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**PUBLIC HEARINGS ON PROPERTY TAX**

**INCREASES**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gage Froerer**

Senate Sponsor: Wayne L. Niederhauser

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**LONG TITLE**

**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

**General Description:**

This bill modifies the Property Tax Act to address certain requirements for a taxing entity to provide notice of public hearings.

**Highlighted Provisions:**

This bill:

- ▶ amends the format of the "Truth in Taxation" newspaper advertisement;
- ▶ modifies the advertisement requirements for a taxing entity when the taxing entity's public hearing is advertised by the county auditor;
- ▶ requires certain taxing entities to notify a county auditor of public hearings related to tax increases;
- ▶ requires the county auditor to compile the notices of public hearings;
- ▶ requires publication of the compiled information;
- ▶ requires certain taxing entities to provide information to taxpayers;
- ▶ provides for the payment of costs;
- ▶ addresses the scope of the provision; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**



28 None

29 **Other Special Clauses:**

30 This bill takes effect on January 1, 2010.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **59-2-918**, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236

34 **59-2-919**, as last amended by Laws of Utah 2008, Chapters 231 and 301

35 ENACTS:

36 **59-2-919.2**, Utah Code Annotated 1953



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

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

40 **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

41 (1) (a) Except as provided in Subsection (1)(b), a taxing entity may not budget an  
42 increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined  
43 in Subsection 59-2-924(4) unless it advertises its intention to do so at the same time that it  
44 advertises its intention to fix its budget for the forthcoming fiscal year.

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

47 (A) the taxing entity is expressly exempted by law from complying with the  
48 requirements of this section; or

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

52 (ii) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the  
53 advertisement requirements of this section if:

54 (A) Section 53A-17a-133 allows the taxing entity to budget an increased amount of ad  
55 valorem property tax revenue without having to comply with the advertisement requirements of  
56 this section; or

57 (B) the taxing entity:

58 (I) collected less than \$20,000 in ad valorem tax revenues for the previous fiscal year;

59 and

60 (II) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax  
61 revenues.

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

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

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

71 "NOTICE OF PROPOSED TAX INCREASE  
72 (NAME OF TAXING ENTITY)

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

74 [~~● If the proposed budget is approved, this would be an increase of \_\_\_\_\_% above  
75 the (name of the taxing entity) property tax budgeted revenue for the prior year.]~~

76 ● The (name of the taxing entity) tax on a (insert the average value of a residence  
77 in the taxing entity rounded to the nearest thousand dollars) residence would  
78 increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

79 ● The (name of the taxing entity) tax on a (insert the value of a business having  
80 the same value as the average value of a residence in the taxing entity) business  
81 would increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

82 ● If the proposed budget is approved, this would be an increase of \_\_\_\_\_% above  
83 the (name of the taxing entity) property tax budgeted revenue for the prior year.

84 All concerned citizens are invited to a public hearing on the tax increase.

85 PUBLIC HEARING

86 Date/Time: (date) (time)

87 Location: (name of meeting place and address of meeting place)

88 To obtain more information regarding the tax increase, citizens may contact the (name  
89 of the taxing entity) at (phone number of taxing entity)."

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

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

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

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

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

102 **59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of**  
103 **proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents**  
104 **of personal mailed notice -- Hearing -- Dates.**

105 (1) A tax rate in excess of the certified tax rate may not be levied until a resolution has  
106 been approved by the taxing entity in accordance with this section.

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

109 (ii) Notwithstanding Subsection (2)(a)(i), a taxing entity is not required to meet the  
110 advertisement or hearing requirements of this section if:

111 (A) the taxing entity is expressly exempted by law from complying with the  
112 requirements of this section; or

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

116 (II) the tax rate increase is approved by the taxing entity's voters at an election held for  
117 that purpose on or before December 31, 2010;

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

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

121 (Aa) adopts a resolution certifying that the taxing entity will dedicate all revenue from  
122 the tax rate increase exclusively to pay for fire protection, emergency, and emergency medical  
123 services provided by the interlocal entity and that the amount of other revenues, independent of  
124 the revenue generated from the tax rate increase, that the taxing entity spends for fire  
125 protection, emergency, and emergency medical services each year after the tax rate increase  
126 will not decrease below the amount spent by the taxing entity during the year immediately  
127 before the tax rate increase without a corresponding decrease in the taxing entity's property tax  
128 revenues used in calculating the taxing entity's certified tax rate; and

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

130 (iii) The exception under Subsection (2)(a)(ii)(B) from the advertisement and hearing  
131 requirements of this section does not apply to an increase in a taxing entity's tax rate that occurs  
132 after December 31, 2010, even if the tax rate increase is approved by the taxing entity's voters  
133 before that date.

134 (iv) Notwithstanding Subsection (2)(a)(i), a taxing entity is not required to meet the  
135 advertisement requirements of this section if:

136 (A) Section 53A-17a-133 allows the taxing entity to levy a tax rate that exceeds that  
137 certified tax rate without having to comply with the advertisement requirements of this section;  
138 or

139 (B) the taxing entity:

140 (I) collected less than \$20,000 in ad valorem tax revenues for the previous fiscal year;

141 and

142 (II) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax  
143 revenues.

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

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

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

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

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

150 (d) It is the intent of the Legislature that:

151 (i) whenever possible, the advertisement described in this section appear in a

152 newspaper that is published at least one day per week; and

153 (ii) the newspaper or combination of newspapers selected:

154 (A) be of general interest and readership in the taxing entity; and

155 (B) not be of limited subject matter.

156 (e) The advertisement described in this section shall:

157 (i) except as provided in Subsection (2)(g), be run once each week for the two weeks  
158 preceding the adoption of the taxing entity's:

159 (A) final budget; ~~and~~ or

160 (B) final tax rate; and

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

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

167 (g) If a taxing entity's public hearing information is published by the county auditor in  
168 accordance with Section 59-2-919.2, the taxing entity is not subject to the requirement to run  
169 the advertisement twice, as required in Subsection (2)(e)(i), but shall run the advertisement  
170 once during the week preceding the adoption of the taxing entity's:

171 (i) final budget; or

172 (ii) final tax rate.

173 (3) The form and content of the notice shall be ~~substantially~~ as follows:

174 "NOTICE OF PROPOSED TAX INCREASE

175 (NAME OF TAXING ENTITY)

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

177 [~~• If the proposed budget is approved, this would be an increase of \_\_\_\_\_% above~~  
178 ~~the (name of the taxing entity) property tax budgeted revenue for the prior year.]~~

179 • The (name of the taxing entity) tax on a (insert the average value of a residence  
180 in the taxing entity rounded to the nearest thousand dollars) residence would  
181 increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

182 • The (name of the taxing entity) tax on a (insert the value of a business having

183 the same value as the average value of a residence in the taxing entity) business would increase  
184 from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

185 ● If the proposed budget is approved, this would be an increase of \_\_\_\_\_ % above  
186 the (name of the taxing entity) property tax budgeted revenue for the prior year.

187 (Name of taxing entity) property tax revenue from new growth and other sources will  
188 increase from \$\_\_\_\_\_ to \$\_\_\_\_\_.

189 All concerned citizens are invited to a public hearing on the tax increase.

190 PUBLIC HEARING

191 Date/Time: (date) (time)

192 Location: (name of meeting place and address of meeting place)

193 To obtain more information regarding the tax increase, citizens may contact the (name  
194 of the taxing entity) at (phone number of taxing entity)."

195 (4) The commission:

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

198 (b) may, upon petition by any taxing entity, authorize either:

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

201 (ii) the use of a commission-approved direct notice to each taxpayer if the:

202 (A) cost of the advertisement would cause undue hardship; and

203 (B) direct notice is different and separate from that provided for in Section 59-2-919.1.

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

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

209 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more  
210 than two weeks after the public hearing described in Subsection 59-2-919.1(2)(c)(v), a taxing  
211 entity, other than a taxing entity described in Subsection (2)(a)(ii), shall advertise the date of  
212 the proposed adoption of the resolution in the same manner as provided under Subsections (2)  
213 and (3).

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

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

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

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

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

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

229 Section 3. Section **59-2-919.2** is enacted to read:

230 **59-2-919.2. Consolidated advertisement of public hearings.**

231 (1) (a) Except as provided in Subsection (1)(b), on the same day on which a taxing  
232 entity provides the notice to the county required under Subsection 59-2-919(7), the taxing  
233 entity shall provide to the county auditor the information required by Subsection 59-2-919(7).

234 (b) A taxing entity is not required to notify the county auditor of the taxing entity's  
235 public hearing in accordance with Subsection (1)(a) if the taxing entity is exempt from the  
236 advertisement requirements of Section 59-2-919.

237 (2) If as of July 22, two or more taxing entities notify the county auditor under  
238 Subsection (1), the county auditor shall by no later than July 22 of each year:

239 (a) compile a list of the taxing entities that notify the county auditor under Subsection  
240 (1);

241 (b) include on the list described in Subsection (2)(a), the following information for  
242 each taxing entity on the list:

243 (i) the name of the taxing entity;

244 (ii) the date, time, and location of the public hearing required under Section 59-2-919;



245 (iii) the average dollar increase on a residence in the taxing entity that the proposed tax  
246 increase would generate; and

247 (iv) the average dollar increase on a business in the taxing entity that the proposed tax  
248 increase would generate;

249 (c) provide a copy of the list described in Subsection (2)(a) to each taxing entity that  
250 notifies the county auditor under Subsection (1); and

251 (d) in addition to the requirements of Subsection (3), if the county has a webpage,  
252 publish a copy of the list described in Subsection (2)(a) on the county's webpage until  
253 December 31.

254 (3) (a) At least two weeks before any public hearing included in the list under  
255 Subsection (2) is held, the county auditor shall publish:

256 (i) the list compiled under Subsection (2); and

257 (ii) a statement that:

258 (A) the list is for informational purposes only;

259 (B) the list should not be relied on to determine a person's tax liability under this  
260 chapter; and

261 (C) for specific information related to the tax liability of a taxpayer, the taxpayer  
262 should review the taxpayer's tax notice received under Section 59-2-919.1.

263 (b) The information described in Subsection (3)(a) shall be published:

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

265 (ii) in type no smaller than 18 point; and

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

267 (c) The published information described in Subsection (3)(a) may not be placed in the  
268 portion of a newspaper where a legal notice or classified advertisement appears.

269 (d) A county auditor shall publish the information described in Subsection (3)(a):

270 (i) in a newspaper or combination of newspapers that are:

271 (A) published at least one day per week;

272 (B) of general interest and readership in the county; and

273 (C) not of limited subject matter; and

274 (ii) once each week for the two weeks preceding the first hearing included in the list  
275 compiled under Subsection (2).

276 (4) A taxing entity that notifies the county auditor under Subsection (1) shall provide  
277 the list described in Subsection (2)(c) to a person:

278 (a) who attends a public hearing of the taxing entity held in accordance with the  
279 requirements of Section 59-2-919; or

280 (b) who requests a copy of the list.

281 (5) (a) A county auditor shall by no later than 30 days of the day on which the last  
282 publication of the information required by Subsection (3)(a) is made:

283 (i) determine the costs of compiling and publishing the list; and

284 (ii) charge each taxing entity included on the list an amount calculated by dividing the  
285 amount determined under Subsection (5)(a) by the number of taxing entities on the list.

286 (b) A taxing entity shall pay the county auditor the amount charged under Subsection  
287 (5)(a).

288 (6) The publication of the list under this section does not remove or change the  
289 requirements for advertisements by a taxing entity under Section 59-2-918 or 59-2-919.

290 Section 4. **Effective date.**

291 This bill takes effect on January 1, 2010.

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**Legislative Review Note**  
**as of 12-16-08 1:26 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 67 - Public Hearings on Property Tax Increases**

**Fiscal Note**

2009 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or businesses. Locals could experience some administrative savings as a result of the changes to the publication requirements.

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