

HB0328S01 compared with HB0328

~~{deleted text}~~ shows text that was in HB0328 but was deleted in HB0328S01.

inserted text shows text that was not in HB0328 but was inserted into HB0328S01.

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Representative Daniel McCay proposes the following substitute bill:

TAX CHANGES

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

Senate Sponsor: _____

LONG TITLE

General Description:

This bill ~~{addresses}~~ amends provisions related to the calculation of property ~~{taxes and related provisions}~~ tax rates.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the calculation of certain property tax rates;
- ▶ repeals obsolete language; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

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This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

- 20A-7-613, as enacted by Laws of Utah 2014, Chapter 395
- 53A-16-106, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236
- 53A-16-113, as last amended by Laws of Utah 2013, Chapter 287
- 53A-17a-103, as last amended by Laws of Utah 2014, Chapter 389
- 53A-17a-133, as last amended by Laws of Utah 2014, Chapter 189
- 53A-17a-164, as last amended by Laws of Utah 2013, Chapters 178 and 313
- 53A-19-105, as last amended by Laws of Utah 2009, Chapter 204
- 59-2-102, as last amended by Laws of Utah 2014, Chapters 65 and 411
- 59-2-913, as last amended by Laws of Utah 2014, Chapter 279
- 59-2-919, as and further amended by Revisor Instructions, Laws of Utah 2014, Chapter 256 and last amended by Laws of Utah 2014, Chapter 256
- 59-2-924, as last amended by Laws of Utah 2014, Chapter 270
- 59-2-924.2, as and further amended by Revisor Instructions, Laws of Utah 2014, Chapter 270 and last amended by Laws of Utah 2014, Chapter 270
- 59-2-924.3, as last amended by Laws of Utah 2011, Chapter 371
- 59-2-926, as last amended by Laws of Utah 2009, Chapter 388
- 59-2-1330, as last amended by Laws of Utah 2008, Chapters 61, 231, 236, and 301
- 63I-1-259, as last amended by Laws of Utah 2014, Chapter 54

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

Section 1. Section **20A-7-613** is amended to read:

20A-7-613. Property tax referendum petition.

(1) As used in this section:

(a) "Certified tax rate" [is as ~~defined in Subsection~~] means the same as that term is defined in [\[Subsection\]](#) Section 59-2-924~~(3)~~(a).

(b) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July 1 and ends on June 30.

(2) Except as provided in this section, the requirements of this part apply to a

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referendum petition challenging a fiscal year taxing entity's legislative body's vote to impose a tax rate that exceeds the certified tax rate.

(3) Notwithstanding Subsection 20A-7-604(5), the local clerk shall number each of the referendum packets and return them to the sponsors within two working days.

(4) Notwithstanding Subsection 20A-7-606(1), the sponsors shall deliver each signed and verified referendum packet to the county clerk of the county in which the packet was circulated no later than 40 days after the day on which the local clerk complies with Subsection (3).

(5) Notwithstanding Subsections 20A-7-606(2) and (3), the county clerk shall take the actions required in Subsections 20A-7-606(2) and (3) within 10 working days after the day on which the county clerk receives the signed and verified referendum packet as described in Subsection (4).

(6) The local clerk shall take the actions required by Section 20A-7-607 within two working days after the day on which the local clerk receives the referendum packets from the county clerk.

(7) Notwithstanding Subsection 20A-7-608(2), the local attorney shall prepare the ballot title within two working days after the day on which the referendum petition is declared sufficient for submission to a vote of the people.

(8) Notwithstanding Subsection 20A-7-609(2)(d), a referendum that qualifies for the ballot under this section shall appear on the ballot for the earlier of the next regular general election or the next municipal general election unless a special election is called.

(9) Notwithstanding the requirements related to absentee ballots under this title:

(a) the election officer shall prepare absentee ballots for those voters who have requested an absentee ballot as soon as possible after the ballot title is prepared as described in Subsection (7); and

(b) the election officer shall mail absentee ballots on a referendum under this section the later of:

(i) the time provided in Section 20A-3-305 or 20A-16-403; or

(ii) the time that absentee ballots are prepared for mailing under this section.

(10) Section 20A-7-402 does not apply to a referendum described in this section.

(11) (a) If a majority of voters does not vote against imposing the tax at a rate

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calculated to generate the increased revenue budgeted, adopted, and approved by the fiscal year taxing entity's legislative body:

(i) the certified tax rate for the fiscal year during which the referendum petition is filed is its most recent certified tax rate; and

(ii) the proposed increased revenues for purposes of establishing the certified tax rate for the fiscal year after the fiscal year described in Subsection (11)(a)(i) are the proposed increased revenues budgeted, adopted, and approved by the fiscal year taxing entity's legislative body before the filing of the referendum petition.

(b) If a majority of voters votes against imposing a tax at the rate established by the vote of the fiscal year taxing entity's legislative body, the certified tax rate for the fiscal year taxing entity is its most recent certified tax rate.

(c) If the tax rate is set in accordance with Subsection (11)(a)(ii), a fiscal year taxing entity is not required to comply with the notice and public hearing requirements of Section 59-2-919 if the fiscal year taxing entity complies with those notice and public hearing requirements before the referendum petition is filed.

(12) The ballot title shall, at a minimum, include in substantially this form the following: "Shall the [name of the taxing entity] be authorized to levy a tax rate in the amount sufficient to generate an increased property tax revenue of [amount] for fiscal year [year] as budgeted, adopted, and approved by the [name of the taxing entity]".

(13) A fiscal year taxing entity shall pay the county the costs incurred by the county that are directly related to meeting the requirements of this section and that the county would not have incurred but for compliance with this section.

(14) (a) An election officer shall include on a ballot a referendum that has not yet qualified for placement on the ballot, if:

(i) sponsors file an application for a referendum described in this section;

(ii) the ballot will be used for the election for which the sponsors are attempting to qualify the referendum; and

(iii) the deadline for qualifying the referendum for placement on the ballot occurs after the day on which the ballot will be printed.

(b) If an election officer includes on a ballot a referendum described in Subsection (14)(a), the ballot title shall comply with Subsection (12).

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(c) If an election officer includes on a ballot a referendum described in Subsection (14)(a) that does not qualify for placement on the ballot, the election officer shall inform the voters by any practicable method that the referendum has not qualified for the ballot and that votes cast in relation to the referendum will not be counted.

Section 2. Section **53A-16-106** is amended to read:

53A-16-106. Annual certification of tax rate proposed by local school board -- Inclusion of school district budget -- Modified filing date.

(1) Prior to June 22 of each year, each local school board shall certify to the county legislative body in which the district is located, on forms prescribed by the State Tax Commission, the proposed tax rate approved by the local school board.

(2) A copy of the district's budget, including items under Section 53A-19-101, and a certified copy of the local school board's resolution which approved the budget and set the tax rate for the subsequent school year beginning July 1 shall accompany the tax rate.

(3) If the tax rate approved by the board is in excess of the ["]certified tax rate["], as defined [~~under Subsection~~] in Section 59-2-924[(3)(a)], the date for filing the tax rate and budget adopted by the board shall be that established under Section 59-2-919.

Section 3. Section **53A-16-113** is amended to read:

53A-16-113. Capital local levy -- First class county required levy -- Allowable uses of collected revenue.

(1) (a) Subject to the other requirements of this section, a local school board may levy a tax to fund the school district's capital projects.

(b) A tax rate imposed by a school district pursuant to this section may not exceed .0030 per dollar of taxable value in any calendar year.

(2) A school district that imposes a capital local levy in the calendar year beginning on January 1, 2012, is exempt from the public notice and hearing requirements of Section 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to or less than the sum of the following amounts:

(a) the amount of revenue generated during the calendar year beginning on January 1, 2011, from the sum of the following levies of a school district:

(i) a capital outlay levy imposed under Section 53A-16-107; and

(ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is

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budgeted for debt service or capital outlay; and

(b) revenue from eligible new growth as defined in [~~Subsection~~] Section 59-2-924[(4)(c)].

(3) Beginning January 1, 2012, in order to qualify for receipt of the state contribution toward the minimum school program described in Section 53A-17a-103, a local school board in a county of the first class shall impose a capital local levy of at least .0006 per dollar of taxable value.

(4) (a) The county treasurer of a county of the first class shall distribute revenues generated by the .0006 portion of the capital local levy required in Subsection (2) to school districts within the county in accordance with Section 53A-16-114.

(b) If a school district in a county of the first class imposes a capital local levy pursuant to this section that exceeds .0006 per dollar of taxable value, the county treasurer shall distribute revenues generated by the portion of the capital local levy that exceeds .0006 to the school district imposing the levy.

(5) (a) Subject to Subsections (5)(b), (c), and (d), for fiscal year 2013-14, a local school board may utilize the proceeds of a maximum of .0024 per dollar of taxable value of the local school board's annual capital local levy for general fund purposes if the proceeds are not committed or dedicated to pay debt service or bond payments.

(b) If a local school board uses the proceeds described in Subsection (5)(a) for general fund purposes, the local school board shall notify the public of the local school board's use of the capital local levy proceeds for general fund purposes:

(i) prior to the local school board's budget hearing in accordance with the notification requirements described in Section 53A-19-102; and

(ii) at a budget hearing required in Section 53A-19-102.

(c) A local school board may not use the proceeds described in Subsection (5)(a) to fund the following accounting function classifications as provided in the Financial Accounting for Local and State School Systems guidelines developed by the National Center for Education Statistics:

(i) 2300 Support Services - General District Administration; or

(ii) 2500 Support Services - Central Services.

(d) A local school board may not use the proceeds from a distribution described in

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Subsection (4) for general fund purposes.

Section 4. Section **53A-17a-103** is amended to read:

53A-17a-103. Definitions.

As used in this chapter:

(1) "Basic state-supported school program" or "basic program" means public education programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of weighted pupil units for each school district or charter school by the value established each year in statute, except as otherwise provided in this chapter.

(2) (a) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:

(i) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a minimum basic tax rate, as specified in Subsection 53A-17a-135(1)(a); and

(ii) the product of:

(A) eligible new growth, as defined in:

(I) Section 59-2-924; and

(II) rules of the State Tax Commission; and

(B) the minimum basic tax rate certified by the State Tax Commission for the previous year.

(b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not include property tax revenue received statewide from personal property that is:

(i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

(c) For purposes of calculating the certified revenue levy described in this Subsection (2), the State Tax Commission shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

(ii) the taxable value of real and personal property assessed by the State Tax Commission; and

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(iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.

(3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

(4) (a) "State-supported minimum school program" or "Minimum School Program" means public school programs for kindergarten, elementary, and secondary schools as described in this Subsection (4).

(b) The minimum school program established in school districts and charter schools shall include the equivalent of a school term of nine months as determined by the State Board of Education.

(c) (i) The board shall establish the number of days or equivalent instructional hours that school is held for an academic school year.

(ii) Education, enhanced by utilization of technologically enriched delivery systems, when approved by local school boards or charter school governing boards, shall receive full support by the State Board of Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing commercial advertising.

(d) (i) A local school board or charter school governing board may reallocate up to 32 instructional hours or 4 school days established under Subsection (4)(c) for teacher preparation time or teacher professional development.

(ii) A reallocation of instructional hours or school days under Subsection (4)(d)(i) is subject to the approval of two-thirds of the members of a local school board or charter school governing board voting in a regularly scheduled meeting:

(A) at which a quorum of the local school board or charter school governing board is present; and

(B) held in compliance with Title 52, Chapter 4, Open and Public Meetings Act.

(iii) If a local school board or charter school governing board reallocates instructional hours or school days as provided by this Subsection (4)(d), the school district or charter school shall notify students' parents and guardians of the school calendar at least 90 days before the beginning of the school year.

(iv) Instructional hours or school days reallocated for teacher preparation time or teacher professional development pursuant to this Subsection (4)(d) is considered part of a school term referred to in Subsection (4)(b).

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(e) The Minimum School Program includes a program or allocation funded by a line item appropriation or other appropriation designated as follows:

- (i) Basic School Program;
- (ii) Related to Basic Programs;
- (iii) Voted and Board Levy Programs; or
- (iv) Minimum School Program.

(5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of factors that is computed in accordance with this chapter for the purpose of determining the costs of a program on a uniform basis for each district.

Section 5. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted local levy authorized -- Election requirements -- State guarantee -- Reconsideration of the program.

(1) As used in this section, "voted and board local levy funding balance" means the difference between:

(a) the amount appropriated for the voted and board local levy program in a fiscal year; and

(b) the amount necessary to provide the state guarantee per weighted pupil unit as determined under this section and Section 53A-17a-164 in the same fiscal year.

(2) An election to consider adoption or modification of a voted local levy is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.

(3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special tax.

(ii) The tax rate may not exceed .002 per dollar of taxable value.

(b) Except as provided in Subsection (3)(c), in order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.

(c) Beginning on or after January 1, 2012, a school district may receive state support in accordance with Subsection (4) without complying with the requirements of Subsection (3)(b) if the local school board imposed a tax in accordance with this section during the taxable year

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beginning on January 1, 2011 and ending on December 31, 2011.

(4) (a) In addition to the revenue a school district collects from the imposition of a levy pursuant to this section, the state shall contribute an amount sufficient to guarantee \$27.36 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (4)(a) shall apply to the portion of the board local levy authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.

(c) (i) Beginning July 1, 2014, the \$27.36 guarantee under Subsections (4)(a) and (b) shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12 program by making the value of the guarantee equal to .00963 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program for each succeeding year subject to the Legislature appropriating funds for an increase in the guarantee.

(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (4)(d)(i) applies for a period of five years following any such change in the certified tax rate.

(e) The guarantee provided under this section does not apply to the portion of a voted local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal year, unless an increase in the voted local levy rate was authorized in an election conducted on or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

(f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the State Board of Education shall:

(A) use the voted and board local levy funding balance to increase the value of the state guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

(B) distribute the state contribution to the voted and board local levy programs to school districts based on the increased value of the state guarantee per weighted pupil unit

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described in Subsection (4)(f)(i)(A).

(ii) The State Board of Education shall report action taken under this Subsection (4)(f) to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget.

(5) (a) An election to modify an existing voted local levy is not a reconsideration of the existing authority unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the district of authority to continue the levy.

(c) If adoption of a voted local levy is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or discontinuing the imposition of the levy prior to a subsequent increase in other levies that would increase the total local school board levy.

(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue imposing an existing voted local levy previously authorized by the voters as a voted leeway program.

(6) Notwithstanding Section 59-2-919, a school district may budget an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section in addition to revenue from eligible new growth, as defined in [~~Subsection~~] Section 59-2-924~~(4)~~, without having to comply with the notice requirements of Section 59-2-919, if:

(a) the voted local levy is approved:

(i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(b) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with the requirements of Subsection (8).

(7) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this section that exceeds the certified tax rate without having to comply with the notice requirements of Section 59-2-919 if:

(a) the levy exceeds the certified tax rate as the result of a school district budgeting an increased amount of ad valorem property tax revenue derived from a voted local levy imposed

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under this section;

(b) the voted local levy was approved:

(i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(c) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with requirements of Subsection (8).

(8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the electors regarding the adoption or modification of a voted local levy shall contain the following statement:

"A vote in favor of this tax means that (name of the school district) may increase revenue from this property tax without advertising the increase for the next five years."

(9) (a) Before imposing a property tax levy pursuant to this section, a school district shall submit an opinion question to the school district's registered voters voting on the imposition of the tax rate so that each registered voter has the opportunity to express the registered voter's opinion on whether the tax rate should be imposed.

(b) The election required by this Subsection (9) shall be held:

(i) at a regular general election conducted in accordance with the procedures and requirements of Title 20A, Election Code, governing regular elections;

(ii) at a municipal general election conducted in accordance with the procedures and requirements of Section 20A-1-202; or

(iii) at a local special election conducted in accordance with the procedures and requirements of Section 20A-1-203.

(c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or after January 1, 2012, a school district may levy a tax rate in accordance with this section without complying with the requirements of Subsections (9)(a) and (b) if the school district imposed a tax in accordance with this section at any time during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

(10) If a school district determines that a majority of the school district's registered voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax

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rate in accordance with Subsection (9), the school district may impose the tax rate.

Section 6. Section **53A-17a-164** is amended to read:

53A-17a-164. Board local levy -- State guarantee.

(1) Subject to the other requirements of this section, for a calendar year beginning on or after January 1, 2012, a local school board may levy a tax to fund the school district's general fund.

(2) (a) Except as provided in Subsection (2)(b), a tax rate imposed by a school district pursuant to this section may not exceed .0018 per dollar of taxable value in any calendar year.

(b) A tax rate imposed by a school district pursuant to this section may not exceed .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on January 1, 2011, the school district's combined tax rate for the following levies was greater than .0018 per dollar of taxable value:

- (i) a recreation levy imposed under Section 11-2-7;
- (ii) a transportation levy imposed under Section 53A-17a-127;
- (iii) a board-authorized levy imposed under Section 53A-17a-134;
- (iv) an impact aid levy imposed under Section 53A-17a-143;
- (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is budgeted for purposes other than capital outlay or debt service;
- (vi) a reading levy imposed under Section 53A-17a-151; and
- (vii) a tort liability levy imposed under Section 63G-7-704.

(3) (a) In addition to the revenue a school district collects from the imposition of a levy pursuant to this section, the state shall contribute an amount sufficient to guarantee that each .0001 of the first .0004 per dollar of taxable value generates an amount equal to the state guarantee per weighted pupil unit described in Subsection 53A-17a-133(4).

(b) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the certified tax rate.

(4) A school district that imposes a board local levy in the calendar year beginning on

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January 1, 2012, is exempt from the public notice and hearing requirements of Section 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to or less than the sum of the following amounts:

(a) the amount of revenue generated during the calendar year beginning on January 1, 2011, from the sum of the following levies of a school district:

- (i) a recreation levy imposed under Section 11-2-7;
- (ii) a transportation levy imposed under Section 53A-17a-127;
- (iii) a board-authorized levy imposed under Section 53A-17a-134;
- (iv) an impact aid levy imposed under Section 53A-17a-143;
- (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is

budgeted for purposes other than capital outlay or debt service;

- (vi) a reading levy imposed under Section 53A-17a-151; and
- (vii) a tort liability levy imposed under Section 63G-7-704; and

(b) revenue from eligible new growth as defined in [~~Subsection~~] Section 59-2-924[(4)(c)].

Section 7. Section **53A-19-105** is amended to read:

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

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

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

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

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

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

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

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

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(5) The board shall develop standards for defining and aiding financially distressed school districts under this section in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

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

(b) Debt service levies under Subsection 59-2-924[(3)(e)(iii)](5)(c) that are not subject to the public hearing provisions of Section 59-2-919 may not be used for any purpose other than retiring general obligation debt.

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

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

Section 8. Section **59-2-102** is amended to read:

59-2-102. Definitions.

As used in this chapter and title:

(1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of engaging in dispensing activities directly affecting agriculture or horticulture with an airworthiness certificate from the Federal Aviation Administration certifying the aircraft or rotorcraft's use for agricultural and pest control purposes.

(2) "Air charter service" means an air carrier operation which requires the customer to hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled trip.

(3) "Air contract service" means an air carrier operation available only to customers who engage the services of the carrier through a contractual agreement and excess capacity on any trip and is not available to the public at large.

(4) "Aircraft" is as defined in Section 72-10-102.

(5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

(i) operates:

(A) on an interstate route; and

(B) on a scheduled basis; and

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(ii) offers to fly one or more passengers or cargo on the basis of available capacity on a regularly scheduled route.

(b) "Airline" does not include an:

(i) air charter service; or

(ii) air contract service.

(6) "Assessment roll" means a permanent record of the assessment of property as assessed by the county assessor and the commission and may be maintained manually or as a computerized file as a consolidated record or as multiple records by type, classification, or categories.

(7) (a) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:

(i) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a school minimum basic tax rate, as specified in Subsection 53A-17a-135(1)(a), or multicounty assessing and collecting levy, as specified in Section 59-2-1602; and

(ii) the product of:

(A) eligible new growth, as defined in:

(I) Section 59-2-924; and

(II) rules of the commission; and

(B) the school minimum basic tax rate or multicounty assessing and collecting levy certified by the commission for the previous year.

(b) For purposes of this Subsection (7), "ad valorem property tax revenue" does not include property tax revenue received by a taxing entity from personal property that is:

(i) assessed by a county assessor in accordance with Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

(c) For purposes of calculating the certified revenue levy described in this Subsection (7), the commission shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

(ii) the taxable value of real and personal property assessed by the commission; and

(iii) the taxable year end value of personal property assessed by a county assessor

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contained on the prior year's assessment roll.

(8) "County-assessed commercial vehicle" means:

(a) any commercial vehicle, trailer, or semitrailer which is not apportioned under Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or property in furtherance of the owner's commercial enterprise;

(b) any passenger vehicle owned by a business and used by its employees for transportation as a company car or vanpool vehicle; and

(c) vehicles that are:

(i) especially constructed for towing or wrecking, and that are not otherwise used to transport goods, merchandise, or people for compensation;

(ii) used or licensed as taxicabs or limousines;

(iii) used as rental passenger cars, travel trailers, or motor homes;

(iv) used or licensed in this state for use as ambulances or hearses;

(v) especially designed and used for garbage and rubbish collection; or

(vi) used exclusively to transport students or their instructors to or from any private, public, or religious school or school activities.

(9) (a) Except as provided in Subsection (9)(b), for purposes of Section 59-2-801, "designated tax area" means a tax area created by the overlapping boundaries of only the following taxing entities:

(i) a county; and

(ii) a school district.

(b) Notwithstanding Subsection (9)(a), "designated tax area" includes a tax area created by the overlapping boundaries of:

(i) the taxing entities described in Subsection (9)(a); and

(ii) (A) a city or town if the boundaries of the school district under Subsection (9)(a) and the boundaries of the city or town are identical; or

(B) a special service district if the boundaries of the school district under Subsection (9)(a) are located entirely within the special service district.

(10) "Eligible judgment" means a final and unappealable judgment or order under Section 59-2-1330:

(a) that became a final and unappealable judgment or order no more than 14 months

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prior to the day on which the notice required by Section 59-2-919.1 is required to be mailed;
and

(b) for which a taxing entity's share of the final and unappealable judgment or order is greater than or equal to the lesser of:

(i) \$5,000; or

(ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year.

(11) (a) "Escaped property" means any property, whether personal, land, or any improvements to the property, subject to taxation and is:

(i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed to the wrong taxpayer by the assessing authority;

(ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to comply with the reporting requirements of this chapter; or

(iii) undervalued because of errors made by the assessing authority based upon incomplete or erroneous information furnished by the taxpayer.

(b) Property that is undervalued because of the use of a different valuation methodology or because of a different application of the same valuation methodology is not "escaped property."

(12) "Fair market value" means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair market value" shall be determined using the current zoning laws applicable to the property in question, except in cases where there is a reasonable probability of a change in the zoning laws affecting that property in the tax year in question and the change would have an appreciable influence upon the value.

(13) "Farm machinery and equipment," for purposes of the exemption provided under Section 59-2-1101, means tractors, milking equipment and storage and cooling facilities, feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage tools, scales, combines, spreaders, sprayers, haying equipment, including balers and cubers, and any other machinery or equipment used primarily for agricultural purposes; but does not include vehicles required to be registered with the Motor Vehicle Division or vehicles or other

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equipment used for business purposes other than farming.

(14) "Geothermal fluid" means water in any form at temperatures greater than 120 degrees centigrade naturally present in a geothermal system.

(15) "Geothermal resource" means:

(a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;

and

(b) the energy, in whatever form, including pressure, present in, resulting from, created by, or which may be extracted from that natural heat, directly or through a material medium.

(16) (a) "Goodwill" means:

(i) acquired goodwill that is reported as goodwill on the books and records:

(A) of a taxpayer; and

(B) that are maintained for financial reporting purposes; or

(ii) the ability of a business to:

(A) generate income:

(I) that exceeds a normal rate of return on assets; and

(II) resulting from a factor described in Subsection (16)(b); or

(B) obtain an economic or competitive advantage resulting from a factor described in

Subsection (16)(b).

(b) The following factors apply to Subsection (16)(a)(ii):

(i) superior management skills;

(ii) reputation;

(iii) customer relationships;

(iv) patronage; or

(v) a factor similar to Subsections (16)(b)(i) through (iv).

(c) "Goodwill" does not include:

(i) the intangible property described in Subsection (20)(a) or (b);

(ii) locational attributes of real property, including:

(A) zoning;

(B) location;

(C) view;

(D) a geographic feature;

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- (E) an easement;
- (F) a covenant;
- (G) proximity to raw materials;
- (H) the condition of surrounding property; or
- (I) proximity to markets;
- (iii) value attributable to the identification of an improvement to real property,

including:

- (A) reputation of the designer, builder, or architect of the improvement;
- (B) a name given to, or associated with, the improvement; or
- (C) the historic significance of an improvement; or
- (iv) the enhancement or assemblage value specifically attributable to the interrelation

of the existing tangible property in place working together as a unit.

(17) "Governing body" means:

- (a) for a county, city, or town, the legislative body of the county, city, or town;
- (b) for a local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, the local district's board of trustees;
- (c) for a school district, the local board of education; or
- (d) for a special service district under Title 17D, Chapter 1, Special Service District Act:

Act:

(i) the legislative body of the county or municipality that created the special service district, to the extent that the county or municipal legislative body has not delegated authority to an administrative control board established under Section 17D-1-301; or

(ii) the administrative control board, to the extent that the county or municipal legislative body has delegated authority to an administrative control board established under Section 17D-1-301.

(18) (a) For purposes of Section 59-2-103:

(i) "household" means the association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses; and

(ii) "household" includes married individuals, who are not legally separated, that have established domiciles at separate locations within the state.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

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commission may make rules defining the term "domicile."

(19) (a) Except as provided in Subsection (19)(c), "improvement" means a building, structure, fixture, fence, or other item that is permanently attached to land, regardless of whether the title has been acquired to the land, if:

(i) (A) attachment to land is essential to the operation or use of the item; and

(B) the manner of attachment to land suggests that the item will remain attached to the land in the same place over the useful life of the item; or

(ii) removal of the item would:

(A) cause substantial damage to the item; or

(B) require substantial alteration or repair of a structure to which the item is attached.

(b) "Improvement" includes:

(i) an accessory to an item described in Subsection (19)(a) if the accessory is:

(A) essential to the operation of the item described in Subsection (19)(a); and

(B) installed solely to serve the operation of the item described in Subsection (19)(a);

and

(ii) an item described in Subsection (19)(a) that:

(A) is temporarily detached from the land for repairs; and

(B) remains located on the land.

(c) Notwithstanding Subsections (19)(a) and (b), "improvement" does not include:

(i) an item considered to be personal property pursuant to rules made in accordance with Section 59-2-107;

(ii) a moveable item that is attached to land:

(A) for stability only; or

(B) for an obvious temporary purpose;

(iii) (A) manufacturing equipment and machinery; or

(B) essential accessories to manufacturing equipment and machinery;

(iv) an item attached to the land in a manner that facilitates removal without substantial damage to:

(A) the land; or

(B) the item; or

(v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that

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transportable factory-built housing unit is considered to be personal property under Section 59-2-1503.

(20) "Intangible property" means:

(a) property that is capable of private ownership separate from tangible property, including:

(i) money;

(ii) credits;

(iii) bonds;

(iv) stocks;

(v) representative property;

(vi) franchises;

(vii) licenses;

(viii) trade names;

(ix) copyrights; and

(x) patents;

(b) a low-income housing tax credit;

(c) goodwill; or

(d) a renewable energy tax credit or incentive, including:

(i) a federal renewable energy production tax credit under Section 45, Internal Revenue Code;

(ii) a federal energy credit for qualified renewable electricity production facilities under Section 48, Internal Revenue Code;

(iii) a federal grant for a renewable energy property under American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and

(iv) a tax credit under Subsection 59-7-614(2)(c).

(21) "Livestock" means:

(a) a domestic animal;

(b) a fur-bearing animal;

(c) a honeybee; or

(d) poultry.

(22) "Low-income housing tax credit" means:

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(a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;

or

(b) a low-income housing tax credit under:

(i) Section 59-7-607; or

(ii) Section 59-10-1010.

(23) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.

(24) "Mine" means a natural deposit of either metalliferous or nonmetalliferous valuable mineral.

(25) "Mining" means the process of producing, extracting, leaching, evaporating, or otherwise removing a mineral from a mine.

(26) (a) "Mobile flight equipment" means tangible personal property that is:

(i) owned or operated by an:

(A) air charter service;

(B) air contract service; or

(C) airline; and

(ii) (A) capable of flight;

(B) attached to an aircraft that is capable of flight; or

(C) contained in an aircraft that is capable of flight if the tangible personal property is intended to be used:

(I) during multiple flights;

(II) during a takeoff, flight, or landing; and

(III) as a service provided by an air charter service, air contract service, or airline.

(b) (i) "Mobile flight equipment" does not include a spare part other than a spare engine that is rotated:

(A) at regular intervals; and

(B) with an engine that is attached to the aircraft.

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the term "regular intervals."

(27) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts, sand, rock, gravel, and all carboniferous materials.

(28) "Part-year residential property" means property that is not residential property on

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January 1 of a calendar year but becomes residential property after January 1 of the calendar year.

(29) "Personal property" includes:

(a) every class of property as defined in Subsection (30) that is the subject of ownership and not included within the meaning of the terms "real estate" and "improvements";

(b) gas and water mains and pipes laid in roads, streets, or alleys;

(c) bridges and ferries;

(d) livestock; and

(e) outdoor advertising structures as defined in Section 72-7-502.

(30) (a) "Property" means property that is subject to assessment and taxation according to its value.

(b) "Property" does not include intangible property as defined in this section.

(31) "Public utility," for purposes of this chapter, means the operating property of a railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline company, electrical corporation, telephone corporation, sewerage corporation, or heat corporation where the company performs the service for, or delivers the commodity to, the public generally or companies serving the public generally, or in the case of a gas corporation or an electrical corporation, where the gas or electricity is sold or furnished to any member or consumers within the state for domestic, commercial, or industrial use. Public utility also means the operating property of any entity or person defined under Section 54-2-1 except water corporations.

(32) (a) Subject to Subsection (32)(b), "qualifying exempt primary residential rental personal property" means household furnishings, furniture, and equipment that:

(i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

(ii) are owned by the owner of the dwelling unit that is the primary residence of a tenant; and

(iii) after applying the residential exemption described in Section 59-2-103, are exempt from taxation under this chapter in accordance with Subsection 59-2-1115(2).

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "dwelling unit" for purposes of this Subsection (32) and Subsection (35).

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(33) "Real estate" or "real property" includes:

(a) the possession of, claim to, ownership of, or right to the possession of land;

(b) all mines, minerals, and quarries in and under the land, all timber belonging to individuals or corporations growing or being on the lands of this state or the United States, and all rights and privileges appertaining to these; and

(c) improvements.

(34) "Relationship with an owner of the property's land surface rights" means a relationship described in Subsection 267(b), Internal Revenue Code:

(a) except that notwithstanding Subsection 267(b), Internal Revenue Code, the term 25% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code; and

(b) using the ownership rules of Subsection 267(c), Internal Revenue Code, for determining the ownership of stock.

(35) (a) Subject to Subsection (35)(b), "residential property," for the purposes of the reductions and adjustments under this chapter, means any property used for residential purposes as a primary residence.

(b) Subject to Subsection (35)(c), "residential property":

(i) except as provided in Subsection (35)(b)(ii), includes household furnishings, furniture, and equipment if the household furnishings, furniture, and equipment are:

(A) used exclusively within a dwelling unit that is the primary residence of a tenant; and

(B) owned by the owner of the dwelling unit that is the primary residence of a tenant; and

(ii) does not include property used for transient residential use.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "dwelling unit" for purposes of Subsection (32) and this Subsection (35).

(36) "Split estate mineral rights owner" means a person who:

(a) has a legal right to extract a mineral from property;

(b) does not hold more than a 25% interest in:

(i) the land surface rights of the property where the wellhead is located; or

(ii) an entity with an ownership interest in the land surface rights of the property where

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the wellhead is located;

(c) is not an entity in which the owner of the land surface rights of the property where the wellhead is located holds more than a 25% interest; and

(d) does not have a relationship with an owner of the land surface rights of the property where the wellhead is located.

(37) (a) "State-assessed commercial vehicle" means:

(i) any commercial vehicle, trailer, or semitrailer which operates interstate or intrastate to transport passengers, freight, merchandise, or other property for hire; or

(ii) any commercial vehicle, trailer, or semitrailer which operates interstate and transports the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

(b) "State-assessed commercial vehicle" does not include vehicles used for hire which are specified in Subsection (8)(c) as county-assessed commercial vehicles.

(38) "Taxable value" means fair market value less any applicable reduction allowed for residential property under Section 59-2-103.

(39) "Tax area" means a geographic area created by the overlapping boundaries of one or more taxing entities.

(40) "Taxing entity" means any county, city, town, school district, special taxing district, local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, or other political subdivision of the state with the authority to levy a tax on property.

(41) "Tax roll" means a permanent record of the taxes charged on property, as extended on the assessment roll and may be maintained on the same record or records as the assessment roll or may be maintained on a separate record properly indexed to the assessment roll. It includes tax books, tax lists, and other similar materials.

Section 9. Section **59-2-913** is amended to read:

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

(1) As used in this section, "budgeted property tax revenues" does not include property tax revenue received by a taxing entity from personal property that is:

(a) assessed by a county assessor in accordance with Part 3, County Assessment; and

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(b) semiconductor manufacturing equipment.

(2) (a) The legislative body of each taxing entity shall file a statement as provided in this section with the county auditor of the county in which the taxing entity is located.

(b) The auditor shall annually transmit the statement to the commission:

(i) before June 22; or

(ii) with the approval of the commission, on a subsequent date prior to the date required by Section 59-2-1317 for the county treasurer to provide the notice under Section 59-2-1317.

(c) The statement shall contain the amount and purpose of each levy fixed by the legislative body of the taxing entity.

(3) For purposes of establishing the levy set for each of a taxing entity's applicable funds, the legislative body of the taxing entity shall calculate an amount determined by dividing the budgeted property tax revenues, specified in a budget which has been adopted and approved prior to setting the levy, by the amount calculated under Subsections 59-2-924~~[(3)(c)(ii)(A) through (C)](4)(b)(i) through (iii).~~

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

(a) be determined by the commission; and

(b) cite any applicable statutory provisions that:

(i) require a specific levy; or

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

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

Section 10. Section **59-2-919** is amended to read:

59-2-919. Notice and public hearing requirements for certain tax increases --

Exceptions.

(1) As used in this section:

~~[(b)] (a) { "Ad valorem tax revenue" means ad valorem property tax revenue not including revenue from eligible } { new growth as defined in Section 59-2-924.~~

~~—— (b) } "Additional ad valorem tax revenue" means ad valorem property tax revenue generated by the portion of the tax rate that exceeds the taxing entity's certified tax rate.~~

[(a)] (b) "Ad valorem tax revenue" means ad valorem property tax revenue not

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including revenue from eligible new growth as defined in Section 59-2-924.

(c) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year that begins on January 1 and ends on December 31.

(d) "County executive calendar year taxing entity" means a calendar year taxing entity that operates under the county executive-council form of government described in Section 17-52-504.

(e) "Current calendar year" means the calendar year immediately preceding the calendar year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate.

(f) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July 1 and ends on June 30.

(2) A taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax rate unless the taxing entity meets:

- (a) the requirements of this section that apply to the taxing entity; and
- (b) all other requirements as may be required by law.

(3) (a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax rate if the calendar year taxing entity:

(i) 14 or more days before the date of the regular general election or municipal general election held in the current calendar year, states at a public meeting:

(A) that the calendar year taxing entity intends to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate;

(B) the dollar amount of and purpose for additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate; and

(C) the approximate percentage increase in ad valorem tax revenue for the taxing entity based on the proposed increase described in Subsection (3)(a)(i)(B);

(ii) provides notice for the public meeting described in Subsection (3)(a)(i) in accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a separate item on the meeting agenda that notifies the public that the calendar year taxing entity intends to make the statement described in Subsection (3)(a)(i);

(iii) meets the advertisement requirements of Subsections (6) and (7) before the

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calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);

(iv) provides notice by mail:

(A) seven or more days before the regular general election or municipal general election held in the current calendar year; and

(B) as provided in Subsection (3)(c); and

(v) conducts a public hearing that is held:

(A) in accordance with Subsections (8) and (9); and

(B) in conjunction with the public hearing required by Section 17-36-13 or 17B-1-610.

(b) (i) For a county executive calendar year taxing entity, the statement described in Subsection (3)(a)(i) shall be made by the:

(A) county council;

(B) county executive; or

(C) both the county council and county executive.

(ii) If the county council makes the statement described in Subsection (3)(a)(i) or the county council states a dollar amount of additional ad valorem tax revenue that is greater than the amount of additional ad valorem tax revenue previously stated by the county executive in accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:

(A) make the statement described in Subsection (3)(a)(i) 14 or more days before the county executive calendar year taxing entity conducts the public hearing under Subsection (3)(a)(v); and

(B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the county executive calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v).

(c) The notice described in Subsection (3)(a)(iv):

(i) shall be mailed to each owner of property:

(A) within the calendar year taxing entity; and

(B) listed on the assessment roll;

(ii) shall be printed on a separate form that:

(A) is developed by the commission;

(B) states at the top of the form, in bold upper-case type no smaller than 18 point "NOTICE OF PROPOSED TAX INCREASE"; and

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(C) may be mailed with the notice required by Section 59-2-1317;

(iii) shall contain for each property described in Subsection (3)(c)(i):

(A) the value of the property for the current calendar year;

(B) the tax on the property for the current calendar year; and

(C) subject to Subsection (3)(d), for the calendar year for which the calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate, the estimated tax on the property;

(iv) shall contain the following statement:

"[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar year]. This notice contains estimates of the tax on your property and the proposed tax increase on your property as a result of this tax increase. These estimates are calculated on the basis of [insert previous applicable calendar year] data. The actual tax on your property and proposed tax increase on your property may vary from this estimate.";

(v) shall state the date, time, and place of the public hearing described in Subsection (3)(a)(v); and

(vi) may contain other property tax information approved by the commission.

(d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate the estimated tax on property on the basis of:

(i) data for the current calendar year; and

(ii) the amount of additional ad valorem tax revenue stated in accordance with this section.

(4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:

(a) provides notice by meeting the advertisement requirements of Subsections (6) and (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year taxing entity's annual budget is adopted; and

(b) conducts a public hearing in accordance with Subsections (8) and (9) before the fiscal year taxing entity's annual budget is adopted.

(5) (a) A taxing entity is not required to meet the notice or public hearing requirements of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with the requirements of this section.

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(b) A taxing entity is not required to meet the notice requirements of Subsection (3) or (4) if:

(i) Section 53A-17a-133 allows the taxing entity to levy a tax rate that exceeds that certified tax rate without having to comply with the notice provisions of this section; or

(ii) the taxing entity:

(A) budgeted less than \$20,000 in ad valorem tax revenues for the previous fiscal year; and

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

(6) (a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this section shall be published:

(i) subject to Section 45-1-101, in a newspaper or combination of newspapers of general circulation in the taxing entity;

(ii) electronically in accordance with Section 45-1-101; and

(iii) on the Utah Public Notice Website created in Section 63F-1-701.

(b) The advertisement described in Subsection (6)(a)(i) shall:

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

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

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

(c) The advertisement described in Subsection (6)(a)(i) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

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

(i) whenever possible, the advertisement described in Subsection (6)(a)(i) appear in a newspaper that is published at least one day per week; and

(ii) the newspaper or combination of newspapers selected:

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

(B) not be of limited subject matter.

(e) (i) The advertisement described in Subsection (6)(a)(i) shall:

(A) except as provided in Subsection (6)(f), be run once each week for the two weeks before a taxing entity conducts a public hearing described under Subsection (3)(a)(v) or (4)(b); and

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(B) state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be seven or more days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase.

(ii) The advertisement described in Subsection (6)(a)(ii) shall:

(A) be published two weeks before a taxing entity conducts a public hearing described in Subsection (3)(a)(v) or (4)(b); and

(B) state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be seven or more days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase.

(f) If a fiscal year taxing entity's public hearing information is published by the county auditor in accordance with Section 59-2-919.2, the fiscal year taxing entity is not subject to the requirement to run the advertisement twice, as required by Subsection (6)(e)(i), but shall run the advertisement once during the week before the fiscal year taxing entity conducts a public hearing at which the taxing entity's annual budget is discussed.

(g) For purposes of Subsection (3)(a)(iii) or (4)(a), the form and content of an advertisement shall be substantially as follows:

"NOTICE OF PROPOSED TAX INCREASE

(NAME OF TAXING ENTITY)

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

- The (name of the taxing entity) tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would increase from \$ _____ to \$ _____, which is \$ _____ per year.
- The (name of the taxing entity) tax on a (insert the value of a business having the same value as the average value of a residence in the taxing entity) business would increase from \$ _____ to \$ _____, which is \$ _____ per year.
- If the proposed budget is approved, (name of the taxing entity) would increase its property tax budgeted revenue by ___% above last year's property tax budgeted revenue excluding eligible new growth.

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

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PUBLIC HEARING

Date/Time: (date) (time)

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

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

(7) The commission:

(a) shall adopt rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, governing the joint use of one advertisement described in Subsection (6) by two or more taxing entities; and

(b) subject to Section 45-1-101, may authorize:

(i) the use of a weekly newspaper:

(A) in a county having both daily and weekly newspapers if the weekly newspaper would provide equal or greater notice to the taxpayer; and

(B) if the county petitions the commission for the use of the weekly newspaper; or

(ii) the use by a taxing entity of a commission approved direct notice to each taxpayer if:

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

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

(C) the taxing entity petitions the commission for the use of a commission approved direct notice.

(8) (a) (i) (A) A fiscal year taxing entity shall, on or before March 1, notify the county legislative body in which the fiscal year taxing entity is located of the date, time, and place of the first public hearing at which the fiscal year taxing entity's annual budget will be discussed.

(B) A county that receives notice from a fiscal year taxing entity under Subsection (8)(a)(i)(A) shall include on the notice required by Section 59-2-919.1 the date, time, and place of the public hearing described in Subsection (8)(a)(i)(A).

(ii) A calendar year taxing entity shall, on or before October 1 of the current calendar year, notify the county legislative body in which the calendar year taxing entity is located of the date, time, and place of the first public hearing at which the calendar year taxing entity's annual budget will be discussed.

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(b) (i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be open to the public.

(ii) The governing body of a taxing entity conducting a public hearing described in Subsection (3)(a)(v) or (4)(b) shall provide an interested party desiring to be heard an opportunity to present oral testimony within reasonable time limits.

(c) (i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing of another overlapping taxing entity in the same county.

(ii) The taxing entities in which the power to set tax levies is vested in the same governing board or authority may consolidate the public hearings described in Subsection (3)(a)(v) or (4)(b) into one public hearing.

(d) A county legislative body shall resolve any conflict in public hearing dates and times after consultation with each affected taxing entity.

(e) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or (4)(b) beginning at or after 6 p.m.

(9) (a) If a taxing entity does not make a final decision on budgeting additional ad valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b), the taxing entity shall announce at that public hearing the scheduled time and place of the next public meeting at which the taxing entity will consider budgeting the additional ad valorem tax revenue.

(b) A calendar year taxing entity may not adopt a final budget that budgets an amount of additional ad valorem tax revenue that exceeds the largest amount of additional ad valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).

(c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's certified tax rate may coincide with a public hearing on the fiscal year taxing entity's proposed annual budget.

(10) Notwithstanding any other provision of this section, the amendments to this section in Laws of Utah 2014, Chapter 256, Section 2, apply to:

(a) actions a fiscal year taxing entity is required to take with respect to the fiscal year taxing entity's budgetary process for a fiscal year that begins on or after July 1, 2014; or

(b) actions a calendar year taxing entity is required to take with respect to the calendar

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year taxing entity's budgetary process for a fiscal year that begins on or after January 1, 2015.

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

**59-2-924. Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- ~~{Certified tax rate=~~
~~}Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget.~~**

(1) As used in this section:

(a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with this chapter.

(ii) "Ad valorem property tax revenue" does not include:

(A) interest;

(B) a penalty;

(C) collections from redemptions; or

(D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

(b) (i) "Aggregate taxable value of all property taxed" means:

(A) the aggregate taxable value of all real property a county assessor assesses in accordance with Part 3, County Assessment, for the current year;

(B) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity; and

(C) the aggregate taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year.

(ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable value of personal property that is:

(A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) contained on the prior year's tax rolls of the taxing entity.

~~{ (c) (i) "Annual growth for commission-assessed real and personal property" means the difference between:~~

~~— (A) the taxable value of all real and personal property the commission assesses in~~

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~~accordance with Part 2, Assessment of Property, for a calendar year; and~~

~~—— (B) the year end taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the calendar year prior to the calendar year described in Subsection (1)(c)(i)(A);~~

~~—— (ii) "Annual growth for commission assessed real and personal property" does not include a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.~~

~~—— (d) (i) "Annual growth for locally assessed personal property" means the difference between:~~

~~—— (A) the year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, for the prior calendar year; and~~

~~—— (B) the year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, for the calendar year prior to the calendar year described in Subsection (1)(d)(i).~~

~~—— (ii) "Annual growth for locally assessed personal property" does not include the aggregate year end taxable value of personal property that is:~~

~~—— (A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and~~

~~—— (B) contained on the prior year's tax rolls of the taxing entity.~~

‡ ~~(f)c~~ "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as the taxing entity budgeted for the prior year.

~~(ff)d~~ (i) "Eligible new growth" means the sum of:

(A) ~~{new growth for commission assessed}~~ the difference between the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for redevelopment, and the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for redevelopment;

(B) the difference between the taxable value of real and personal property~~‡~~

~~—— (B) new growth for locally assessed~~ the commission assesses in accordance with Subsections 59-2-201(1)(a)(i) through (iii), that is not property described in Subsections

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59-2-201(1)(a)(iv) through (vi), for the current year, adjusted for redevelopment, and the year end taxable value of the real and personal property; and

~~— (C) new growth for locally assessed real property;~~

~~— (ii) "Eligible new growth" includes revenue;~~ the commission assesses in accordance with Subsections 59-2-201(1)(a)(i) through (iii), that is not property described in Subsections 59-2-201(1)(a)(iv) through (vi), for the previous year, adjusted for redevelopment; and

(C) revenue from an increase in taxable value that a taxing entity receives as a result of an agency, as defined in Section 17C-1-102, no longer receiving tax increment as defined in Section 17C-1-102.

~~(f)(g) (i) (ii) "New~~ Eligible new growth ~~for commission assessed real and personal property"~~ means an amount equal to the 10-year average of the most recent 10 years of annual growth for commission assessed real and personal property, adjusted for redevelopment.

~~— (ii) "New growth for commission assessed real and personal property" does not include;~~ does not include:

(A) with respect to property described in Subsection (1)(d)(i)(A), a change in value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment; or

(B) with respect to property described in Subsection (1)(d)(i)(B), a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

~~{ — (h) "New growth for locally assessed personal property" means an amount equal to the 10-year average of the most recent 10 years of annual growth for locally assessed personal property, adjusted for redevelopment.~~

~~— (i) (i) "New growth for locally assessed real property" means the difference between:~~

~~— (A) the taxable value of all real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for redevelopment; and~~

~~— (B) the year end taxable value of all real property the county assessor assesses in accordance with Part 3, County Assessment, for the prior year, adjusted for redevelopment.~~

~~— (ii) "New growth for locally assessed real property" does not include a change in value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment.~~

~~†~~ [(†)] (2) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

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(a) a statement containing the aggregate valuation of all taxable real property [~~assessed by~~] a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

(b) a statement containing the taxable value of all personal property [~~assessed by~~] a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.

~~[(2)]~~ (3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

- (a) the statements described in Subsections ~~[(1)]~~ (2)(a) and (b);
- (b) an estimate of the revenue from personal property;
- (c) the certified tax rate calculated in accordance with this section; and
- (d) all forms necessary to submit a tax levy request.

~~[(3)(a)]~~ The "certified tax rate" means a tax rate that will provide the same ad valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior year.]

~~[(b)]~~ For purposes of this Subsection (3):]

~~[(i)]~~ "Ad valorem property tax revenues" do not include:]

~~[(A)]~~ interest;]

~~[(B)]~~ penalties; and]

~~[(C)]~~ revenue received by a taxing entity from personal property that is:]

~~[(f)]~~ assessed by a county assessor in accordance with Part 3, County Assessment; and]

~~[(H)]~~ semiconductor manufacturing equipment.]

~~[(ii)]~~ "Aggregate taxable value of all property taxed" means:]

~~[(A)]~~ the aggregate taxable value of all real property assessed by a county assessor in accordance with Part 3, County Assessment, for the current year;]

~~[(B)]~~ the aggregate taxable year end value of all personal property assessed by a county assessor in accordance with Part 3, County Assessment, for the prior year; and]

~~[(C)]~~ the aggregate taxable value of all real and personal property assessed by the commission in accordance with Part 2, Assessment of Property, for the current year.]

~~[(e)(i)]~~ (4) (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenues budgeted for the prior year by

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~~[the]~~ a taxing entity by the amount calculated under Subsection ~~[(3)(c)(ii)]~~ (4)(b).

~~[(ii)]~~ (b) For purposes of Subsection ~~[(3)(c)(ii)]~~ (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:

~~[(A)]~~ (i) calculate for the taxing entity the difference between:

~~[(+)]~~ (A) the aggregate taxable value of all property taxed; and

~~[(H)]~~ (B) any redevelopment adjustments for the current calendar year;

~~[(B)]~~ (ii) after making the calculation required by Subsection ~~[(3)(c)(ii)(A)]~~ (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection ~~[(3)(c)(ii)(A)]~~ (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year; and

~~[(C)]~~ (iii) after making the calculation required by Subsection ~~[(3)(c)(ii)(B)]~~ (4)(b)(ii), calculate the product of:

~~[(+)]~~ (A) the amount calculated under Subsection ~~[(3)(c)(ii)(B)]~~ (4)(b)(ii); and

~~[(H)]~~ (B) the ~~{}~~percentage ~~{ average of the percentages }~~ of property taxes collected for the five calendar years immediately preceding the current calendar year; and

~~[(D)]~~ (iv) after making the calculation required by Subsection ~~[(3)(c)(ii)(C)]~~ (4)(b)(iii), calculate an amount determined by subtracting eligible new growth from the amount calculated under ~~[Subsection (3)(c)(ii)(C) any new growth as defined in this section.]~~ Subsection (4)(b)(iii).

~~[(+)]~~ within the taxing entity; and]

~~[(H)]~~ for the following calendar year:]

~~[(Aa)]~~ for new growth from real property assessed by a county assessor in accordance with Part 3, County Assessment and all property assessed by the commission in accordance with Section 59-2-201, the current calendar year; and]

~~[(Bb)]~~ for new growth from personal property assessed by a county assessor in accordance with Part 3, County Assessment, the prior calendar year.]

~~[(iii)]~~ For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all property taxed:]

~~[(A)]~~ except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in Subsection (3)(b)(ii);]

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~~[(B) does not include the total taxable value of personal property contained on the tax rolls of the taxing entity that is:]~~

~~[(f) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

~~[(H) semiconductor manufacturing equipment; and]~~

~~[(C) for personal property assessed by a county assessor in accordance with Part 3, County Assessment, the taxable value of personal property is the year end value of the personal property contained on the prior year's tax rolls of the entity:]~~

~~[(iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after January 1, 2007, the value of taxable property does not include the value of personal property that is:]~~

~~[(A) within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

~~[(B) semiconductor manufacturing equipment.]~~

~~[(v) For purposes of Subsection (3)(c)(ii)(C)(H), for calendar years beginning on or after January 1, 2007, the percentage of property taxes collected does not include property taxes collected from personal property that is:]~~

~~[(A) within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

~~[(B) semiconductor manufacturing equipment.]~~

~~[(vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after January 1, 2009, the value of taxable property does not include the value of personal property that is within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment.]~~

~~[(vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may prescribe rules for calculating redevelopment adjustments for a calendar year.]~~

~~[(viii) (A) Except as provided in Subsections (3)(c)(ix) and (x), for purposes of Subsection (3)(c)(i), a taxing entity's ad valorem property tax revenues budgeted for the prior year shall be decreased by an amount of revenue equal to the five-year average of the most recent prior five years of redemptions adjusted by the five-year average redemption calculated for the prior year as reported on the county treasurer's final annual settlement required under~~

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~~Subsection 59-2-1365(2):]~~

~~[(B) A decrease under Subsection (3)(c)(viii)(A) does not apply to the multicounty assessing and collecting levy authorized in Subsection 59-2-1602(2)(a), the certified revenue levy, or the minimum basic tax rate established in Section 53A-17a-135:]~~

~~[(ix) As used in Subsection (3)(c)(x):]~~

~~[(A) "One-fourth of qualifying redemptions excess amount" means a qualifying redemptions excess amount divided by four:]~~

~~[(B) "Qualifying redemptions" means that, for a calendar year, a taxing entity's total amount of redemptions is greater than three times the five-year average of the most recent prior five years of redemptions calculated for the prior year under Subsection (3)(c)(viii)(A):]~~

~~[(C) "Qualifying redemptions base amount" means an amount equal to three times the five-year average of the most recent prior five years of redemptions for a taxing entity, as reported on the county treasurer's final annual settlement required under Subsection 59-2-1365(2):]~~

~~[(D) "Qualifying redemptions excess amount" means the amount by which a taxing entity's qualifying redemptions for a calendar year exceed the qualifying redemptions base amount for that calendar year:]~~

~~[(x) (A) If, for a calendar year, a taxing entity has qualifying redemptions, the redemption amount for purposes of calculating the five-year redemption average required by Subsection (3)(c)(viii)(A) is as provided in Subsections (3)(c)(x)(B) and (C):]~~

~~[(B) For the initial calendar year a taxing entity has qualifying redemptions, the taxing entity's redemption amount for that calendar year is the qualifying redemptions base amount:]~~

~~[(C) For each of the four calendar years after the calendar year described in Subsection (3)(c)(x)(B), one-fourth of the qualifying redemptions excess amount shall be added to the redemption amount:]~~

~~[(d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules determining the calculation of ad valorem property tax revenues budgeted by a taxing entity:]~~

~~[(ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax revenues are calculated for purposes of Section 59-2-913:]~~

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~~[(e)]~~ (5) The certified tax rates for the taxing entities described in this Subsection ~~[(3)(e)]~~ (5) shall be calculated as follows:

~~[(+)]~~ (a) except as provided in Subsection ~~[(3)(e)(ii)]~~ (5)(b), for a new taxing ~~[entities]~~ entity the certified tax rate is zero;

~~[(+)]~~ (b) for ~~[each]~~ a municipality incorporated on or after July 1, 1996, the certified tax rate is:

~~[(A)]~~ (i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

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

~~[(+)]~~ (c) for debt service voted on by the public, the certified tax rate ~~[shall be]~~ is the actual levy imposed by that section, except that the certified tax rates for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

~~[(A)]~~ (i) a school ~~[levies]~~ levy provided for under ~~[Sections]~~ Section 53A-16-113, 53A-17a-133, ~~[and]~~ or 53A-17a-164; ~~[and]~~ or

~~[(B) levies]~~ (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

~~[(+)(i)]~~ (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be ~~[established at that]~~ imposed at a rate ~~[which]~~ that is sufficient to generate only the revenue required to satisfy one or more eligible judgments~~[, as defined in Section 59-2-102]~~.

~~[(+)]~~ (b) The ad valorem property tax revenue generated by ~~[the]~~ a judgment levy ~~[shall]~~ described in Subsection (6)(a) may not be considered in establishing ~~[the]~~ a taxing entity's aggregate certified tax rate.

~~[(g)]~~ (7) The ad valorem property tax revenue generated by the capital local levy described in Section 53A-16-113 within a taxing entity in a county of the first class:

~~[(+)]~~ (a) may not be considered in establishing the school district's aggregate certified tax rate; and

~~[(+)]~~ (b) shall be included by the commission in establishing a certified tax rate for that capital ~~[outlay]~~ local levy determined in accordance with the calculation described in Subsection 59-2-913(3).

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~~[(4)]~~ (8) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property ~~[assessed by a county assessor contained on the assessment roll];~~

~~(A) a county assessor assesses in accordance with Part 3, County Assessment; and~~

~~(B) contained on the assessment roll;~~

(ii) the year end taxable value of personal property:

~~(A) a county assessor assesses in accordance with Part 3, County Assessment; and~~

~~(B) contained on the prior year's assessment roll; and~~

~~[(ii)]~~ (iii) the taxable value of real and personal property ~~[assessed by] the commission[; and] assesses in accordance with Section 59-2-201.~~

~~[(iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.]~~

(b) For purposes of Subsection ~~[(4)(a)(i)]~~ (8)(a), the aggregate taxable value of real all property [on the assessment roll] taxed does not include eligible new growth ~~[as defined in Subsection (4)(c)].~~

~~[(c) "New growth" means:]~~

~~[(i) the difference between the increase in taxable value of the following property of the taxing entity from the previous calendar year to the current year:]~~

~~[(A) real property assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

~~[(B) property assessed by the commission under Section 59-2-201; plus]~~

~~[(ii) the difference between the increase in taxable year end value of personal property of the taxing entity from the year prior to the previous calendar year to the previous calendar year; minus]~~

~~[(iii) the amount of an increase in taxable value described in Subsection (4)(c).]~~

~~[(d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the taxing entity does not include the taxable value of personal property that is:]~~

~~[(i) contained on the tax rolls of the taxing entity if that property is assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

~~[(ii) semiconductor manufacturing equipment.]~~

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~~[(e) Subsection (4)(c)(iii) applies to the following increases in taxable value:]~~

~~[(i) the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, or any other adjustments; or]~~

~~[(ii) the amount of an increase in the taxable value of property assessed by the commission under Section 59-2-201 resulting from a change in the method of apportioning the taxable value prescribed by:]~~

~~[(A) the Legislature;]~~

~~[(B) a court;]~~

~~[(C) the commission in an administrative rule; or]~~

~~[(D) the commission in an administrative order.]~~

~~[(f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal property on the prior year's assessment roll does not include:]~~

~~[(i) new growth as defined in Subsection (4)(c); or]~~

~~[(ii) the total taxable year end value of personal property contained on the prior year's tax rolls of the taxing entity that is:]~~

~~[(A) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

~~[(B) semiconductor manufacturing equipment.]~~

(9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for calculating redevelopment adjustments for a calendar year.

~~[(5)] (10) (a) On or before June 22, [each] a taxing entity shall annually adopt a tentative budget.~~

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

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

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

(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

Section 12. Section **59-2-924.2** is amended to read:

59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.

(1) For purposes of this section, "certified tax rate" means a certified tax rate calculated in accordance with Section 59-2-924.

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

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

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

(ii) increased by the amount necessary to offset the county's reduction in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection (3)(a)(i).

(b) The commission shall determine estimates of sales and use tax distributions for purposes of Subsection (3)(a).

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

(5) (a) This Subsection (5) applies to each county that:

(i) establishes a countywide special service district under Title 17D, Chapter 1, Special Service District Act, to provide jail service, as provided in Subsection 17D-1-201(10); and

(ii) levies a property tax on behalf of the special service district under Section 17D-1-105.

(b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be decreased by the amount necessary to reduce county revenues by the same amount of revenues that will be generated by the property tax imposed on behalf of the special service district.

(ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the levy on behalf of the special service district under Section 17D-1-105.

(6) (a) As used in this Subsection (6):

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(i) "Annexing county" means a county whose unincorporated area is included within a public safety district by annexation.

(ii) "Annexing municipality" means a municipality whose area is included within a public safety district by annexation.

(iii) "Equalized public safety protection tax rate" means the tax rate that results from:

(A) calculating, for each participating county and each participating municipality, the property tax revenue necessary:

(I) in the case of a fire district, to cover all of the costs associated with providing fire protection, paramedic, and emergency services:

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

(Bb) for a participating municipality, in the municipality; or

(II) in the case of a police district, to cover all the costs:

(Aa) associated with providing law enforcement service:

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

(IIi) for a participating municipality, in the municipality; and

(Bb) that the police district board designates as the costs to be funded by a property tax; and

(B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all participating counties and all participating municipalities and then dividing that sum by the aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

(I) for participating counties, in the unincorporated area of all participating counties; and

(II) for participating municipalities, in all the participating municipalities.

(iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service Area Act:

(A) created to provide fire protection, paramedic, and emergency services; and

(B) in the creation of which an election was not required under Subsection 17B-1-214(3)(c).

(v) "Participating county" means a county whose unincorporated area is included within a public safety district at the time of the creation of the public safety district.

(vi) "Participating municipality" means a municipality whose area is included within a

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public safety district at the time of the creation of the public safety district.

(vii) "Police district" means a service area under Title 17B, Chapter 2a, Part 9, Service Area Act, within a county of the first class:

(A) created to provide law enforcement service; and

(B) in the creation of which an election was not required under Subsection 17B-1-214(3)(c).

(viii) "Public safety district" means a fire district or a police district.

(ix) "Public safety service" means:

(A) in the case of a public safety district that is a fire district, fire protection, paramedic, and emergency services; and

(B) in the case of a public safety district that is a police district, law enforcement service.

(b) In the first year following creation of a public safety district, the certified tax rate of each participating county and each participating municipality shall be decreased by the amount of the equalized public safety tax rate.

(c) In the first budget year following annexation to a public safety district, the certified tax rate of each annexing county and each annexing municipality shall be decreased by an amount equal to the amount of revenue budgeted by the annexing county or annexing municipality:

(i) for public safety service; and

(ii) in:

(A) for a taxing entity operating under a January 1 through December 31 fiscal year, the prior calendar year; or

(B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior fiscal year.

(d) Each tax levied under this section by a public safety district shall be considered to be levied by:

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

(ii) each participating municipality and each annexing municipality for purposes of the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a

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city.

(e) The calculation of a public safety district's certified tax rate for the year of annexation shall be adjusted to include an amount of revenue equal to one half of the amount of revenue budgeted by the annexing entity for public safety service in the annexing entity's prior fiscal year if:

(i) the public safety district operates on a January 1 through December 31 fiscal year;

(ii) the public safety district approves an annexation of an entity operating on a July 1 through June 30 fiscal year; and

(iii) the annexation described in Subsection (6)(e)(ii) takes effect on July 1.

~~[(7) For the calendar year beginning on January 1, 2007, the calculation of a taxing entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by the amount necessary to offset any change in the certified tax rate that may result from excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the Legislature during the 2007 General Session:]~~

~~[(a) personal property tax revenue:]~~

~~[(i) received by a taxing entity:]~~

~~[(ii) assessed by a county assessor in accordance with Part 3, County Assessment, and]~~

~~[(iii) for personal property that is semiconductor manufacturing equipment, or]~~

~~[(b) the taxable value of personal property:]~~

~~[(i) contained on the tax rolls of a taxing entity:]~~

~~[(ii) assessed by a county assessor in accordance with Part 3, County Assessment, and]~~

~~[(iii) that is semiconductor manufacturing equipment.]~~

~~[(8)]~~ (7) (a) The base taxable value [for the base year] under Subsection 17C-1-102(6) shall be reduced for any year to the extent necessary to provide a community development and renewal agency established under Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies Act, with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate, calculated in accordance with Section 59-2-924, if:

(i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

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

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(iii) the decrease results in a reduction of the amount to be paid to the agency under Section 17C-1-403 or 17C-1-404.

(b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any year to the extent necessary to provide a community development and renewal agency with approximately the same amount of money as the agency would have received without an increase in the certified tax rate that year if:

(i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to a decrease in the certified tax rate under Subsection (2) or (3)(a); and

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

(c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a), the amount of money allocated and, when collected, paid each year to a community development and renewal agency established under Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies Act, for the payment of bonds or other contract indebtedness, but not for administrative costs, may not be less than that amount would have been without a decrease in the certified tax rate under Subsection (2) or (3)(a).

~~[(9)]~~ (8) (a) For the calendar year beginning on January 1, 2014, the calculation of a county assessing and collecting levy shall be adjusted by the amount necessary to offset:

(i) any change in the certified tax rate that may result from amendments to Part 16, Multicounty Assessing and Collecting Levy, in Laws of Utah 2014, Chapter 270, Section 3; and

(ii) the difference in the amount of revenue a taxing entity receives from or contributes to the Property Tax Valuation Agency Fund, created in Section 59-2-1602, that may result from amendments to Part 16, Multicounty Assessing and Collecting Levy, in Laws of Utah 2014, Chapter 270, Section 3.

(b) A taxing entity is not required to comply with the notice and public hearing requirements in Section 59-2-919 for an adjustment to the county assessing and collecting levy described in Subsection ~~[(9)]~~ (8)(a).

Section 13. Section **59-2-924.3** is amended to read:

59-2-924.3. Adjustment of the calculation of the certified tax rate for a school

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district imposing a capital local levy in a county of the first class.

(1) As used in this section:

(a) "Capital local levy increment" means the amount of revenue equal to the difference between:

(i) the amount of revenue generated by a levy of .0006 per dollar of taxable value within a school district during a fiscal year; and

(ii) the amount of revenue the school district received during the same fiscal year from the distribution described in Section 53A-16-114.

(b) "Contributing school district" means a school district in a county of the first class that in a fiscal year receives less revenue from the distribution described in Section 53A-16-114 than it would have received during the same fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

(c) "Receiving school district" means a school district in a county of the first class that in a fiscal year receives more revenue from the distribution described in Section 53A-16-114 than it would have received during the same fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

(2) A receiving school district shall decrease its capital local levy certified tax rate under Subsection 59-2-924~~[(3)(g)(ii)](7)(b)~~ by the amount required to offset the receiving school district's estimated capital local levy increment for the prior fiscal year.

(3) A contributing school district is exempt from the notice and public hearing provisions of Section 59-2-919 for the school district's capital local levy certified tax rate calculated pursuant to Subsection 59-2-924~~[(3)(g)(ii)](7)(b)~~ if:

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of eligible new growth as defined in ~~[Subsection]~~ Section 59-2-924~~[(4)]~~ for the capital local levy described in Section 53A-16-113; and

(b) the increased amount of ad valorem property tax revenue described in Subsection (3)(a) is less than or equal to the difference between:

(i) the amount of revenue generated by a levy of .0006 per dollar of taxable value imposed within the contributing school district during the current taxable year; and

(ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value imposed within the contributing school district during the prior taxable year.

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(4) Regardless of the amount a school district receives from the revenue collected from the .0006 portion of the capital local levy required in Section 53A-16-113, the revenue generated within the school district from the .0006 portion of the capital local levy required in Section 53A-16-113 shall be considered to be budgeted ad valorem property tax revenues of the school district that levies the .0006 portion of the capital local levy for purposes of calculating the school district's certified tax rate in accordance with Subsection 59-2-924~~(3)(g)(ii)~~(7)(b).

Section 14. Section **59-2-926** is amended to read:

59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.

If the state authorizes a levy pursuant to Section 53A-17a-135 that exceeds the certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy pursuant to Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the state shall publish a notice no later than 10 days after the last day of the annual legislative general session that meets the following requirements:

(1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state authorized a levy that generates revenue in excess of the previous year's ad valorem tax revenue, plus eligible new growth as defined in Section 59-2-924, but exclusive of revenue from collections from redemptions, interest, and penalties:

(i) in a newspaper of general circulation in the state; and

(ii) as required in Section 45-1-101.

(b) Except an advertisement published on a website, the advertisement described in Subsection (1)(a):

(i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border:

(ii) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear; and

(iii) shall be run once.

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

"NOTICE OF TAX INCREASE

The state has budgeted an increase in its property tax revenue from \$_____ to \$_____ or ____%. The increase in property tax revenues will come from the following

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sources (include all of the following provisions):

(a) \$_____ of the increase will come from (provide an explanation of the cause of adjustment or increased revenues, such as reappraisals or factoring orders);

(b) \$_____ of the increase will come from natural increases in the value of the tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

(c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or both) paid \$_____ in property taxes would pay the following:

(i) \$_____ if the state of Utah did not budget an increase in property tax revenue exclusive of new growth; and

(ii) \$_____ under the increased property tax revenues exclusive of eligible new growth budgeted by the state of Utah."

Section 15. Section **59-2-1330** is amended to read:

59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer -- Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the commission -- Time periods for making payments to taxpayer.

(1) Unless otherwise specifically provided by statute, property taxes shall be paid directly to the county assessor or the county treasurer:

(a) on the date that the property taxes are due; and

(b) as provided in this chapter.

(2) A taxpayer shall receive payment as provided in this section if a reduction in the amount of any tax levied against any property for which the taxpayer paid a tax or any portion of a tax under this chapter for a calendar year is required by a final and unappealable judgment or order described in Subsection (3) issued by:

(a) a county board of equalization;

(b) the commission; or

(c) a court of competent jurisdiction.

(3) (a) For purposes of Subsection (2), the state or any taxing entity that has received property taxes or any portion of property taxes from a taxpayer described in Subsection (2) shall pay the taxpayer if:

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(i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an authorized officer of the:

(A) county; or

(B) state; and

(ii) the taxpayer obtains a final and unappealable judgment or order:

(A) from:

(I) a county board of equalization;

(II) the commission; or

(III) a court of competent jurisdiction;

(B) against:

(I) the taxing entity or an authorized officer of the taxing entity; or

(II) the state or an authorized officer of the state; and

(C) ordering a reduction in the amount of any tax levied against any property for which a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

(b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined in accordance with Subsections (4) through (7).

(4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer is equal to the sum of:

(a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference between:

(i) the tax the taxpayer paid to the state in accordance with Subsection (2); and

(ii) the amount of the taxpayer's tax liability to the state after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection (3);

(b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference between:

(i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331; and

(ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection (3);

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(c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and

(d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

(i) Subsection (4)(a);

(ii) Subsection (4)(b); and

(iii) Subsection (4)(c).

(5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a taxpayer is equal to the sum of:

(a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference between:

(i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and

(ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection (3);

(b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference between:

(i) any penalties the taxpayer paid to the taxing entity in accordance with Section 59-2-1331; and

(ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the property in accordance with the final and unappealable judgment or order described in Subsection (3);

(c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and

(d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

(i) Subsection (5)(a);

(ii) Subsection (5)(b); and

(iii) Subsection (5)(c).

(6) Except as provided in Subsection (7):

(a) interest shall be refunded to a taxpayer on the amount described in Subsection (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance

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with Section 59-2-1331; and

(b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or (5)(d):

(i) beginning on the later of:

(A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or

(B) January 1 of the calendar year immediately following the calendar year for which the tax was due;

(ii) ending on the day on which the state or a taxing entity pays to the taxpayer the amount required by Subsection (4) or (5); and

(iii) at the interest rate earned by the state treasurer on public funds transferred to the state treasurer in accordance with Section 51-7-5.

(7) Notwithstanding Subsection (6):

(a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied by the state for that calendar year as stated on the notice required by Section 59-2-1317; and

(b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied by the taxing entity for that calendar year as stated on the notice required by Section 59-2-1317.

(8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable judgment or order described in Subsection (3) if:

(i) the final and unappealable judgment or order is issued no later than 15 days prior to the date the ~~[levy]~~ certified tax rate is set under ~~[Subsection]~~ Section 59-2-924~~(3)(a)~~;

(ii) the amount of the judgment levy is included on the notice under Section 59-2-919.1; and

(iii) the final and unappealable judgment or order is an eligible judgment, as defined in Section 59-2-102.

(b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum levy established for the taxing entity.

(9) (a) A taxpayer that objects to the assessment of property assessed by the commission shall pay, on or before the date of delinquency established under Subsection

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59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by Section 59-2-1317 if:

(i) the taxpayer has applied to the commission for a hearing in accordance with Section 59-2-1007 on the objection to the assessment; and

(ii) the commission has not issued a written decision on the objection to the assessment in accordance with Section 59-2-1007.

(b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

(i) a final and unappealable judgment or order establishing that the property described in Subsection (9)(a) has a value greater than the value stated on the notice required by Section 59-2-1317 is issued by:

(A) the commission; or

(B) a court of competent jurisdiction; and

(ii) the taxpayer fails to pay the additional tax liability resulting from the final and unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after the county bills the taxpayer for the additional tax liability.

(10) (a) Except as provided in Subsection (10)(b), a payment that is required by this section shall be paid to a taxpayer:

(i) within 60 days after the day on which the final and unappealable judgment or order is issued in accordance with Subsection (3); or

(ii) if a judgment levy is imposed in accordance with Subsection (8):

(A) if the payment to the taxpayer required by this section is \$5,000 or more, no later than December 31 of the year in which the judgment levy is imposed; and

(B) if the payment to the taxpayer required by this section is less than \$5,000, within 60 days after the date the final and unappealable judgment or order is issued in accordance with Subsection (3).

(b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

(i) that establishes a time period other than a time period described in Subsection (10)(a) for making a payment to the taxpayer that is required by this section; and

(ii) with:

(A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

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(B) an authorized officer of the state for a tax imposed by the state.

Section 16. Section **63I-1-259** is amended to read:

63I-1-259. Repeal dates, Title 59.

(1) Subsection 59-2-924[(3)(g)](7) is repealed on December 31, 2016.

(2) Section 59-2-924.3 is repealed on December 31, 2016.

(3) Section 59-9-102.5 is repealed December 31, 2020.

Section 17. **Effective date.**

This bill takes effect on January 1, 2016.

†

Legislative Review Note

— as of ~~2-11-15 3:53 PM~~

— ~~Office of Legislative Research and General Counsel~~