 7. Section **59-2-918** is amended to read:

213 **59-2-918. Public budget hearings for taxing entities operating on a January 1**

214 through December 31 fiscal year -- Notice -- Contents -- -- Time of hearing.

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

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

222 ~~[(2) (a) For taxing entities operating under a July 1 through June 30 fiscal year, the~~
223 ~~advertisement required by this section may be combined with the advertisement required by~~
224 ~~Section 59-2-919.]~~

225 ~~[(b) For taxing entities operating under a January 1 through December 31 fiscal year, the~~
226 ~~advertisement shall meet the size, type, placement, and frequency requirements established under~~
227 ~~Section 59-2-919.]~~

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

230 ["NOTICE OF PROPOSED TAX INCREASE]

231 ~~[The (name of the taxing entity) is proposing to increase its property tax revenue. As a~~
232 ~~result of the proposed increase, the tax on a (insert the average value of a residence in the taxing~~
233 ~~entity rounded to the nearest thousand dollars) residence will be \$_____, and the tax on a~~
234 ~~business having the same value as the average value of a residence in the taxing entity will~~
235 ~~be_____.~~ Without the proposed increase, the tax on a (insert the average value of a
236 residence in the taxing entity rounded to the nearest thousand dollars) residence would be
237 \$_____, and the tax on a business having the same value as the average value of a residence
238 in the taxing entity would be_____.]

239 ~~[This would be an increase of _____%, which is \$_____ per year (\$_____ per month)~~
240 ~~on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand~~
241 ~~dollars) residence or \$_____ per year on a business having the same value as the average value~~
242 ~~of a residence in the taxing entity. With new growth, this property tax increase, and other factors,~~
243 ~~(name of taxing entity) will increase its property tax revenue from \$_____ collected last year to~~
244 ~~\$_____ collected this year which is a revenue increase of _____%.]~~

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

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

250 [(5)] (1) (a) Each taxing entity operating under [the] a January 1 through December 31
251 fiscal year shall by March 1 notify the county of the date, time, and place of the public hearing at
252 which the budget for the following fiscal year will be considered.

253 (b) The county shall include the information described in Subsection [(5)] (1)(a) with the
254 tax notice described in Subsection 59-2-919(4).

255 [(6)] (2) A taxing entity shall hold a public hearing under this section beginning at or after
256 6 p.m.

257 Section 8. Section **59-2-918.5** is amended to read:

258 **59-2-918.5. Hearings on judgment levies -- Advertisement.**

259 (1) A taxing entity may not impose a judgment levy unless it first advertises its intention
260 to do so and holds a public hearing in accordance with the requirements of this section.

261 (2) (a) The advertisement required by this section may be combined with the advertisement
262 required by [~~either Section 59-2-918 or~~] Section 59-2-919.

263 (b) The advertisement shall be at least 1/8 of a page in size and shall meet the type,
264 placement, and frequency requirements established under Section 59-2-919.

265 (c) (i) For taxing entities operating under a July 1 through June 30 fiscal year the public
266 hearing shall be held at the same time as the hearing at which the annual budget is adopted.

267 (ii) For taxing entities operating under a January 1 through December 31 fiscal year:

268 (A) for eligible judgments issued from June 1 through December 15, the public hearing
269 shall be held at the same time as the hearing at which the annual budget is adopted; and

270 (B) for eligible judgments issued from December 16 through May 31, the public hearing
271 shall be held at the same time as the hearing at which property tax levies are set.

272 (3) The advertisement shall specify the date, time, and location of the public hearing at
273 which the levy will be considered and shall set forth the total amount of the eligible judgment and
274 the tax impact on an average residential and business property located within the taxing entity.

275 (4) If a final decision regarding the judgment levy is not made at the public hearing, the

276 taxing entity shall announce at the public hearing the scheduled time and place for consideration
277 and adoption of the judgment levy.

278 (5) The date, time, and place of public hearings required by Subsections [~~59-2-918.5~~]
279 (2)(c)(i) and [~~59-2-918.5~~](2)(c)(ii)(B) shall be included on the notice mailed to property owners
280 pursuant to Subsection 59-2-919(4).

281 Section 9. Section **59-2-919** is amended to read:

282 **59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of**
283 **proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of**
284 **personal mailed notice -- Hearing -- Dates -- Time of hearing.**

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

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

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

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

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

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

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

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

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

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

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

310 "NOTICE OF PROPOSED TAX INCREASE

311 The (name of the taxing entity) is proposing to increase its property tax revenue. As a
312 result of the proposed increase, the tax on a (insert the average value of a residence in the taxing
313 entity rounded to the nearest thousand dollars) residence will be \$_____, and the tax on a
314 business having the same value as the average value of a residence in the taxing entity will be
315 \$_____. Without the proposed increase the tax on a (insert the average value of a residence
316 in the taxing entity rounded to the nearest thousand dollars) residence would be \$_____, and
317 the tax on a business having the same value as the average value of a residence in the taxing entity
318 would be \$_____..

319 The (insert year) proposed tax rate is _____. Without the proposed increase, the rate
320 would be _____. This would be an increase of _____%, which is \$_____ per year
321 (\$_____ per month) on a (insert the average value of a residence in the taxing entity rounded to
322 the nearest thousand dollars) residence or \$_____ per year on a business having the same value
323 as the average value of a residence in the taxing entity. With new growth, this property tax
324 increase, and other factors, (name of taxing entity) will increase its property tax revenue from
325 \$_____ collected last year to \$_____ collected this year which is a revenue increase of _____%.

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

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

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

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

336 (4) In addition to providing the notice required by Subsections (1) and (2), the county
337 auditor, on or before July 22 of each year, shall notify, by mail, each owner of real estate as defined

338 in Section 59-2-102 who is listed on the assessment roll. The notice shall:

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

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

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

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

345 (i) approved by the commission; and

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

347 (c) contain for each property:

348 (i) the value of the property;

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

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

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

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

354 (iv) the tax impact on the property;

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

356 (vi) property tax information pertaining to taxpayer relief, options for payment of taxes,
357 and collection procedures;

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

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

361 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt a
362 resolution levying a tax rate in excess of the certified tax rate.

363 (b) If a resolution adopting a tax rate is not adopted on the day of the public hearing, the
364 scheduled time and place for consideration and adoption of the resolution shall be announced at
365 the public hearing.

366 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more than
367 two weeks after the public hearing described in Subsection (4)(c)(v), a taxing entity, other than a
368 taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the proposed adoption

369 of the resolution in the same manner as provided under Subsections (1) and (2).

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

371 (b) The governing body of a taxing entity conducting a hearing shall permit all interested
372 parties desiring to be heard an opportunity to present oral testimony within reasonable time limits.

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

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

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

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

383 Section 10. Section **59-2-921** is amended to read:

384 **59-2-921. Changes in assessment roll -- Rate adjustments -- Notice.**

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

- 389 (a) a change in the taxing entity's assessment roll; and
- 390 (b) a change in the taxing entity's adopted tax rate.

391 (2) A taxing entity is not required to comply with the public hearing and advertisement
392 requirements of [~~Sections 59-2-918 and~~ Section 59-2-919 if the commission, the county board of
393 equalization, or a court of competent jurisdiction:

- 394 (a) changes a taxing entity's adopted tax rate; or
- 395 (b) (i) makes a reduction in the taxing entity's assessment roll; and
- 396 (ii) the taxing entity adopts by resolution an increase in its tax rate above the certified tax
397 rate as a result of the reduction under Subsection (2)(b)(i).

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

- 399 (a) a taxing entity shall be:

- 400 (i) made by the county auditor;
- 401 (ii) aggregated;
- 402 (iii) reported by the county auditor to the commission; and
- 403 (iv) certified by the commission; and
- 404 (b) the state shall be made by the commission.

405 Section 11. Section **59-2-924** is amended to read:

406 **59-2-924. Report of valuation of property to county auditor and commission --**
407 **Transmittal by auditor to governing bodies -- Certified tax rate -- Adoption of tentative**
408 **budget.**

409 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to the
410 county auditor and the commission the following statements:

411 (i) a statement containing the aggregate valuation of all taxable property in each taxing
412 entity; and

413 (ii) a statement containing the taxable value of any additional personal property estimated
414 by the county assessor to be subject to taxation in the current year.

415 (b) The county auditor shall, on or before June 8, transmit to the governing body of each
416 taxing entity:

417 (i) the statements described in Subsections (1)(a)(i) and (ii);

418 (ii) an estimate of the revenue from personal property;

419 (iii) the certified tax rate; and

420 (iv) all forms necessary to submit a tax levy request.

421 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad valorem
422 property tax revenues for a taxing entity as were collected by that taxing entity for the prior year.

423 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not include:

424 (A) collections from redemptions;

425 (B) interest; and

426 (C) penalties.

427 (iii) Except as provided in Subsection (2)(a)(iv), the certified tax rate shall be calculated
428 by dividing the ad valorem property tax revenues collected for the prior year by the taxing entity
429 by the taxable value established in accordance with Section 59-2-913.

430 (iv) The certified tax rates for the taxing entities described in this Subsection (2)(a)(iv)

431 shall be calculated as follows:

432 (A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified tax
433 rate is zero;

434 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

435 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
436 services under Sections 17-34-1 and 17-36-9; and

437 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
438 purposes and such other levies imposed solely for the municipal-type services identified in Section
439 17-34-1 and Subsection 17-36-3(22);

440 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy
441 imposed by that section, except that the certified tax rates for the following levies shall be
442 calculated in accordance with Section 59-2-913 and this section:

443 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
444 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

445 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
446 orders under Section 59-2-906.3.

447 (v) (A) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall be
448 established at that rate which is sufficient to generate only the revenue required to satisfy one or
449 more eligible judgments, as defined in Section 59-2-102.

450 (B) The ad valorem property tax revenue generated by the judgment levy shall not be
451 considered in establishing the taxing entity's aggregate certified tax rate.

452 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use the
453 taxable value of property on the assessment roll.

454 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the assessment
455 roll does not include new growth as defined in Subsection (2)(b)(iii).

456 (iii) "New growth" means:

457 (A) the difference between the increase in taxable value of the taxing entity from the
458 previous calendar year to the current year; minus

459 (B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

460 (iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

461 (A) the amount of increase to locally assessed real property taxable values resulting from

462 factoring, reappraisal, or any other adjustments; or

463 (B) the amount of an increase in the taxable value of property assessed by the commission
464 under Section 59-2-201 resulting from a change in the method of apportioning the taxable value
465 prescribed by:

466 (I) the Legislature;

467 (II) a court;

468 (III) the commission in an administrative rule; or

469 (IV) the commission in an administrative order.

470 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform
471 fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of
472 any county imposing a sales and use tax under Chapter 12, Part 11, County Option Sales and Use
473 Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

474 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter
475 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

476 (A) decreased on a one-time basis by the amount of the estimated sales tax revenue to be
477 distributed to the county under Subsection 59-12-1102(3); and

478 (B) increased by the amount necessary to offset the county's reduction in revenue from
479 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a
480 result of the decrease in the certified tax rate under Subsection (2)(d)(i)(A).

481 (ii) The commission shall determine estimates of sales tax distributions for purposes of
482 Subsection (2)(d)(i).

483 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort
484 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
485 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated
486 revenue from the additional resort communities sales tax imposed under Section 59-12-402.

487 (f) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999,
488 a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the adjustment
489 in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result
490 of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted
491 by the Legislature during the 1998 Annual General Session.

492 (g) For purposes of Subsections (2)(h) through (j):

493 (i) "1998 actual collections" means the amount of revenues a taxing entity actually
494 collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

495 (A) motor vehicles required to be registered with the state that weigh 12,000 pounds or
496 less; and

497 (B) state-assessed commercial vehicles required to be registered with the state that weigh
498 12,000 pounds or less.

499 (ii) "1999 actual collections" means the amount of revenues a taxing entity actually
500 collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

501 (h) For the calendar year beginning on January 1, 2000, the commission shall make the
502 following adjustments:

503 (i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for the
504 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
505 than the sum of:

506 (A) the taxing entity's 1999 actual collections; and

507 (B) any adjustments the commission made under Subsection (2)(f);

508 (ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for the
509 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
510 than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual collections were
511 less than the sum of:

512 (A) the taxing entity's 1999 actual collections; and

513 (B) any adjustments the commission made under Subsection (2)(f); and

514 (iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for
515 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were less
516 than the taxing entity's 1999 actual collections.

517 (i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing entity's
518 certified tax rate under this section and a taxing entity's certified revenue levy under Section
519 59-2-906.1 by the amount necessary to offset the difference between:

520 (A) the taxing entity's 1998 actual collections; and

521 (B) the sum of:

522 (I) the taxing entity's 1999 actual collections; and

523 (II) any adjustments the commission made under Subsection (2)(f).

524 (ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing entity's
525 certified tax rate under this section and a taxing entity's certified revenue levy under Section
526 59-2-906.1 by the amount necessary to offset the difference between:

527 (A) the sum of:

528 (I) the taxing entity's 1999 actual collections; and

529 (II) any adjustments the commission made under Subsection (2)(f); and

530 (B) the taxing entity's 1998 actual collections.

531 (iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing entity's
532 certified tax rate under this section and a taxing entity's certified revenue levy under Section
533 59-2-906.1 by the amount of any adjustments the commission made under Subsection (2)(f).

534 (j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for
535 purposes of Subsections (2)(f) through (i), the commission may make rules establishing the method
536 for determining a taxing entity's 1998 actual collections and 1999 actual collections.

537 (k) (i) (A) For fiscal year 2000, the certified tax rate of each county required under
538 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the
539 unincorporated area of the county shall be decreased by the amount necessary to reduce revenues
540 in that fiscal year by an amount equal to the difference between the amount the county budgeted
541 in its 2000 fiscal year budget for advanced life support and paramedic services countywide and the
542 amount the county spent during fiscal year 2000 for those services, excluding amounts spent from
543 a municipal services fund for those services.

544 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection
545 (2)(k)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal
546 year by the amount that the county spent during fiscal year 2000 for advanced life support and
547 paramedic services countywide, excluding amounts spent from a municipal services fund for those
548 services.

549 (ii) (A) A city or town located within a county of the first class to which Subsection
550 (2)(k)(i) applies may increase its certified tax rate by the amount necessary to generate within the
551 city or town the same amount of revenues as the county would collect from that city or town if the
552 decrease under Subsection (2)(k)(i) did not occur.

553 (B) An increase under Subsection (2)(k)(ii)(A), whether occurring in a single fiscal year
554 or spread over multiple fiscal years, is not subject to the notice and hearing requirements of

555 [~~Sections 59-2-918 and~~ Section 59-2-919.

556 (l) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to
557 provide detective investigative services to the unincorporated area of the county shall be decreased:

558 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year by
559 at least \$4,400,000; and

560 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year by
561 an amount equal to the difference between \$9,258,412 and the amount of the reduction in revenues
562 under Subsection (2)(l)(i)(A).

563 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a
564 county to which Subsection (2)(l)(i) applies may increase its certified tax rate to generate within
565 the city or town the same amount of revenue as the county would have collected during county
566 fiscal year 2001 from within the city or town except for Subsection (2)(l)(i)(A).

567 (II) Beginning with municipal fiscal year 2003, a city or town located within a county to
568 which Subsection (2)(l)(i) applies may increase its certified tax rate to generate within the city or
569 town the same amount of revenue as the county would have collected during county fiscal year
570 2002 from within the city or town except for Subsection (2)(l)(i)(B).

571 (B) (I) Except as provided in Subsection (2)(l)(ii)(B)(II), an increase in the city or town's
572 certified tax rate under Subsection (2)(l)(ii)(A), whether occurring in a single fiscal year or spread
573 over multiple fiscal years, is subject to the notice and hearing requirements of Sections 59-2-918
574 and 59-2-919.

575 (II) For an increase under this Subsection (2)(l)(ii) that generates revenue that does not
576 exceed the same amount of revenue as the county would have collected except for Subsection
577 (2)(l)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

578 (aa) publishes a notice that meets the size, type, placement, and frequency requirements
579 of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed by the county
580 to one imposed by the city or town, and explains how the revenues from the tax increase will be
581 used; and

582 (bb) holds a public hearing on the tax shift that may be held in conjunction with the city
583 or town's regular budget hearing.

584 (m) (i) This Subsection (2)(m) applies to each county that:

585 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part 13,

586 Utah Special Service District Act, to provide jail service, as provided in Subsection
587 17A-2-1304(1)(a)(x); and

588 (B) levies a property tax on behalf of the special service district under Section
589 17A-2-1322.

590 (ii) (A) The certified tax rate of each county to which this Subsection (2)(m) applies shall
591 be decreased by the amount necessary to reduce county revenues by the same amount of revenues
592 that will be generated by the property tax imposed on behalf of the special service district.

593 (B) Each decrease under Subsection (2)(m)(ii)(A) shall occur contemporaneously with the
594 levy on behalf of the special service district under Section 17A-2-1322.

595 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

596 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
597 auditor of:

598 (i) its intent to exceed the certified tax rate; and

599 (ii) the amount by which it proposes to exceed the certified tax rate.

600 (c) The county auditor shall notify all property owners of any intent to exceed the certified
601 tax rate in accordance with Subsection 59-2-919(2).

602 (4) (a) The taxable value for the base year under Subsection 17B-4-102(4) shall be reduced
603 for any year to the extent necessary to provide a redevelopment agency established under Title
604 17B, Chapter 4, Redevelopment Agencies Act, with approximately the same amount of money the
605 agency would have received without a reduction in the county's certified tax rate if:

606 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
607 (2)(d)(i);

608 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
609 previous year; and

610 (iii) the decrease results in a reduction of the amount to be paid to the agency under
611 Section 17B-4-1003 or 17B-4-1004.

612 (b) The taxable value of the base year under Subsection [~~17B-4-101~~] 17B-4-102(4) shall
613 be increased in any year to the extent necessary to provide a redevelopment agency with
614 approximately the same amount of money as the agency would have received without an increase
615 in the certified tax rate that year if:

616 (i) in that year the taxable value for the base year under Subsection [~~17B-4-101~~]

617 17B-4-102(4) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or
618 (2)(d)(i); and

619 (ii) The certified tax rate of a city, school district, or special district increases independent
620 of the adjustment to the taxable value of the base year.

621 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i),
622 the amount of money allocated and, when collected, paid each year to a redevelopment agency
623 established under Title 17B, Chapter 4, Redevelopment Agencies Act, for the payment of bonds
624 or other contract indebtedness, but not for administrative costs, may not be less than that amount
625 would have been without a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i).

Legislative Review Note
as of 1-30-02 12:43 PM

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

Office of Legislative Research and General Counsel