

HB0428

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Senate Sponsor:

Other Special Clauses:

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17 None

19 AMENDS:

20 **53F-2-301** ~~{(Effective 05/07/25)}~~, as last amended by Laws of Utah 2024, Chapters 124,
460 ~~{(Effective 05/07/25)}~~, as last amended by Laws of Utah 2024, Chapters 124, 460

21 **53F-9-204** ~~{(Effective 05/07/25)}~~, as last amended by Laws of Utah 2024, Chapter 322 ~~{(Effective~~
~~05/07/25)}~~, as last amended by Laws of Utah 2024, Chapter 322

25 ~~{59-2-103 (Contingently Effective 01/01/27), as last amended by Laws of Utah 2024, Chapter~~
~~253 (Contingently Effective 01/01/27), as last amended by Laws of Utah 2024, Chapter 253}~~

22

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

24 Section 1. Section **53F-2-301** is amended to read:

25 **53F-2-301. ~~{(Effective 05/07/25)}~~Minimum basic tax rate for a fiscal year that begins after**
July 1, 2022.

31 (1) As used in this section:

32 (a) "Basic levy increment rate" means a tax rate that will generate an amount of revenue equal to
\$75,000,000.

34 (b) "Combined basic rate" means a rate that is the sum of:

35 (i) the minimum basic tax rate; and

36 (ii) the WPU value rate.

37 (c) "Commission" means the State Tax Commission.

38 (d) "Minimum basic local amount" means an amount that is:

39 (i) equal to the sum of:

40 (A) the school districts' contribution to the basic school program the previous fiscal year;

42 (B) the amount generated by the basic levy increment rate; and

43 (C) the eligible new growth, as defined in Section 59-2-924 and rules of the State Tax Commission
multiplied by the minimum basic rate; and

45 (ii) set annually by the Legislature in Subsection (2)(a).

46 (e) "Minimum basic tax rate" means a tax rate certified by consensus between the commission, the
Governor's Office of Planning and Budget, and the Office of the Legislative Fiscal Analyst that will
generate an amount of revenue equal to the minimum basic local amount described in Subsection (2)
(a).

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- 50 (f) "Weighted pupil unit value" or "WPU value" means the amount established each year in the enacted
public education budget that is multiplied by the number of weighted pupil units to yield the funding
level for the basic school program.
- 53 (g) "WPU value amount" means an amount:
- 54 (i) that is equal to the product of:
- 55 (A) the WPU value increase limit; and
- 56 (B) the percentage share of local revenue to the cost of the basic school program in the immediately
preceding fiscal year; and
- 58 (ii) set annually by the Legislature in Subsection (3)(a).
- 59 (h) "WPU value increase limit" means the lesser of:
- 60 (i) the total cost to the basic school program to increase the WPU value over the WPU value in the prior
fiscal year; or
- 62 (ii) the total cost to the basic school program to increase the WPU value by 4% over the WPU value in
the prior fiscal year.
- 64 (i) "WPU value rate" means a tax rate certified by the commission that will generate an amount of
revenue equal to the WPU value amount described in Subsection (3)(a).
- 66 (2)
- (a) The minimum basic local amount for the fiscal year that begins on July 1, 2024, is \$759,529,000 in
revenue statewide.
- 68 (b) The preliminary estimate of the minimum basic tax rate for a fiscal year that begins on July 1, 2024,
is .001429.
- 70 (3)
- (a) The WPU value amount for the fiscal year that begins on July 1, 2024, is \$29,240,600 in revenue
statewide.
- 72 (b) The preliminary estimate of the WPU value rate for the fiscal year that begins on July 1, 2024,
is .000055.
- 74 (4)
- (a) On or before June 22, the commission, the Governor's Office of Planning and Budget, and the Office
of the Legislative Fiscal Analyst shall by consensus certify for the year:
- 77 (i) the minimum basic tax rate; and
- 78 (ii) the WPU value rate.

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- 79 (b) The estimate of the minimum basic tax rate provided in Subsection (2)(b) and the estimate of the
WPU value rate provided in Subsection (3)(b) are based on a forecast for property values for the
next calendar year.
- 82 (c) The certified minimum basic tax rate described in Subsection (4)(a)(i) and the certified WPU value
rate described in Subsection (4)(a)(ii) are based on property values as of January 1 of the current
calendar year, except personal property, which is based on values from the previous calendar year.
- 86 (5)
- (a) To qualify for receipt of the state contribution toward the basic school program and as a school
district's contribution toward the cost of the basic school program for the school district, each local
school board shall impose the combined basic rate.
- 89 (b)
- (i) The state is not subject to the notice requirements of Section 59-2-926 before imposing the tax rates
described in this Subsection (5).
- 91 (ii) The state is subject to the notice requirements of Section 59-2-926 if the state authorizes a tax rate
that exceeds the tax rates described in this Subsection (5).
- 93 (6)
- (a) The state shall contribute to each school district toward the cost of the basic school program in the
school district an amount of money that is the difference between the cost of the school district's
basic school program and the sum of revenue generated by the school district by the following:
- 97 (i) the combined basic rate; and
- 98 (ii) the basic levy increment rate.
- 99 (b)
- (i) If the difference described in Subsection (6)(a) equals or exceeds the cost of the basic school
program in a school district, no state contribution shall be made to the basic school program for the
school district.
- 102 (ii) The proceeds of the difference described in Subsection (6)(a) that exceed the cost of the basic
school program shall be paid into the Uniform School Fund as provided by law and by the close of
the fiscal year in which the proceeds were calculated.
- 106 (7) Upon appropriation by the Legislature, the Division of Finance shall deposit an amount equal to the
proceeds generated statewide:
- 108

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(a) by the basic levy increment rate into the Minimum Basic Growth Account created in Section 53F-9-302; and

110 (b) by the WPU value rate into the Teacher and Student Success Account created in Section 53F-9-306.

108 Section 2. Section **53F-9-204** is amended to read:

109 **53F-9-204. ~~{(Effective 05/07/25)}~~Public Education Economic Stabilization Restricted**
Account.

115 (1) There is created within the Uniform School Fund a restricted account known as the "Public
Education Economic Stabilization Restricted Account."

117 (2)

(a) Except as provided in Subsection (2)(b), the account shall be funded from the following revenue
sources:

119 (i) 15% of the difference between, as determined by the Office of the Legislative Fiscal Analyst:

121 (A) the estimated amount of ongoing Income Tax Fund and Uniform School Fund revenue available for
the Legislature to appropriate for the next fiscal year; and

123 (B) the amount of ongoing appropriations from the Income Tax Fund and Uniform School Fund in the
current fiscal year; and

125 (ii) other appropriations as the Legislature may designate.

126 (b) If the appropriation described in Subsection (2)(a) would cause the ongoing appropriations to the
account to exceed 11% of Uniform School Fund appropriations described in Section 53F-9-201.1
for the same fiscal year, the Legislature shall appropriate only those funds necessary to ensure that
the ongoing appropriations to the account equal 11% of Uniform School Fund appropriations for
that fiscal year.

131 (3) Subject to the availability of ongoing appropriations to the account, in accordance with

132 Utah Constitution, Article X, Section 5, Subsection (4), the ongoing appropriation to the account
shall be used to fund:

134 (a) except for a year described in Subsection (3)(b) or (c), one-time appropriations to the public
education system; ~~[and]~~

136 (b) the Minimum School Program for a year in which Income Tax Fund revenue and Uniform School
Fund revenue are insufficient to fund:

138 (i) ongoing appropriations to the public education system; and

139 (ii) enrollment growth and inflation estimates, as defined in Section 53F-9-201.1~~[-]~~ ; and

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141 (c) the minimum basic local amount as defined in Section 53F-2-301 for a year in which the minimum
142 basic tax rate, as defined in Section 53F-2-301, is insufficient to generate the amount described in
143 Subsection 53F-2-301(2)(a).

144 (4)

(a) The account shall earn interest.

145 (b) All interest earned on account money shall be deposited in the account.

146 (5) On or before December 31, 2023, and every three years thereafter, the Office of the Legislative
Fiscal Analyst shall:

148 (a) review the percentages described in Subsections (2)(a)(i) and (2)(b); and

149 (b) recommend to the Executive Appropriations Subcommittee any changes based on the review
described in Subsection (5)(a).

151 (6) In preparing budget bills for a given fiscal year, the Executive Appropriations Committee shall
make the one-time appropriations described in Subsection (3)(a) by appropriating at least the lesser
of 10% of the total amount of the one-time appropriations; or

155 (a) the cost of providing 32 paid professional hours for teachers in accordance with Section 53F-7-203;
and

157 (b) the amount to make the distribution required under Section 53F-2-527.

158 ~~{Section 3. Section 59-2-103 is amended to read: }~~

159 **59-2-103. Rate of assessment of property -- Residential property.**

160 (1) As used in this section:

161 (a)

(i) "Household" means the association of individuals who live in the same dwelling, sharing the
dwelling's furnishings, facilities, accommodations, and expenses.

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

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

168 (2) All tangible taxable property located within the state shall be assessed and taxed at a uniform and
equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provided by
law.

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(3) Subject to Subsections (4) through (6) and Section 59-2-103.5, for a calendar year, the fair market value of residential property located within the state is allowed a residential exemption equal to a [45%] 50% reduction in the value of the property.

174 (4) Part-year residential property located within the state is allowed the residential exemption described in Subsection (3) if the part-year residential property is used as residential property for 183 or more consecutive calendar days during the calendar year for which the owner seeks to obtain the residential exemption.

178 (5) No more than one acre of land per residential unit may qualify for the residential exemption described in Subsection (3).

180 (6)

(a) Except as provided in Subsections (6)(b)(ii) and (iii), a residential exemption described in Subsection (3) is limited to one primary residence per household.

182 (b) An owner of multiple primary residences located within the state is allowed a residential exemption under Subsection (3) for:

184 (i) subject to Subsection (6)(a), the primary residence of the owner;

185 (ii) each residential property that is the primary residence of a tenant; and

186 (iii) subject to Subsection 59-2-103.5(4), each residential property described in Subsection 59-2-102(34)(b)(ii).

153 Section 3. **Effective date.**

189 (1) ~~{Except as provided in Subsection (2), this }~~ This bill takes effect on May 7, 2025.

190 ~~{(2) {The changes to Section 59-2-103 take effect January 1, 2027, if the amendment to the Utah Constitution proposed by H.J.R. 7, Proposal to Amend Utah Constitution - Property Tax, 2025 General Session, passes the Legislature and is approved by a majority of those voting on it at the next regular general election.} }~~

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