

**Representative John Dougall** proposes the following substitute bill:

**PERSONAL PROPERTY TAX AMENDMENTS**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John Dougall**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Property Tax Act relating to personal property.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires the State Tax Commission to apply certain percentages of value to personal property determined on the basis of other states' percentages of value of personal property;
- ▶ modifies the calculation of the certified tax rate; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on January 1, 2007.

**Utah Code Sections Affected:**

AMENDS:

**59-2-913**, as last amended by Chapter 68, Laws of Utah 2004

**59-2-924**, as last amended by Chapters 217 and 244, Laws of Utah 2005



26 ENACTS:

27 **59-2-234**, Utah Code Annotated 1953



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

30 Section 1. Section **59-2-234** is enacted to read:

31 **59-2-234. Personal property valuation.**

32 (1) As used in this section:

33 (a) "Acquisition cost" means all costs required to put an item of personal property into  
34 service, including:

35 (i) the purchase price of the personal property; or

36 (ii) the installation, engineering, erection, or assembly costs of the personal property.

37 (b) "Cost new" means the actual cost of personal property on the date the personal  
38 property is purchased.

39 (c) "Percent good" means an estimate of fair market value, expressed as a percentage,  
40 that is:

41 (i) determined on the basis of acquisition cost or cost new of an item of personal  
42 property; and

43 (ii) adjusted for any appreciation or depreciation.

44 (2) As part of its rulemaking process to develop an official schedule defining any class  
45 or item as personal property as required by Section 59-2-107, for personal property with a  
46 economic life of five years or less, the commission shall:

47 (a) review each personal property valuation guide, table, or schedule:

48 (i) within each state within the United States that has a property tax valuation system  
49 that:

50 (A) requires tangible personal property to be assessed on the basis of fair market value;  
51 or

52 (B) allows for the classification of property if that property tax valuation system  
53 determines the percent good of that class or item of personal property on the basis of full fair  
54 market value with no deductions or exemptions;

55 (ii) used by a state described in Subsection (2)(a)(i) within the one-year period before  
56 the commission begins its rulemaking process; and

57 (iii) that is available to the commission before the commission begins its rulemaking  
58 process; and

59 (b) subject to Subsection (3), establish a percent good as follows:

60 (i) if one or more valuation guides, tables, or schedules described in Subsection (2)(a)  
61 that are adopted by a state other than this state lists a percent good for a particular year and type  
62 or class of personal property, determine whether the lowest percent good of those valuation  
63 guides, tables, or schedules for that particular year and type or class of personal property is  
64 lower than the commission's proposed percent good for that particular year and type or class of  
65 personal property; and

66 (ii) if the percent good results in a value that is equal to fair market value, adopt the  
67 lowest percent good described in Subsection (2)(b)(i); or

68 (iii) if the percent good results in a value that is not equal to fair market value, adopt  
69 the lowest percent good that results in a value that is equal to fair market value.

70 (3) As part of its rulemaking process to develop an official schedule defining any class  
71 or item as personal property as required by Section 59-2-107, regardless of the economic life of  
72 the personal property, the commission may identify a year and type or class of personal  
73 property with a fair market value of zero.

74 Section 2. Section **59-2-913** is amended to read:

75 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**  
76 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**  
77 **establishing tax levies -- Rulemaking authority -- Format of statement.**

78 (1) As used in this section:

79 (a) "budgeted property tax revenues" does not include revenue received from personal  
80 property assessed by a county assessor in accordance with Part 3, County Assessment;

81 [(a)] (b) "percentage net change in the value of taxable property for the equalization  
82 period" means the percentage net change between the taxable value of taxable property:

83 (i) (A) on June 8; and

84 (B) listed on the assessment roll as reported by the:

85 (I) county assessor; and

86 (II) county auditor; and

87 (ii) (A) on December 31; and

88 (B) as reported by the county auditor as a year-end taxable value; and  
89 [~~(b)~~] (c) "taxable property" means property:  
90 (i) described in Section 59-2-201 that is assessed by the commission; and  
91 (ii) described in Section 59-2-301 that is assessed by a county assessor.  
92 (2) (a) The legislative body of each taxing entity shall file a statement as provided in  
93 this section with the county auditor of the county in which the taxing entity is located.  
94 (b) The auditor shall annually transmit the statement to the commission:  
95 (i) before June 22; or  
96 (ii) with the approval of the commission, on a subsequent date prior to the date  
97 established under Section 59-2-1317 for mailing tax notices.  
98 (c) The statement shall contain the amount and purpose of each levy fixed by the  
99 legislative body of the taxing entity.  
100 (3) (a) For purposes of establishing the levy set for each of a taxing entity's applicable  
101 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing  
102 the budgeted property tax revenues, specified in a budget which has been adopted and  
103 approved prior to setting the levy, by the amount calculated under Subsection (3)(b).  
104 (b) For purposes of Subsection (3)(a), the legislative body of a taxing entity shall  
105 calculate an amount as follows:  
106 (i) calculate for the taxing entity the difference between:  
107 (A) the aggregate taxable value of all property taxed; and  
108 (B) any redevelopment adjustments for the current calendar year;  
109 (ii) after making the calculation required by Subsection (3)(b)(i), calculate an amount  
110 determined by increasing or decreasing the amount calculated under Subsection (3)(b)(i) by the  
111 average of the percentage net change in the value of taxable property for the equalization  
112 period for the three calendar years immediately preceding the current calendar year;  
113 (iii) after making the calculation required by Subsection (3)(b)(ii), calculate the product  
114 of:  
115 (A) the amount calculated under Subsection (3)(b)(ii); and  
116 (B) the percentage of property taxes collected for the five calendar years immediately  
117 preceding the current calendar year; and  
118 (iv) after making the calculation required by Subsection (3)(b)(iii), calculate an amount

119 determined by subtracting from the amount calculated under Subsection (3)(b)(iii) any new  
120 growth as defined in Section 59-2-924:

121 (A) within the taxing entity; and

122 (B) for the current calendar year.

123 (c) For purposes of Subsection (3)(b)(i)(A), the aggregate taxable value of all property  
124 taxed;

125 (i) except as provided in Subsection (3)(c)(ii), includes:

126 ~~[(i)]~~ (A) the total taxable value of the real and personal property contained on the tax  
127 rolls; and

128 ~~[(ii)]~~ (B) the taxable value of any additional personal property estimated by the county  
129 assessor to be subject to taxation in the current year~~[-]; and~~

130 (ii) does not include personal property assessed by a county assessor in accordance  
131 with Part 3, County Assessment.

132 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
133 commission may prescribe rules for calculating redevelopment adjustments for a calendar year.

134 (4) The format of the statement under this section shall:

135 (a) be determined by the commission; and

136 (b) cite any applicable statutory provisions that:

137 (i) require a specific levy; or

138 (ii) limit the property tax levy for any taxing entity.

139 (5) The commission may require certification that the information submitted on a  
140 statement under this section is true and correct.

141 Section 3. Section **59-2-924** is amended to read:

142 **59-2-924. Report of valuation of property to county auditor and commission --**

143 **Transmittal by auditor to governing bodies -- Certified tax rate -- Rulemaking authority**

144 **-- Adoption of tentative budget.**

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

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

149 (ii) a statement containing the taxable value of any additional personal property

150 estimated by the county assessor to be subject to taxation in the current year.

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

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

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

155 (iii) the certified tax rate; and

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

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

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

162 (A) collections from redemptions;

163 (B) interest; ~~and~~

164 (C) penalties[-]; and

165 (D) revenue received from personal property assessed by a county assessor in  
166 accordance with Part 3, County Assessment.

167 (iii) Except as provided in ~~Subsection~~ Subsections (2)(a)(v) and (2)(o), the certified  
168 tax rate shall be calculated by dividing the ad valorem property tax revenues budgeted for the  
169 prior year by the taxing entity by the taxable value established in accordance with Section  
170 59-2-913.

171 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking  
172 Act, the commission shall make rules determining the calculation of ad valorem property tax  
173 revenues budgeted by a taxing entity.

174 (B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues  
175 budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax  
176 revenues are calculated for purposes of Section 59-2-913.

177 (v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v)  
178 shall be calculated as follows:

179 (A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified  
180 tax rate is zero;

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

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

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

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

190 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,  
191 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

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

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

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

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

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

203 (iii) "New growth" means:

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

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

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

208 (A) the amount of increase to locally assessed real property taxable values resulting  
209 from factoring, reappraisal, or any other adjustments; or

210 (B) the amount of an increase in the taxable value of property assessed by the  
211 commission under Section 59-2-201 resulting from a change in the method of apportioning the

212 taxable value prescribed by:

213 (I) the Legislature;

214 (II) a court;

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

216 (IV) the commission in an administrative order.

217 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
218 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
219 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter  
220 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax  
221 rate to offset the increased revenues.

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

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

226 (B) increased by the amount necessary to offset the county's reduction in revenue from  
227 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
228 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
229 (2)(d)(i)(A).

230 (ii) The commission shall determine estimates of sales and use tax distributions for  
231 purposes of Subsection (2)(d)(i).

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

237 (f) For the calendar year beginning on January 1, 1999, and ending on December 31,  
238 1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the  
239 adjustment in revenues from uniform fees on tangible personal property under Section  
240 59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under  
241 Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session .

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

271 (B) the sum of:

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

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

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

277 (A) the sum of:

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

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

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

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

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

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

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

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

304 (B) An increase under Subsection (2)(k)(ii)(A), whether occurring in a single fiscal

305 year or spread over multiple fiscal years, is not subject to the notice and hearing requirements  
306 of Sections 59-2-918 and 59-2-919.

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

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

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

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

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

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

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

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

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

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

337 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part  
338 13, Utah Special Service District Act, to provide jail service, as provided in Subsection  
339 17A-2-1304(1)(a)(x); and

340 (B) levies a property tax on behalf of the special service district under Section  
341 17A-2-1322.

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

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

348 (n) (i) As used in this Subsection (2)(n):

349 (A) "Annexing county" means a county whose unincorporated area is included within a  
350 fire district by annexation.

351 (B) "Annexing municipality" means a municipality whose area is included within a fire  
352 district by annexation.

353 (C) "Equalized fire protection tax rate" means the tax rate that results from:

354 (I) calculating, for each participating county and each participating municipality, the  
355 property tax revenue necessary to cover all of the costs associated with providing fire  
356 protection, paramedic, and emergency services:

357 (Aa) for a participating county, in the unincorporated area of the county; and

358 (Bb) for a participating municipality, in the municipality; and

359 (II) adding all the amounts calculated under Subsection (2)(n)(i)(C)(I) for all  
360 participating counties and all participating municipalities and then dividing that sum by the  
361 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

362 (Aa) for participating counties, in the unincorporated area of all participating counties;  
363 and

364 (Bb) for participating municipalities, in all the participating municipalities.

365 (D) "Fire district" means a county service area under Title 17A, Chapter 2, Part 4,  
366 County Service Area Act, in the creation of which an election was not required under

367 Subsection 17B-2-214(3)(c).

368 (E) "Fire protection tax rate" means:

369 (I) for an annexing county, the property tax rate that, when applied to taxable property  
370 in the unincorporated area of the county, generates enough property tax revenue to cover all the  
371 costs associated with providing fire protection, paramedic, and emergency services in the  
372 unincorporated area of the county; and

373 (II) for an annexing municipality, the property tax rate that generates enough property  
374 tax revenue in the municipality to cover all the costs associated with providing fire protection,  
375 paramedic, and emergency services in the municipality.

376 (F) "Participating county" means a county whose unincorporated area is included  
377 within a fire district at the time of the creation of the fire district.

378 (G) "Participating municipality" means a municipality whose area is included within a  
379 fire district at the time of the creation of the fire district.

380 (ii) In the first year following creation of a fire district, the certified tax rate of each  
381 participating county and each participating municipality shall be decreased by the amount of  
382 the equalized fire protection tax rate.

383 (iii) In the first year following annexation to a fire district, the certified tax rate of each  
384 annexing county and each annexing municipality shall be decreased by the fire protection tax  
385 rate.

386 (iv) Each tax levied under this section by a fire district shall be considered to be levied  
387 by:

388 (A) each participating county and each annexing county for purposes of the county's  
389 tax limitation under Section 59-2-908; and

390 (B) each participating municipality and each annexing municipality for purposes of the  
391 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a  
392 city.

393 (o) For the calendar year beginning on January 1, 2007, and ending on December 31,  
394 2007, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset any  
395 increase or decrease in the certified tax rate that may result from the exemption of personal  
396 property assessed by a county assessor from the certified tax rate under Subsection (2)(a)  
397 enacted by the Legislature during the 2006 Annual General Session.

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

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

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

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

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

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

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

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

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

416 (b) The base taxable value under Subsection 17B-4-102(4) shall be increased in any  
417 year to the extent necessary to provide a redevelopment agency with approximately the same  
418 amount of money as the agency would have received without an increase in the certified tax  
419 rate that year if:

420 (i) in that year the base taxable value under Subsection 17B-4-102(4) is reduced due to  
421 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

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

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

429 Subsection (2)(c) or (2)(d)(i).

430 Section 4. **Effective date.**

431 This bill takes effect on January 1, 2007.