

1 **AMENDMENTS TO PROPERTY TAX PUBLIC**

2 **NOTICE AND HEARING PROVISIONS**

3 2005 FIRST SPECIAL SESSION

4 STATE OF UTAH

5 **Sponsor: Curtis S. Bramble**

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies notice and hearing provisions relating to property tax increases by
10 participants in certain interlocal cooperation entities.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ provides an exemption from notice and hearing requirements for a property tax
14 increase by taxing entities that are participants in an interlocal entity that provides
15 fire protection, emergency, and emergency medical services if the tax increase is
16 approved by voters.

17 **Monies Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides an effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **59-2-918 (Effective 05/02/05)**, as last amended by Chapter 195, Laws of Utah 2005

24 **59-2-919 (Effective 05/02/05)**, as last amended by Chapter 195, Laws of Utah 2005

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

27 Section 1. Section **59-2-918 (Effective 05/02/05)** is amended to read:



28 **59-2-918 (Effective 05/02/05). Advertisement of proposed tax increase -- Notice --**
29 **Contents.**

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

34 (b) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the
35 advertisement or hearing requirements of this section if:

36 (i) the taxing entity:

37 [~~(i)~~] (A) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal
38 year; or

39 [~~(ii)~~] (B) is expressly exempted by law from complying with the requirements of this
40 section[-]; or

41 (ii) the increased amount of ad valorem tax revenue results from a tax rate increase that
42 is exempted under Subsection 59-2-919(1)(a)(ii)(B) from the advertisement and hearing
43 requirements of Section 59-2-919.

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

47 (b) For taxing entities operating under a January 1 through December 31 fiscal year,
48 the advertisement required by this section shall meet the size, type, placement, and frequency
49 requirements established under Section 59-2-919.

50 (3) The form of the advertisement required by this section shall meet the size, type,
51 placement, and frequency requirements established under Section 59-2-919 and shall be
52 substantially as follows:

53 "NOTICE OF PROPOSED TAX INCREASE

54 The (name of the taxing entity) is proposing to increase its property tax revenue. As a
55 result of the proposed increase, the tax on a (insert the average value of a residence in the
56 taxing entity rounded to the nearest thousand dollars) residence will be \$_____, and the
57 tax on a business having the same value as the average value of a residence in the taxing entity
58 will be_____. Without the proposed increase, the tax on a (insert the average value of a

59 residence in the taxing entity rounded to the nearest thousand dollars) residence would be
60 \$_____, and the tax on a business having the same value as the average value of a
61 residence in the taxing entity would be_____.

62 This would be an increase of _____%, which is \$_____ per year (\$_____ per
63 month) on a (insert the average value of a residence in the taxing entity rounded to the nearest
64 thousand dollars) residence or \$_____ per year on a business having the same value as the
65 average value of a residence in the taxing entity. With new growth, this property tax increase,
66 and other factors, (name of taxing entity) will increase its property tax revenue from \$_____
67 collected last year to \$_____ collected this year which is a revenue increase of _____%.

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

70 (4) If a final decision regarding the budgeting of an increased amount of ad valorem tax
71 revenue is not made at the public hearing described in Subsection (3), the taxing entity shall
72 announce at the public hearing the scheduled time and place for consideration and adoption of
73 the proposed budget increase.

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

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

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

81 Section 2. Section **59-2-919 (Effective 05/02/05)** is amended to read:

82 **59-2-919 (Effective 05/02/05). Resolution proposing tax increases -- Notice --**
83 **Contents of notice of proposed tax increase -- Personal mailed notice in addition to**
84 **advertisement -- Contents of personal mailed notice -- Hearing -- Dates.**

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

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

89 (ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the

90 advertisement or hearing requirements of this section if:

91 (A) the taxing entity:

92 ~~[(A)]~~ (I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal
93 year; or

94 ~~[(B)]~~ (II) is expressly exempted by law from complying with the requirements of this
95 section[-]; or

96 (B) (I) the taxing entity is a party to an interlocal agreement under Title 11, Chapter 13,
97 Interlocal Cooperation Act, that creates an interlocal entity to provide fire protection,
98 emergency, and emergency medical services;

99 (II) the tax rate increase is approved by the taxing entity's voters at an election held for
100 that purpose ~~§~~ → on or before December 31, 2010 ← ~~§~~ ;

101 (III) the purpose of the tax rate increase is to pay for fire protection, emergency, and
102 emergency medical services provided by the interlocal entity; and

103 (IV) at least 30 days before its annual budget hearing, the taxing entity:

104 (Aa) adopts a resolution certifying that the taxing entity will dedicate all revenue from
105 the tax rate increase exclusively to pay for fire protection, emergency, and emergency medical
106 services provided by the interlocal entity ~~§~~ → and that the amount of other revenues,
106a independent of the revenue generated from the tax rate increase, that the taxing entity spends
106b for fire protection, emergency, and emergency medical services each year after the tax rate
106c increase will not decrease below the amount spent by the taxing entity during the year
106d immediately before the tax rate increase without a corresponding decrease in the taxing
106e entity's property tax revenues used in calculating the taxing entity's certified tax rate ← ~~§~~ ;
106f and

107 (Bb) sends a copy of the resolution to the commission.

107a **~~§~~ → (iii) The exception under Subsection (1)(a)(ii)(B) from the advertisement and hearing**
107b **requirements of this section does not apply to an increase in a taxing entity's tax rate that**
107c **occurs after December 31, 2010, even if the tax rate increase is approved by the taxing entity's**
107d **voters before that date. ← ~~§~~**

108 (b) The advertisement described in this section shall:

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

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

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

112 (c) The advertisement described in this section may not be placed in that portion of the
113 newspaper where legal notices and classified advertisements appear.

- 114 (d) It is the intent of the Legislature that:
- 115 (i) whenever possible, the advertisement described in this section appear in a
- 116 newspaper that is published at least one day per week; and
- 117 (ii) the newspaper or combination of newspapers selected:
- 118 (A) be of general interest and readership in the taxing entity; and
- 119 (B) not be of limited subject matter.
- 120 (e) The advertisement described in this section shall:

121 (i) be run once each week for the two weeks preceding the adoption of the final budget;
122 and

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

127 (f) The meeting on the proposed increase may coincide with the hearing on the
128 proposed budget of the taxing entity.

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

130 "NOTICE OF PROPOSED TAX INCREASE

131 The (name of the taxing entity) is proposing to increase its property tax revenue. As a
132 result of the proposed increase, the tax on a (insert the average value of a residence in the
133 taxing entity rounded to the nearest thousand dollars) residence will be \$_____, and the
134 tax on a business having the same value as the average value of a residence in the taxing entity
135 will be \$_____. Without the proposed increase the tax on a (insert the average value of a
136 residence in the taxing entity rounded to the nearest thousand dollars) residence would be
137 \$_____, and the tax on a business having the same value as the average value of a
138 residence in the taxing entity would be \$_____..

139 The (insert year) proposed tax rate is _____. Without the proposed increase, the
140 rate would be _____. This would be an increase of _____%, which is \$_____ per year
141 (\$_____ per month) on a (insert the average value of a residence in the taxing entity rounded
142 to the nearest thousand dollars) residence or \$_____ per year on a business having the same
143 value as the average value of a residence in the taxing entity. With new growth, this property
144 tax increase, and other factors, (name of taxing entity) will increase its property tax revenue
145 from \$_____ collected last year to \$_____ collected this year which is a revenue increase of
146 _____%.

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

149 (3) The commission:

150 (a) shall adopt rules governing the joint use of one advertisement under this section or
151 Section 59-2-918 by two or more taxing entities; and

- 152 (b) may, upon petition by any taxing entity, authorize either:
- 153 (i) the use of weekly newspapers in counties having both daily and weekly newspapers
- 154 where the weekly newspaper would provide equal or greater notice to the taxpayer; or
- 155 (ii) the use of a commission-approved direct notice to each taxpayer if the:
- 156 (A) cost of the advertisement would cause undue hardship; and
- 157 (B) direct notice is different and separate from that provided for in Subsection (4).
- 158 (4) (a) In addition to providing the notice required by Subsections (1) and (2), the
- 159 county auditor, on or before July 22 of each year, shall notify, by mail, each owner of real
- 160 estate as defined in Section 59-2-102 who is listed on the assessment roll.
- 161 (b) The notice described in Subsection (4)(a) shall:
- 162 (i) be sent to all owners of real property by mail not less than ten days before the day
- 163 on which:
- 164 (A) the county board of equalization meets; and
- 165 (B) the taxing entity holds a public hearing on the proposed increase in the certified tax
- 166 rate;
- 167 (ii) be printed on a form that is:
- 168 (A) approved by the commission; and
- 169 (B) uniform in content in all counties in the state; and
- 170 (iii) contain for each property:
- 171 (A) the value of the property;
- 172 (B) the date the county board of equalization will meet to hear complaints on the
- 173 valuation;
- 174 (C) itemized tax information for all taxing entities, including a separate statement for
- 175 the minimum school levy under Section 53A-17a-135 stating:
- 176 (I) the dollar amount the taxpayer would have paid based on last year's rate; and
- 177 (II) the amount of the taxpayer's liability under the current rate;
- 178 (D) the tax impact on the property;
- 179 (E) the time and place of the required public hearing for each entity;
- 180 (F) property tax information pertaining to:
- 181 (I) taxpayer relief;
- 182 (II) options for payment of taxes; and

183 (III) collection procedures;
184 (G) information specifically authorized to be included on the notice under Title 59,
185 Chapter 2, Property Tax Act; and
186 (H) other property tax information approved by the commission.

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

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

192 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more
193 than two weeks after the public hearing described in Subsection (4)(b)(iii)(E), a taxing entity,
194 other than a taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the
195 proposed adoption of the resolution in the same manner as provided under Subsections (1) and
196 (2).

197 (6) (a) All hearings described in this section shall be open to the public.

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

201 (7) (a) Each taxing entity shall notify the county legislative body by March 1 of each
202 year of the date, time, and place a public hearing is held by the taxing entity pursuant to this
203 section.

204 (b) A taxing entity may not schedule a hearing described in this section at the same
205 time as another overlapping taxing entity in the same county, but all taxing entities in which the
206 power to set tax levies is vested in the same governing board or authority may consolidate the
207 required hearings into one hearing.

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

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

212 **Section 3. Effective date.**

213 If approved by two-thirds of all the members elected to each house, this bill takes

214 effect:

215 (1) May 2, 2005, if the governor signs the bill before May 2, 2005; or

216 (2) if the governor does not sign the bill before May 2, upon approval by the governor,

217 or the day following the constitutional time limit of Utah Constitution Article VII, Section 8,

218 without the governor's signature, or in the case of veto, the date of veto override.

Legislative Review Note

as of 4-8-05 9:29 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB1001

Amendments to Property Tax Public Notice and Hearing Provisions

19-Apr-05

7:44 AM

State Impact

Passage of this bill could increase local revenues for fire protection and other emergency services. The impact would be dependent upon voter approval.

Individual and Business Impact

If passed by eligible entities, property taxes could increase for fire protection and emergency services.

Office of the Legislative Fiscal Analyst