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Property Tax Revenue Increase Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tiara Auxier

Senate Sponsor:

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LONG TITLE**General Description:**

This bill modifies provisions relating to property tax revenue increases.

Highlighted Provisions:

This bill:

▸ provides the circumstances under which a taxing entity shall submit an opinion question to registered voters before increasing the amount of revenue generated from property

tax;

▸ exempts a taxing entity that submits an opinion question to registered voters from the truth-in-taxation notice and hearing requirements;

▸ limits how much revenue a taxing entity receives from new growth; and

▸ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

10-5-109, as last amended by Laws of Utah 2019, Chapter 322

10-5-112, as last amended by Laws of Utah 2021, Chapter 434

10-6-118, as last amended by Laws of Utah 2019, Chapter 322

10-6-133, as last amended by Laws of Utah 2021, Chapter 434

10-6-135, as last amended by Laws of Utah 2019, Chapter 322

20A-7-613, as last amended by Laws of Utah 2023, Chapter 116

53F-8-201, as last amended by Laws of Utah 2019, Chapter 186

53F-8-302, as last amended by Laws of Utah 2018, Chapter 456 and renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-303, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 2

- 31 **59-2-102**, as last amended by Laws of Utah 2024, Chapter 53
 32 **59-2-919**, as last amended by Laws of Utah 2024, Chapter 246
 33 **59-2-919.1**, as last amended by Laws of Utah 2024, Chapter 246
 34 **59-2-920**, as last amended by Laws of Utah 2019, Chapter 322
 35 **59-2-921**, as last amended by Laws of Utah 2009, Chapter 204
 36 **59-2-922**, as last amended by Laws of Utah 2009, Chapter 204
 37 **59-2-926**, as last amended by Laws of Utah 2023, Chapter 7

38 ENACTS:

39 **59-2-911.5**, Utah Code Annotated 1953

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

42 Section 1. Section **10-5-109** is amended to read:

43 **10-5-109 . Adoption of budgets -- Filing.**

- 44 (1) Before June 30 of each year, or September 1 in the case of a property tax rate increase
 45 under Section 59-2-911.5 or Sections 59-2-919 through 59-2-923, the council shall by
 46 resolution or ordinance adopt a budget for the ensuing fiscal year for each fund for
 47 which a budget is required under this chapter.
 48 (2) The council shall file a copy of the final budget for each fund with the state auditor
 49 within 30 days after adoption.

50 Section 2. Section **10-5-112** is amended to read:

51 **10-5-112 . Property tax levy set by ordinance -- Maximum -- Certification.**

- 52 (1) [~~Not later than~~] Before June 22 of each year, or September 1 in the case of a property tax
 53 rate increase under Section 59-2-911.5 or Sections 59-2-919 through 59-2-923, the
 54 council, at a regular meeting or special meeting called for that purpose, shall by
 55 ordinance or resolution set the real and personal property tax levy for town purposes, but
 56 the levy may be set at an appropriate later date with the approval of the State Tax
 57 Commission.
 58 (2) The combined levies for each town, for all purposes in any year, excluding the
 59 retirement of general obligation bonds and the payment of any interest, and taxes
 60 expressly authorized by law to be levied in addition, may not exceed .007 per dollar of
 61 taxable value of taxable property.
 62 (3) The town clerk shall certify the ordinance or resolution setting the levy to the county
 63 auditor, or auditors, if the town is located in more than one county, not later than June 22
 64 of each year.

65 (4) For the first fiscal year after the year in which a county imposes a levy under Section
 66 11-46-104, a town shall reduce the levy imposed under this section for general tax
 67 purposes by the amount necessary to offset the revenue described in Subsection
 68 11-46-104(5)(c)(iii).

69 Section 3. Section **10-6-118** is amended to read:

70 **10-6-118 . Adoption of final budget -- Certification and filing.**

71 (1) Before June 30 of each fiscal period, or, in the case of a property tax rate increase under
 72 Section 59-2-911.5 or Sections 59-2-919 through 59-2-923, before September 1 of the
 73 year for which a property tax increase is proposed, the governing body shall by
 74 resolution or ordinance adopt a budget for the ensuing fiscal period for each fund for
 75 which a budget is required under this chapter.

76 (2) The budget officer of the governing body shall certify a copy of the final budget and file
 77 the copy with the state auditor within 30 days after adoption.

78 Section 4. Section **10-6-133** is amended to read:

79 **10-6-133 . Property tax levy -- Time for setting -- Computation of total levy --**
 80 **Apportionment of proceeds -- Maximum levy.**

81 (1)(a) Before June 22 of each year, or September 1 in the case of a property tax rate
 82 increase under Section 59-2-911.5 or Sections 59-2-919 through 59-2-923, the
 83 governing body of each city, including charter cities, at a regular meeting or special
 84 meeting called for that purpose, shall by ordinance or resolution set the real and
 85 personal property tax levy for various municipal purposes.

86 (b) Notwithstanding Subsection (1)(a), the governing body may set the levy at an
 87 appropriate later date with the approval of the State Tax Commission.

88 (2) In the governing body's computation of the total levy, the governing body shall
 89 determine the requirements of each fund for which property taxes are to be levied and
 90 shall specify in the governing body's ordinance or resolution adopting the levy the
 91 amount apportioned to each fund.

92 (3) The proceeds of the levy apportioned for city general fund purposes shall be credited as
 93 revenue in the city general fund.

94 (4) The proceeds of the levy apportioned for special fund purposes shall be credited to the
 95 appropriate accounts in the applicable special funds.

96 (5) For the first fiscal year after the year in which a county imposes a levy under Section
 97 11-46-104, a city shall reduce the levy imposed under this section for general tax
 98 purposes by the amount necessary to offset the revenue described in Subsection

99 11-46-104(5)(c)(iii).

100 (6) The combined levies for each city, including charter cities, for all purposes in any year,
101 excluding the retirement of general obligation bonds and the payment of any interest,
102 and taxes expressly authorized by law to be levied in addition, may not exceed .007 per
103 dollar of taxable value of taxable property.

104 Section 5. Section **10-6-135** is amended to read:

105 **10-6-135 . Operating and capital budgets.**

106 (1)(a) As used in this section, "operating and capital budget" means a plan of financial
107 operation for an enterprise fund or other required special fund that includes estimates
108 of operating resources, expenses, and other outlays for a fiscal period.

109 (b) Except as otherwise expressly provided, any reference to "budget" or "budgets" and
110 the procedures and controls relating to a budget or budgets in other sections of this
111 chapter do not apply or refer to the operating and capital budgets described in this
112 section.

113 (2) At or before the time the governing body adopts budgets for the funds described in
114 Section 10-6-109, the governing body shall adopt:

115 (a) an operating and capital budget for each enterprise fund for the ensuing fiscal period;
116 and

117 (b) the type of budget for other special funds as required by the Uniform Accounting
118 Manual for Utah Cities.

119 (3)(a) The governing body shall adopt and administer an operating and capital budget in
120 accordance with this Subsection (3).

121 (b) At or before the first regularly scheduled meeting of the governing body in the last
122 May of the current fiscal period, the budget officer shall:

123 (i) prepare for the ensuing fiscal period and file with the governing body a tentative
124 operating and capital budget for:

125 (A) each enterprise fund; and

126 (B) other required special funds;

127 (ii) include with the tentative operating and capital budget described in Subsection
128 (3)(c) specific work programs as submitted by each department head; and

129 (iii) include any other supporting data required by the governing body.

130 (c) Each city of the first or second class shall, and each city of the third, fourth, or fifth
131 class may, submit a supplementary estimate of all capital projects which a department
132 head believes should be undertaken within the three next succeeding fiscal periods.

- 133 (d)(i) Subject to Subsection (3)(d)(ii), the budget officer shall prepare all estimates
134 after review and consultation with each department head described in Subsection
135 (3)(c).
- 136 (ii) After complying with Subsection (3)(d)(i), the budget officer may revise any
137 departmental estimate before it is filed with the governing body.
- 138 (4)(a) Each tentative budget, amendment to a budget, or budget shall be reviewed and
139 considered by the governing body at any regular meeting or special meeting called
140 for that purpose.
- 141 (b) The governing body may make changes in the tentative budgets.
- 142 (5) Budgets for enterprise or other required special funds shall comply with the public
143 hearing requirements established in Sections 10-6-113 and 10-6-114.
- 144 (6)(a) Before the last June 30 of each fiscal period, or, in the case of a property tax rate
145 increase under Section 59-2-911.5 or Sections 59-2-919 through 59-2-923, before
146 September 1 of the year for which a property tax increase is proposed, the governing
147 body shall adopt an operating and capital budget for each applicable fund for the
148 ensuing fiscal period.
- 149 (b) A copy of the budget as finally adopted for each fund shall be:
- 150 (i) certified by the budget officer;
- 151 (ii) filed by the budget officer in the office of the city auditor or city recorder;
- 152 (iii) available to the public during regular business hours; and
- 153 (iv) filed with the state auditor within 30 days after the day on which the budget is
154 adopted.
- 155 (7)(a) Upon final adoption, the operating and capital budget is in effect for the budget
156 period, subject to later amendment.
- 157 (b) During the budget period the governing body may, in any regular meeting or special
158 meeting called for that purpose, review any one or more of the operating and capital
159 budgets for the purpose of determining if the total of any of them should be increased.
- 160 (c) If the governing body decides that the budget total of one or more of the funds
161 should be increased under Subsection (7)(b), the governing body shall follow the
162 procedures set forth in Section 10-6-136.
- 163 (8) Expenditures from operating and capital budgets shall conform to the requirements
164 relating to budgets specified in Sections 10-6-121 through 10-6-126.
- 165 Section 6. Section **20A-7-613** is amended to read:
166 **20A-7-613 . Property tax referendum petition.**

- 167 (1) As used in this section, "certified tax rate" means the same as that term is defined in
168 Section 59-2-924.
- 169 (2)(a) Except as provided in this section, the requirements of this part apply to a
170 referendum petition challenging a taxing entity's legislative body's vote to impose a
171 tax rate that exceeds the certified tax rate.
- 172 (b) A person may not bring a referendum petition challenging a taxing entity's legislative
173 body's vote to impose a tax rate that exceeds the certified tax rate if the taxing entity
174 submitted an opinion question to the voters in accordance with Section 59-2-911.5.
- 175 (3) Notwithstanding Subsection 20A-7-105(5)(a)(iv), the sponsors or an agent of the
176 sponsors shall deliver a signed and verified referendum packet to the county clerk of the
177 county in which the packet was circulated before 5 p.m. no later than the earlier of:
178 (a) 30 days after the day on which the first individual signs the packet; or
179 (b) 40 days after the day on which the local clerk complies with Subsection
180 20A-7-604(3).
- 181 (4) Notwithstanding Subsections 20A-7-105(6)(a) and (9), the county clerk shall take the
182 actions required in Subsections 20A-7-105(6)(a) and (9) within 10 working days after
183 the day on which the county clerk receives the signed and verified referendum packet as
184 described in Subsection (3).
- 185 (5) The local clerk shall take the actions required by Section 20A-7-607 within two
186 working days after:
187 (a) in relation to the manual referendum process, the day on which the local clerk
188 receives the referendum packets from the county clerk; or
189 (b) in relation to the electronic referendum process, the deadline described in Subsection
190 20A-7-616(2).
- 191 (6) Notwithstanding Subsection 20A-7-608(2), the local attorney shall prepare the ballot
192 title within two working days after the day on which the referendum petition is declared
193 sufficient for submission to a vote of the people.
- 194 (7) Notwithstanding Subsection 20A-7-609(2)(c), a referendum that qualifies for the ballot
195 under this section shall appear on the ballot for the earlier of the next regular general
196 election or the next municipal general election unless a special election is called.
- 197 (8) The election officer shall mail manual ballots on a referendum under this section the
198 later of:
199 (a) the time provided in Section 20A-3a-202 or 20A-16-403; or
200 (b) the time that ballots are prepared for mailing under this section.

- 201 (9) Section 20A-7-402 does not apply to a referendum described in this section.
- 202 (10)(a) If a majority of voters does not vote against imposing the tax at a rate calculated
203 to generate the increased revenue budgeted, adopted, and approved by the taxing
204 entity's legislative body:
- 205 (i) the certified tax rate for the fiscal year during which the referendum petition is
206 filed is its most recent certified tax rate; and
- 207 (ii) the proposed increased revenues for purposes of establishing the certified tax rate
208 for the fiscal year after the fiscal year described in Subsection (10)(a)(i) are the
209 proposed increased revenues budgeted, adopted, and approved by the taxing
210 entity's legislative body before the filing of the referendum petition.
- 211 (b) If a majority of voters votes against imposing a tax at the rate established by the vote
212 of the taxing entity's legislative body, the certified tax rate for the taxing entity is the
213 taxing entity's most recent certified tax rate.
- 214 (c) If the tax rate is set in accordance with Subsection (10)(a)(ii), a taxing entity is not
215 required to comply with the notice and public hearing requirements of Section
216 59-2-919 if the taxing entity complies with those notice and public hearing
217 requirements before the referendum petition is filed.
- 218 (11) The ballot title shall, at a minimum, include in substantially this form the following:
219 "Shall the [name of the taxing entity] be authorized to levy a tax rate in the amount
220 sufficient to generate an increased property tax revenue of [amount] for fiscal year [year]
221 as budgeted, adopted, and approved by the [name of the taxing entity].".
- 222 (12) A taxing entity shall pay the county the costs incurred by the county that are directly
223 related to meeting the requirements of this section and that the county would not have
224 incurred but for compliance with this section.
- 225 (13)(a) An election officer shall include on a ballot a referendum that has not yet
226 qualified for placement on the ballot, if:
- 227 (i) sponsors file an application for a referendum described in this section;
228 (ii) the ballot will be used for the election for which the sponsors are attempting to
229 qualify the referendum; and
- 230 (iii) the deadline for qualifying the referendum for placement on the ballot occurs
231 after the day on which the ballot will be printed.
- 232 (b) If an election officer includes on a ballot a referendum described in Subsection
233 (13)(a), the ballot title shall comply with Subsection (11).
- 234 (c) If an election officer includes on a ballot a referendum described in Subsection

235 (13)(a) that does not qualify for placement on the ballot, the election officer shall
 236 inform the voters by any practicable method that the referendum has not qualified for
 237 the ballot and that votes cast in relation to the referendum will not be counted.

238 Section 7. Section **53F-8-201** is amended to read:

239 **53F-8-201 . Annual certification of tax rate proposed by local school board --**
 240 **Inclusion of school district budget -- Modified filing date.**

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

244 (2) A copy of the district's budget, including items under Section 53G-7-302, and a certified
 245 copy of the local school board's resolution [~~which~~] that approved the budget and set the
 246 tax rate for the subsequent school year beginning July 1 shall accompany the tax rate.

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

250 Section 8. Section **53F-8-302** is amended to read:

251 **53F-8-302 . Board local levy.**

252 (1) The terms defined in Section 53F-2-102 apply to this section.

253 (2) Subject to the other requirements of this section and in accordance with Section
 254 59-2-911.5, a local school board may levy a tax to fund the school district's general fund.

255 (3)(a) For purposes of this Subsection (3), "combined rate" means the sum of:

256 (i) the rate imposed by a local school board under Subsection (2); and

257 (ii) the charter school levy rate, described in Section 53F-2-703, for the local school
 258 board's school district.

259 (b) [~~Beginning on January 1, 2018, a~~] A school district's combined rate [-]may not exceed
 260 .0025 per dollar of taxable value in any calendar year.

261 (4) In addition to the revenue a school district collects from the imposition of a levy [
 262 ~~pursuant to~~] in accordance with this section, the state shall contribute an amount as
 263 described in Section 53F-2-601.

264 (5)(a) For a calendar year beginning on or after January 1, 2017, the State Tax
 265 Commission shall adjust a board local levy rate imposed by a local school board
 266 under this section by the amount necessary to offset the change in revenues from the
 267 charter school levy imposed under Section 53F-2-703.

268 (b) A local school board is not required to comply with the voter approval requirements

269 of Section 59-2-911.5 or the notice and public hearing requirements of Section
 270 59-2-919 for an offset described in Subsection (5)(a) to the change in revenues from
 271 the charter school levy imposed under Section 53F-2-703.

272 (c) So long as the charter school levy rate does not exceed 25% of the charter school
 273 levy per district revenues, a local school board may not increase a board local levy
 274 rate under this section if the purpose of increasing the board local levy rate is to
 275 capture the [-]revenues assigned to the charter school levy through the adjustment in
 276 a board local levy rate under Subsection (5)(a).

277 (d) Before a local school board takes action to increase a board local levy rate under this
 278 section, the local school board shall:

279 (i) prepare a written statement that attests that the local school board is in compliance
 280 with Subsection (5)(c);

281 (ii) read the statement described in Subsection (5)(d)(i) during a local school board
 282 public meeting where the local school board discusses increasing the board local
 283 levy rate; and

284 (iii) send a copy of the statement described in Subsection (5)(d)(i) to the State Tax
 285 Commission.

286 Section 9. Section **53F-8-303** is amended to read:

287 **53F-8-303 . Capital local levy.**

288 (1) As used in this section:

289 (a) "Cost of the basic program" means the cost of the programs described in Title 53F,
 290 Chapter 2, Part 3, Basic Program (Weighted Pupil Units) in a school district.

291 (b) "Low-revenue year" means a fiscal year for which the Legislature appropriates
 292 ongoing funding from the Public Education Economic Stabilization Restricted
 293 Account under Subsection 53F-9-204(3)(b).

294 (2) Subject to the other requirements of this section and in accordance with Section
 295 59-2-911.5, a local school board may levy a tax to fund the school district's:

296 (a) capital projects;

297 (b) technology programs or projects; or

298 (c) subject to Subsection (4), operational expenses for a low-revenue year.

299 (3) A tax rate imposed by a school district [~~pursuant to~~] in accordance with this section may
 300 not exceed .0030 per dollar of taxable value in any calendar year.

301 (4) Except as provided in Subsection (6), for a low-revenue year, a local school board may
 302 transfer an amount of revenue from the school district's capital project fund to the school

303 district's general fund for the local school board's school district for operational expenses
 304 in an amount equal to:

- 305 (a) for a local school board in a county of the first, second, or third class, revenue
 306 generated by up to .0002 per dollar of taxable value of the capital local levy; or
 307 (b) for a local school board in a county of the fourth, fifth, or sixth class, up to the lesser
 308 of:
 309 (i) 10% of the cost of the basic program; or
 310 (ii) 25% of the revenue that the school district's capital local levy generates.

311 (5) The state board shall notify local school boards, school district superintendents, and
 312 business administrators in the event of a low-revenue year.

313 ~~[(6)(a) For the fiscal years beginning on July 1, 2020, and July 1, 2021, a local school
 314 board may transfer revenue derived from a levy under this section from the school
 315 district's capital project fund to the school district's general fund for the local school
 316 board's school district for operational expenses.]~~

317 ~~[(b) If a local school board transfers revenue for operational expenses under Subsection
 318 (6)(a), the local school board shall, in a public meeting:]~~

319 ~~[(i) notify the public of the local school board's transfer of the funds for operational
 320 expenses, including describing how the local school board proposes to use the
 321 funds;]~~

322 ~~[(ii) for the fiscal year beginning July 1, 2021, allow an opportunity for public
 323 comment during the board's budget hearing in accordance with the notice and
 324 hearing requirements described in Section 53G-7-303; and]~~

325 ~~[(iii) approve the proposed use of the funds by majority vote of the local school board.]~~

326 Section 10. Section **59-2-102** is amended to read:

327 **59-2-102 . Definitions.**

328 As used in this chapter:

329 (1)(a) "Acquisition cost" means any cost required to put an item of tangible personal
 330 property into service.

331 (b) "Acquisition cost" includes:

- 332 (i) the purchase price of a new or used item;
 333 (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating,
 334 skidding, or any other applicable cost of shipping;
 335 (iii) the cost of installation, engineering, rigging, erection, or assembly, including
 336 foundations, pilings, utility connections, or similar costs; and

- 337 (iv) sales and use taxes.
- 338 (2) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of
339 engaging in dispensing activities directly affecting agriculture or horticulture with an
340 airworthiness certificate from the Federal Aviation Administration certifying the aircraft
341 or rotorcraft's use for agricultural and pest control purposes.
- 342 (3) "Air charter service" means an air carrier operation that requires the customer to hire an
343 entire aircraft rather than book passage in whatever capacity is available on a scheduled
344 trip.
- 345 (4) "Air contract service" means an air carrier operation available only to customers that
346 engage the services of the carrier through a contractual agreement and excess capacity
347 on any trip and is not available to the public at large.
- 348 (5) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 349 (6)(a) [~~Except as provided in Subsection (6)(b), "airline"~~] "Airline" means an air carrier
350 that:
- 351 (i) operates:
- 352 (A) on an interstate route; and
353 (B) on a scheduled basis; and
- 354 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on
355 a regularly scheduled route.
- 356 (b) "Airline" does not include an:
- 357 (i) air charter service; or
358 (ii) air contract service.
- 359 (7) "Assessment roll" or "assessment book" means a permanent record of the assessment of
360 property as assessed by the county assessor and the commission and may be maintained
361 manually or as a computerized file as a consolidated record or as multiple records by
362 type, classification, or categories.
- 363 (8) "Base parcel" means a parcel of property that was legally:
- 364 (a) subdivided into two or more lots, parcels, or other divisions of land; or
365 (b)(i) combined with one or more other parcels of property; and
366 (ii) subdivided into two or more lots, parcels, or other divisions of land.
- 367 (9)(a) "Certified revenue levy" means a property tax levy that provides an amount of ad
368 valorem property tax revenue equal to the sum of:
- 369 (i) the amount of ad valorem property tax revenue to be generated statewide in the
370 previous year from imposing a multicounty assessing and collecting levy, as

- 371 specified in Section 59-2-1602; and
- 372 (ii) ~~[the product of]~~ the lesser of:
- 373 (A) eligible new growth, as defined in Section 59-2-924~~[-and]~~
- 374 ~~[(B)]~~ multiplied by the multicounty assessing and collecting levy certified by the
- 375 commission for the previous year[-] ; ~~or~~
- 376 (B) the maximum new growth revenue.
- 377 (b) For purposes of this Subsection (9), "ad valorem property tax revenue" does not
- 378 include property tax revenue received by a taxing entity from personal property that
- 379 is:
- 380 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 381 (ii) semiconductor manufacturing equipment.
- 382 (c) For purposes of calculating the certified revenue levy described in this Subsection (9),
- 383 the commission shall use:
- 384 (i) the taxable value of real property assessed by a county assessor contained on the
- 385 assessment roll;
- 386 (ii) the taxable value of real and personal property assessed by the commission; and
- 387 (iii) the taxable year end value of personal property assessed by a county assessor
- 388 contained on the prior year's assessment roll.
- 389 (10) "County-assessed commercial vehicle" means:
- 390 (a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section
- 391 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or
- 392 property in furtherance of the owner's commercial enterprise;
- 393 (b) any passenger vehicle owned by a business and used by ~~[its]~~ the business's employees
- 394 for transportation as a company car or vanpool vehicle; and
- 395 (c) vehicles that are:
- 396 (i) especially constructed for towing or wrecking, and that are not otherwise used to
- 397 transport goods, merchandise, or people for compensation;
- 398 (ii) used or licensed as taxicabs or limousines;
- 399 (iii) used as rental passenger cars, travel trailers, or motor homes;
- 400 (iv) used or licensed in this state for use as ambulances or hearses;
- 401 (v) especially designed and used for garbage and rubbish collection; or
- 402 (vi) used exclusively to transport students or their instructors to or from any private,
- 403 public, or religious school or school activities.
- 404 (11) "Eligible judgment" means a final and unappealable judgment or order under Section

- 405 59-2-1330:
- 406 (a) that became a final and unappealable judgment or order no more than 14 months
407 before the day on which the notice described in Section 59-2-919.1 is required to be
408 provided; and
- 409 (b) for which a taxing entity's share of the final and unappealable judgment or order is
410 greater than or equal to the lesser of:
- 411 (i) \$5,000; or
- 412 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the
413 previous fiscal year.
- 414 (12)(a) "Escaped property" means any property, whether personal, land, or any
415 improvements to the property, that is subject to taxation and is:
- 416 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or
417 assessed to the wrong taxpayer by the assessing authority;
- 418 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to
419 comply with the reporting requirements of this chapter; or
- 420 (iii) undervalued because of errors made by the assessing authority based upon
421 incomplete or erroneous information furnished by the taxpayer.
- 422 (b) "Escaped property" does not include property that is undervalued because of the use
423 of a different valuation methodology or because of a different application of the same
424 valuation methodology.
- 425 (13)(a) "Fair market value" means the amount at which property would change hands
426 between a willing buyer and a willing seller, neither being under any compulsion to
427 buy or sell and both having reasonable knowledge of the relevant facts.
- 428 (b) For purposes of taxation, "fair market value" shall be determined using the current
429 zoning laws applicable to the property in question, except in cases where there is a
430 reasonable probability of a change in the zoning laws affecting that property in the
431 tax year in question and the change would have an appreciable influence upon the
432 value.
- 433 (14) "Geothermal fluid" means water in any form at temperatures greater than 120 degrees
434 centigrade naturally present in a geothermal system.
- 435 (15) "Geothermal resource" means:
- 436 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade; and
- 437 (b) the energy, in whatever form, including pressure, present in, resulting from, created
438 by, or which may be extracted from that natural heat, directly or through a material

- 439 medium.
- 440 (16)(a) "Goodwill" means:
- 441 (i) acquired goodwill that is reported as goodwill on the books and records that a
442 taxpayer maintains for financial reporting purposes; or
- 443 (ii) the ability of a business to:
- 444 (A) generate income that exceeds a normal rate of return on assets and that results
445 from a factor described in Subsection (16)(b); or
- 446 (B) obtain an economic or competitive advantage resulting from a factor described
447 in Subsection (16)(b).
- 448 (b) The following factors apply to Subsection (16)(a)(ii):
- 449 (i) superior management skills;
- 450 (ii) reputation;
- 451 (iii) customer relationships;
- 452 (iv) patronage; or
- 453 (v) a factor similar to Subsections (16)(b)(i) through (iv).
- 454 (c) "Goodwill" does not include:
- 455 (i) the intangible property described in Subsection (19)(a) or (b);
- 456 (ii) locational attributes of real property, including:
- 457 (A) zoning;
- 458 (B) location;
- 459 (C) view;
- 460 (D) a geographic feature;
- 461 (E) an easement;
- 462 (F) a covenant;
- 463 (G) proximity to raw materials;
- 464 (H) the condition of surrounding property; or
- 465 (I) proximity to markets;
- 466 (iii) value attributable to the identification of an improvement to real property,
467 including:
- 468 (A) reputation of the designer, builder, or architect of the improvement;
- 469 (B) a name given to, or associated with, the improvement; or
- 470 (C) the historic significance of an improvement; or
- 471 (iv) the enhancement or assemblage value specifically attributable to the interrelation
472 of the existing tangible property in place working together as a unit.

- 473 (17) "Governing body" means:
- 474 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 475 (b) for a special district under Title 17B, Limited Purpose Local Government Entities -
476 Special Districts, the special district's board of trustees;
- 477 (c) for a school district, the local board of education;
- 478 (d) for a special service district under Title 17D, Chapter 1, Special Service District Act:
- 479 (i) the legislative body of the county or municipality that created the special service
480 district, to the extent that the county or municipal legislative body has not
481 delegated authority to an administrative control board established under Section
482 17D-1-301; or
- 483 (ii) the administrative control board, to the extent that the county or municipal
484 legislative body has delegated authority to an administrative control board
485 established under Section 17D-1-301; or
- 486 (e) for a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure
487 District Act, the public infrastructure district's board of trustees.
- 488 (18)(a) [~~Except as provided in Subsection (18)(c), "improvement"~~] "Improvement"
489 means a building, structure, fixture, fence, or other item that is permanently attached
490 to land, regardless of whether the title has been acquired to the land, if:
- 491 (i)(A) attachment to land is essential to the operation or use of the item; and
492 (B) the manner of attachment to land suggests that the item will remain attached to
493 the land in the same place over the useful life of the item; or
- 494 (ii) removal of the item would:
- 495 (A) cause substantial damage to the item; or
496 (B) require substantial alteration or repair of a structure to which the item is
497 attached.
- 498 (b) "Improvement" includes:
- 499 (i) an accessory to an item described in Subsection (18)(a) if the accessory is:
500 (A) essential to the operation of the item described in Subsection (18)(a); and
501 (B) installed solely to serve the operation of the item described in Subsection
502 (18)(a); and
- 503 (ii) an item described in Subsection (18)(a) that is temporarily detached from the land
504 for repairs and remains located on the land.
- 505 (c) "Improvement" does not include:
- 506 (i) an item considered to be personal property pursuant to rules made in accordance

- 507 with Section 59-2-107;
- 508 (ii) a moveable item that is attached to land for stability only or for an obvious
509 temporary purpose;
- 510 (iii)(A) manufacturing equipment and machinery; or
511 (B) essential accessories to manufacturing equipment and machinery;
- 512 (iv) an item attached to the land in a manner that facilitates removal without
513 substantial damage to the land or the item; or
- 514 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that
515 transportable factory-built housing unit is considered to be personal property
516 under Section 59-2-1503.
- 517 (19) "Inflation adjusted budget increase" means last year's property tax budgeted revenue,
518 as defined in Section 59-2-919, multiplied by the inflation factor.
- 519 (20) "Inflation factor" means a percentage equal to the percentage by which the consumer
520 price index, as calculated by Sections 1(f)(4) and 1(f)(5), Internal Revenue Code, for the
521 preceding calendar year exceeds the consumer price index for the calendar year two
522 years before the current calendar year.
- 523 [~~19~~] (21) "Intangible property" means:
- 524 (a) property that is capable of private ownership separate from tangible property,
525 including:
- 526 (i) money;
527 (ii) credits;
528 (iii) bonds;
529 (iv) stocks;
530 (v) representative property;
531 (vi) franchises;
532 (vii) licenses;
533 (viii) trade names;
534 (ix) copyrights; and
535 (x) patents;
- 536 (b) a low-income housing tax credit;
- 537 (c) goodwill; or
- 538 (d) a clean or renewable energy tax credit or incentive, including:
- 539 (i) a federal renewable energy production tax credit under Section 45, Internal
540 Revenue Code;

- 541 (ii) a federal energy credit for qualified renewable electricity production facilities
542 under Section 48, Internal Revenue Code;
- 543 (iii) a federal grant for a renewable energy property under American Recovery and
544 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
- 545 (iv) a tax credit under Subsection 59-7-614(5).
- 546 [~~(20)~~] (22) "Livestock" means:
- 547 (a) a domestic animal;
- 548 (b) a fish;
- 549 (c) a fur-bearing animal;
- 550 (d) a honeybee; or
- 551 (e) poultry.
- 552 [~~(21)~~] (23) "Low-income housing tax credit" means:
- 553 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code; or
- 554 (b) a low-income housing tax credit under Section 59-7-607 or Section 59-10-1010.
- 555 (24) "Maximum new growth revenue" means revenue equal to the lesser of the certified tax
556 rate multiplied by:
- 557 (a) eligible new growth as defined in Section 59-2-924; or
- 558 (b) the inflation adjusted budget increase.
- 559 [~~(22)~~] (25) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 560 [~~(23)~~] (26) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
561 valuable mineral.
- 562 [~~(24)~~] (27) "Mining" means the process of producing, extracting, leaching, evaporating, or
563 otherwise removing a mineral from a mine.
- 564 [~~(25)~~] (28)(a) "Mobile flight equipment" means tangible personal property that is owned
565 or operated by an air charter service, air contract service, or airline and:
- 566 (i) is capable of flight or is attached to an aircraft that is capable of flight; or
- 567 (ii) is contained in an aircraft that is capable of flight if the tangible personal property
568 is intended to be used:
- 569 (A) during multiple flights;
- 570 (B) during a takeoff, flight, or landing; and
- 571 (C) as a service provided by an air charter service, air contract service, or airline.
- 572 (b)(i) "Mobile flight equipment" does not include a spare part other than a spare
573 engine that is rotated at regular intervals with an engine that is attached to the
574 aircraft.

575 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
576 the commission may make rules defining the term "regular intervals."
577 ~~[(26)]~~ (29) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,
578 sand, rock, gravel, and all carboniferous materials.
579 ~~[(27)]~~ (30) "Part-year residential property" means property that is not residential property on
580 January 1 of a calendar year but becomes residential property after January 1 of the
581 calendar year.
582 ~~[(28)]~~ (31) "Personal property" includes:
583 (a) every class of property as defined in Subsection ~~[(29)]~~ (32) that is the subject of
584 ownership and is not real estate or an improvement;
585 (b) any pipe laid in or affixed to land whether or not the ownership of the pipe is
586 separate from the ownership of the underlying land, even if the pipe meets the
587 definition of an improvement;
588 (c) bridges and ferries;
589 (d) livestock; and
590 (e) outdoor advertising structures as defined in Section 72-7-502.
591 ~~[(29)]~~ (32)(a) "Property" means property that is subject to assessment and taxation
592 according to ~~[its]~~ the property's value.
593 (b) "Property" does not include intangible property as defined in this section.
594 ~~[(30)]~~ (33)(a) "Public utility" means:
595 (i) the operating property of a railroad, gas corporation, oil or gas transportation or
596 pipeline company, coal slurry pipeline company, electrical corporation, sewerage
597 corporation, or heat corporation where the company performs the service for, or
598 delivers the commodity to, the public generally or companies serving the public
599 generally, or in the case of a gas corporation or an electrical corporation, where
600 the gas or electricity is sold or furnished to any member or consumers within the
601 state for domestic, commercial, or industrial use; and
602 (ii) the operating property of any entity or person defined under Section 54-2-1
603 except water corporations.
604 (b) "Public utility" does not include the operating property of a telecommunications
605 service provider.
606 ~~[(31)]~~ (34)(a) Subject to Subsection ~~[(31)(b)]~~ (34)(b), "qualifying exempt primary
607 residential rental personal property" means household furnishings, furniture, and
608 equipment that:

- 609 (i) are used exclusively within a dwelling unit that is the primary residence of a
 610 tenant;
- 611 (ii) are owned by the owner of the dwelling unit that is the primary residence of a
 612 tenant; and
- 613 (iii) after applying the residential exemption described in Section 59-2-103, are
 614 exempt from taxation under this chapter in accordance with Subsection 59-2-1115
 615 (2).
- 616 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 617 commission may by rule define the term "dwelling unit" for purposes of this
 618 Subsection [~~(31)~~] (34) and Subsection [~~(34)~~] (37).
- 619 [~~(32)~~] (35) "Real estate" or "real property" includes:
- 620 (a) the possession of, claim to, ownership of, or right to the possession of land;
- 621 (b) all mines, minerals, and quarries in and under the land, all timber belonging to
 622 individuals or corporations growing or being on the lands of this state or the United
 623 States, and all rights and privileges appertaining to these; and
- 624 (c) improvements.
- 625 [~~(33)~~] (36)(a) "Relationship with an owner of the property's land surface rights" means a
 626 relationship described in Subsection 267(b), Internal Revenue Code, except that the
 627 term 25% shall be substituted for the term 50% in Subsection 267(b), Internal
 628 Revenue Code.
- 629 (b) For purposes of determining if a relationship described in Subsection 267(b), Internal
 630 Revenue Code, exists, the ownership of stock shall be determined using the
 631 ownership rules in Subsection 267(c), Internal Revenue Code.
- 632 [~~(34)~~] (37)(a) "Residential property," for purposes of the reductions and adjustments
 633 under this chapter, means any property used for residential purposes as a primary
 634 residence.
- 635 (b) "Residential property" includes:
- 636 (i) except as provided in Subsection [~~(34)(b)(ii)~~] (37)(b)(ii), includes household
 637 furnishings, furniture, and equipment if the household furnishings, furniture, and
 638 equipment are:
- 639 (A) used exclusively within a dwelling unit that is the primary residence of a
 640 tenant; and
- 641 (B) owned by the owner of the dwelling unit that is the primary residence of a
 642 tenant; and

- 643 (ii) if the county assessor determines that the property will be used for residential
644 purposes as a primary residence:
- 645 (A) property under construction; or
646 (B) unoccupied property.
- 647 (c) "Residential property" does not include property used for transient residential use.
- 648 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
649 commission may by rule define the term "dwelling unit" for purposes of Subsection [
650 ~~(31)~~ (34) and this Subsection [~~(34)~~ (37).
- 651 [~~(35)~~ (38) "Split estate mineral rights owner" means a person that:
- 652 (a) has a legal right to extract a mineral from property;
653 (b) does not hold more than a 25% interest in:
654 (i) the land surface rights of the property where the wellhead is located; or
655 (ii) an entity with an ownership interest in the land surface rights of the property
656 where the wellhead is located;
- 657 (c) is not an entity in which the owner of the land surface rights of the property where
658 the wellhead is located holds more than a 25% interest; and
659 (d) does not have a relationship with an owner of the land surface rights of the property
660 where the wellhead is located.
- 661 [~~(36)~~ (39)(a) "State-assessed commercial vehicle" means:
- 662 (i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate
663 to transport passengers, freight, merchandise, or other property for hire; or
664 (ii) any commercial vehicle, trailer, or semitrailer that operates interstate and
665 transports the vehicle owner's goods or property in furtherance of the owner's
666 commercial enterprise.
- 667 (b) "State-assessed commercial vehicle" does not include vehicles used for hire that are
668 specified in Subsection (10)(c) as county-assessed commercial vehicles.
- 669 [~~(37)~~ (40) "Subdivided lot" means a lot, parcel, or other division of land, that is a division
670 of a base parcel.
- 671 [~~(38)~~ (41) "Tax area" means a geographic area created by the overlapping boundaries of
672 one or more taxing entities.
- 673 [~~(39)~~ (42) "Taxable value" means fair market value less any applicable reduction allowed
674 for residential property under Section 59-2-103.
- 675 [~~(40)~~ (43) "Taxing entity" means any county, city, town, school district, special taxing
676 district, special district under Title 17B, Limited Purpose Local Government Entities -

677 Special Districts, or other political subdivision of the state with the authority to levy a
678 tax on property.

679 ~~[(41)]~~ (44)(a) "Tax roll" means a permanent record of the taxes charged on property, as
680 extended on the assessment roll, and may be maintained on the same record or
681 records as the assessment roll or may be maintained on a separate record properly
682 indexed to the assessment roll.

683 (b) "Tax roll" includes tax books, tax lists, and other similar materials.

684 ~~[(42)]~~ (45) "Telecommunications service provider" means the same as that term is defined in
685 Section 59-12-102.

686 Section 11. Section **59-2-911.5** is enacted to read:

687 **59-2-911.5 . Voter approval of property tax rate that generates revenue that**
688 **exceeds previous year's budgeted revenue.**

689 (1) As used in this section, "last year's property tax budgeted revenue" means the same as
690 that term is defined in Section 59-2-919.

691 (2) Except as provided in Subsection (4), a taxing entity that levies a tax under Section
692 10-5-133, 10-5-133.4, 10-5-133.5, 10-6-133, 10-6-133.4, 10-6-133.4, 17-36-31,
693 17-36-31.5, 53F-8-302, or 53F-8-303 may not adopt a budget that exceeds last year's
694 budgeted revenue unless:

695 (a) the taxing entity submits an opinion question to the taxing entity's registered voters:

696 (i) at the general election that precedes the fiscal year for which the taxing entity is
697 proposing a budget that exceeds last year's property tax budgeted revenue; and

698 (ii) that asks the voters to authorize the taxing entity to impose a tax rate that
699 generates no more than the revenue for the proposed property tax budgeted
700 revenue; and

701 (b) a majority of the voters voting on the opinion question vote in favor of authorizing
702 the taxing entity to impose a tax rate that generates no more than the revenue for the
703 proposed property tax budgeted revenue.

704 (3) The opinion question required by this section shall state:

705 "Shall (insert the name of the taxing entity) be authorized to impose a tax rate that
706 generates no more than (proposed property tax budgeted revenue) for fiscal year (insert
707 fiscal year) to (list the purposes for which the revenue collected from the proposed
708 property tax budgeted revenue shall be expended)?"

709 (4) A taxing entity that is subject to this section may adopt a budget that exceeds last year's
710 budgeted revenue by an amount equal to or less than maximum new growth revenue

711 without complying with this section or Section 59-2-919.

712 (5) A taxing entity that levies a tax subject to this section may not increase property tax
 713 revenue in accordance with Section 59-2-919.

714 Section 12. Section **59-2-919** is amended to read:

715 **59-2-919 . Notice and public hearing requirements for certain tax increases --**
 716 **Exceptions -- Audit.**

717 (1) As used in this section:

718 (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue
 719 generated by the portion of the tax rate that exceeds the taxing entity's certified tax
 720 rate.

721 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including[
 722 revenue from]:

723 (i) [~~eligible new growth as defined in Section 59-2-924~~] maximum new growth
 724 revenue; or

725 (ii) revenue from personal property that is:

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

728 (B) semiconductor manufacturing equipment.

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

731 (d) "County executive calendar year taxing entity" means a calendar year taxing entity
 732 that operates under the county executive-council form of government described in
 733 Section 17-52a-203.

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

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

739 (g) "Last year's property tax budgeted revenue" does not include:

740 (i) revenue received by a taxing entity from a debt service levy voted on by the public;

741 (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or

742 (iii) revenue generated by the charter school levy described in Section 53F-2-703.

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

- 745 (a) the requirements of this section that apply to the taxing entity; and
- 746 (b) all other requirements as may be required by law.
- 747 (3)(a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar
- 748 year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's
- 749 certified tax rate if the calendar year taxing entity:
- 750 (i) 14 or more days before the date of the regular general election or municipal
- 751 general election held in the current calendar year, states at a public meeting:
- 752 (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the
- 753 calendar year taxing entity's certified tax rate;
- 754 (B) the dollar amount of and purpose for additional ad valorem tax revenue that
- 755 would be generated by the proposed increase in the certified tax rate; and
- 756 (C) the approximate percentage increase in ad valorem tax revenue for the taxing
- 757 entity based on the proposed increase described in Subsection (3)(a)(i)(B);
- 758 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in
- 759 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including
- 760 providing a separate item on the meeting agenda that notifies the public that the
- 761 calendar year taxing entity intends to make the statement described in Subsection
- 762 (3)(a)(i);
- 763 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
- 764 calendar year taxing entity conducts the public hearing required by Subsection
- 765 (3)(a)(v);
- 766 (iv) provides notice by mail:
- 767 (A) seven or more days before the regular general election or municipal general
- 768 election held in the current calendar year; and
- 769 (B) as provided in Subsection (3)(c); and
- 770 (v) conducts a public hearing that is held:
- 771 (A) in accordance with Subsections (8) and (9); and
- 772 (B) in conjunction with the public hearing required by Section 17-36-13 or
- 773 17B-1-610.
- 774 (b)(i) For a county executive calendar year taxing entity, the statement described in
- 775 Subsection (3)(a)(i) shall be made by the:
- 776 (A) county council;
- 777 (B) county executive; or
- 778 (C) both the county council and county executive.

- 779 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
780 county council states a dollar amount of additional ad valorem tax revenue that is
781 greater than the amount of additional ad valorem tax revenue previously stated by
782 the county executive in accordance with Subsection (3)(a)(i), the county executive
783 calendar year taxing entity shall:
- 784 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before
785 the county executive calendar year taxing entity conducts the public hearing
786 under Subsection (3)(a)(v); and
- 787 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before
788 the county executive calendar year taxing entity conducts the public hearing
789 required by Subsection (3)(a)(v).
- 790 (c) The notice described in Subsection (3)(a)(iv):
- 791 (i) shall be mailed to each owner of property:
- 792 (A) within the calendar year taxing entity; and
- 793 (B) listed on the assessment roll;
- 794 (ii) shall be printed on a separate form that:
- 795 (A) is developed by the commission;
- 796 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
797 "NOTICE OF PROPOSED TAX INCREASE"; and
- 798 (C) may be mailed with the notice required by Section 59-2-1317;
- 799 (iii) shall contain for each property described in Subsection (3)(c)(i):
- 800 (A) the value of the property for the current calendar year;
- 801 (B) the tax on the property for the current calendar year; and
- 802 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
803 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing
804 entity's certified tax rate, the estimated tax on the property;
- 805 (iv) shall contain the following statement:
- 806 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
807 year]. This notice contains estimates of the tax on your property and the proposed tax increase
808 on your property as a result of this tax increase. These estimates are calculated on the basis of
809 [insert previous applicable calendar year] data. The actual tax on your property and proposed
810 tax increase on your property may vary from this estimate.";
- 811 (v) shall state the dollar amount of additional ad valorem tax revenue that would be
812 generated each year by the proposed increase in the certified tax rate;

- 813 (vi) shall include a brief statement of the primary purpose for the proposed tax
814 increase, including the taxing entity's intended use of additional ad valorem tax
815 revenue described in Subsection (3)(c)(v);
- 816 (vii) shall state the date, time, and place of the public hearing described in Subsection
817 (3)(a)(v);
- 818 (viii) shall state the Internet address for the taxing entity's public website;
- 819 (ix) may contain other information approved by the commission; and
- 820 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
- 821 (A) notice that the taxpayer may request electronic notice as described in
822 Subsection 17-21-6(1)(m); and
- 823 (B) instructions describing how to elect to receive a notice as described in
824 Subsection 17-21-6(1)(m).
- 825 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate
826 the estimated tax on property on the basis of:
- 827 (i) data for the current calendar year; and
- 828 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
829 section.
- 830 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate that
831 exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:
- 832 (a) provides notice by meeting the advertisement requirements of Subsections (6) and (7)
833 before the fiscal year taxing entity conducts the public meeting at which the fiscal
834 year taxing entity's annual budget is adopted; and
- 835 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
836 fiscal year taxing entity's annual budget is adopted.
- 837 (5)(a) A taxing entity is not required to meet the notice or public hearing requirements of
838 Subsection (3) or (4) if the taxing entity is expressly exempted by law from
839 complying with the requirements of this section.
- 840 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or
841 (4) if:
- 842 (i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that
843 certified tax rate without having to comply with the notice provisions of this
844 section; or
- 845 (ii) the taxing entity:
- 846 (A) budgeted less than \$20,000 in ad valorem tax revenue for the previous fiscal

- 847 year; and
- 848 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem
849 tax revenue.
- 850 (6)(a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this
851 section shall be published:
- 852 (i) subject to Section 45-1-101, in a newspaper or combination of newspapers of
853 general circulation in the taxing entity;
- 854 (ii) electronically in accordance with Section 45-1-101; and
- 855 (iii) for the taxing entity, as a class A notice under Section 63G-30-102, for at least
856 14 days before the day on which the taxing entity conducts the public hearing
857 described in Subsection (3)(a)(v) or (4)(b).
- 858 (b) The advertisement described in Subsection (6)(a)(i) shall:
- 859 (i) be no less than 1/4 page in size;
- 860 (ii) use type no smaller than 18 point; and
- 861 (iii) be surrounded by a 1/4-inch border.
- 862 (c) The advertisement described in Subsection (6)(a)(i) may not be placed in that portion
863 of the newspaper where legal notices and classified advertisements appear.
- 864 (d) It is the intent of the Legislature that:
- 865 (i) whenever possible, the advertisement described in Subsection (6)(a)(i) appear in a
866 newspaper that is published at least one day per week; and
- 867 (ii) the newspaper or combination of newspapers selected:
- 868 (A) be of general interest and readership in the taxing entity; and
- 869 (B) not be of limited subject matter.
- 870 (e)(i) The advertisement described in Subsection (6)(a)(i) shall:
- 871 (A) except as provided in Subsection (6)(f), be run once each week for the two
872 weeks before a taxing entity conducts a public hearing described under
873 Subsection (3)(a)(v) or (4)(b);
- 874 (B) state that the taxing entity will meet on a certain day, time, and place fixed in
875 the advertisement, which shall be seven or more days after the day the first
876 advertisement is published, for the purpose of hearing comments regarding any
877 proposed increase and to explain the reasons for the proposed increase; and
- 878 (C) state the Internet address for the taxing entity's public website.
- 879 (ii) The advertisement described in Subsection (6)(a)(ii) shall:
- 880 (A) be published two weeks before a taxing entity conducts a public hearing

881 described in Subsection (3)(a)(v) or (4)(b);
 882 (B) state that the taxing entity will meet on a certain day, time, and place fixed in
 883 the advertisement, which shall be seven or more days after the day the first
 884 advertisement is published, for the purpose of hearing comments regarding any
 885 proposed increase and to explain the reasons for the proposed increase; and
 886 (C) state the Internet address for the taxing entity's public website.

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

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

895 "NOTICE OF PROPOSED TAX INCREASE
 896 (NAME OF TAXING ENTITY)

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

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

901 • The (name of the taxing entity) tax on a (insert the value of a business having the
 902 same value as the average value of a residence in the taxing entity) business would increase
 903 from \$_____ to \$_____, which is \$_____ per year.

904 • If the proposed budget is approved, (name of the taxing entity) would receive an
 905 additional \$_____ in property tax revenue per year as a result of the tax increase.

906 • If the proposed budget is approved, (name of the taxing entity) would increase its
 907 property tax budgeted revenue by ___% above last year's property tax budgeted revenue
 908 excluding [eligible] maximum new growth revenue.

909 The (name of the taxing entity) invites all concerned citizens to a public hearing for the
 910 purpose of hearing comments regarding the proposed tax increase and to explain the reasons
 911 for the proposed tax increase.

912 PUBLIC HEARING

913 Date/Time: (date) (time)

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

915 To obtain more information regarding the tax increase, citizens may contact the (name
916 of the taxing entity) at (phone number of taxing entity) or visit (Internet address for the taxing
917 entity's public website)."

918 (7) The commission:

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

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

923 (i) the use of a weekly newspaper:

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

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

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

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

930 (B) the direct notice is different and separate from that provided for in Section
931 59-2-919.1; and

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

934 (8)(a)(i) A fiscal year taxing entity shall, on or before June 1, notify the commission
935 and the county auditor of the date, time, and place of the public hearing described
936 in Subsection (4)(b).

937 (ii) A calendar year taxing entity shall, on or before October 1 of the current calendar
938 year, notify the commission and the county auditor of the date, time, and place of
939 the public hearing described in Subsection (3)(a)(v).

940 (b)(i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be:

941 (A) open to the public; and

942 (B) held at a meeting of the taxing entity with no items on the agenda other than
943 discussion and action on the taxing entity's intent to levy a tax rate that exceeds
944 the taxing entity's certified tax rate, the taxing entity's budget, a special
945 district's or special service district's fee implementation or increase, or a
946 combination of these items.

947 (ii) The governing body of a taxing entity conducting a public hearing described in
948 Subsection (3)(a)(v) or (4)(b) shall:

- 949 (A) state the dollar amount of additional ad valorem tax revenue that would be
950 generated each year by the proposed increase in the certified tax rate;
- 951 (B) explain the reasons for the proposed tax increase, including the taxing entity's
952 intended use of additional ad valorem tax revenue described in Subsection
953 (8)(b)(ii)(A);
- 954 (C) if the county auditor compiles the list required by Section 59-2-919.2, present
955 the list at the public hearing and make the list available on the taxing entity's
956 public website; and
- 957 (D) provide an interested party desiring to be heard an opportunity to present oral
958 testimony within reasonable time limits and without unreasonable restriction
959 on the number of individuals allowed to make public comment.
- 960 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a
961 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the
962 public hearing of another overlapping taxing entity in the same county.
- 963 (ii) The taxing entities in which the power to set tax levies is vested in the same
964 governing board or authority may consolidate the public hearings described in
965 Subsection (3)(a)(v) or (4)(b) into one public hearing.
- 966 (d) The county auditor shall resolve any conflict in public hearing dates and times after
967 consultation with each affected taxing entity.
- 968 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or
969 (4)(b) beginning at or after 6 p.m.
- 970 (ii) If a taxing entity holds a public meeting for the purpose of addressing general
971 business of the taxing entity on the same date as a public hearing described in
972 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business
973 items shall conclude before the beginning of the public hearing described in
974 Subsection (3)(a)(v) or (4)(b).
- 975 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the
976 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as
977 another public hearing of the taxing entity.
- 978 (ii) A taxing entity may hold the following hearings on the same date as a public
979 hearing described in Subsection (3)(a)(v) or (4)(b):
- 980 (A) a budget hearing;
- 981 (B) if the taxing entity is a special district or a special service district, a fee
982 hearing described in Section 17B-1-643;

983 (C) if the taxing entity is a town, an enterprise fund hearing described in Section
 984 10-5-107.5; or

985 (D) if the taxing entity is a city, an enterprise fund hearing described in Section
 986 10-6-135.5.

987 (9)(a) If a taxing entity does not make a final decision on budgeting additional ad
 988 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b),
 989 the taxing entity shall:

990 (i) announce at that public hearing the scheduled time and place of the next public
 991 meeting at which the taxing entity will consider budgeting the additional ad
 992 valorem tax revenue; and

993 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described
 994 in Subsection (9)(a)(i) before September 1.

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

998 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
 999 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's
 1000 proposed annual budget.

1001 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance
 1002 with Subsection (8).

1003 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to
 1004 meet the requirements of Subsection (8), the county auditor shall prepare and submit
 1005 a report of the auditor's findings to the commission.

1006 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax
 1007 rate if, on or before September 15 of the year in which the taxing entity is required to
 1008 hold the public hearing described in Subsection (3)(a)(v) or (4)(b), the commission
 1009 determines that the taxing entity has failed to meet the requirements of Subsection (8).

1010 Section 13. Section **59-2-919.1** is amended to read:

1011 **59-2-919.1 . Notice of property valuation and tax changes.**

1012 (1) In addition to the voter approval requirement of Section 59-2-911.5 and the notice and
 1013 hearing requirements of Section 59-2-919, the county auditor, on or before July 22 of
 1014 each year, shall notify each owner of real estate who is listed on the assessment roll.

1015 (2) The notice described in Subsection (1) shall:

1016 (a) except as provided in Subsection (4), be sent to all owners of real property by mail

- 1017 10 or more days before the day on which:
- 1018 (i) the county board of equalization meets; and
- 1019 (ii) the taxing entity holds a public hearing on the proposed increase in the certified
- 1020 tax rate;
- 1021 (b) be on a form that is:
- 1022 (i) approved by the commission; and
- 1023 (ii) uniform in content in all counties in the state; and
- 1024 (c) contain for each property:
- 1025 (i) the assessor's determination of the value of the property;
- 1026 (ii) the taxable value of the property;
- 1027 (iii)(A) the deadline for the taxpayer to make an application to appeal the
- 1028 valuation or equalization of the property under Section 59-2-1004; or
- 1029 (B) for property assessed by the commission, the deadline for the taxpayer to
- 1030 apply to the commission for a hearing on an objection to the valuation or
- 1031 equalization of the property under Section 59-2-1007;
- 1032 (iv) for a property assessed by the commission, a statement that the taxpayer may not
- 1033 appeal the valuation or equalization of the property to the county board of
- 1034 equalization;
- 1035 (v) itemized tax information for all applicable taxing entities, including:
- 1036 (A) the dollar amount of the taxpayer's tax liability for the property in the prior
- 1037 year; and
- 1038 (B) the dollar amount of the taxpayer's tax liability under the current rate;
- 1039 (vi) the following, stated separately:
- 1040 (A) the charter school levy described in Section 53F-2-703;
- 1041 (B) the multicounty assessing and collecting levy described in Subsection
- 1042 59-2-1602(2);
- 1043 (C) the county assessing and collecting levy described in Subsection 59-2-1602(4);
- 1044 (D) levies for debt service voted on by the public;
- 1045 (E) levies imposed for special purposes under Section 10-6-133.4;
- 1046 (F) for a fiscal year that begins on or after July 1, 2023, the combined basic rate as
- 1047 defined in Section 53F-2-301; and
- 1048 (G) if applicable, the annual payment described in Subsection 63H-1-501(4)(a);
- 1049 (vii) the tax impact on the property;
- 1050 (viii) the date, time, and place of the required public hearing for each entity;

- 1051 (ix) property tax information pertaining to:
- 1052 (A) taxpayer relief;
- 1053 (B) options for payment of taxes;
- 1054 (C) collection procedures; and
- 1055 (D) the residential exemption described in Section 59-2-103;
- 1056 (x) information specifically authorized to be included on the notice under this chapter;
- 1057 (xi) the last property review date of the property as described in Subsection
- 1058 59-2-303.1(1)(c);
- 1059 (xii) instructions on how the taxpayer may obtain additional information regarding
- 1060 the valuation of the property, including the characteristics and features of the
- 1061 property, from at least one the following sources:
- 1062 (A) a website maintained by the county; or
- 1063 (B) the county assessor's office; and
- 1064 (xiii) other information approved by the commission.
- 1065 (3) If a taxing entity that is subject to the voter approval requirement of Section 59-2-911.5
- 1066 receives a favorable vote on the opinion question or that is subject to the notice and
- 1067 hearing requirements of Subsection 59-2-919(4) proposes a tax increase, the notice
- 1068 described in Subsection (1) shall state, in addition to the information required by
- 1069 Subsection (2):
- 1070 (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;
- 1071 (b) the difference between the dollar amount of the taxpayer's tax liability if the
- 1072 proposed increase is approved and the dollar amount of the taxpayer's tax liability
- 1073 under the current rate, placed in close proximity to the information described in
- 1074 Subsection (2)(c)(viii);
- 1075 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under the
- 1076 proposed tax rate represents as compared to the dollar amount of the taxpayer's tax
- 1077 liability under the current tax rate; and
- 1078 (d) for each taxing entity proposing a tax increase, the dollar amount of additional ad
- 1079 valorem tax revenue, as defined in Section 59-2-919, that would be generated each
- 1080 year if the proposed tax increase is approved.
- 1081 (4)(a) Subject to the other provisions of this Subsection (4), a county auditor may, at the
- 1082 county auditor's discretion, provide the notice required by this section to a taxpayer
- 1083 by electronic means if a taxpayer makes an election, according to procedures
- 1084 determined by the county auditor, to receive the notice by electronic means.

- 1085 (b)(i) If a notice required by this section is sent by electronic means, a county auditor
 1086 shall attempt to verify whether a taxpayer receives the notice.
- 1087 (ii) If receipt of the notice sent by electronic means cannot be verified 14 days or
 1088 more before the county board of equalization meets and the taxing entity holds a
 1089 public hearing on a proposed increase in the certified tax rate, the notice required
 1090 by this section shall also be sent by mail as provided in Subsection (2).
- 1091 (c) A taxpayer may revoke an election to receive the notice required by this section by
 1092 electronic means if the taxpayer provides written notice to the county auditor on or
 1093 before April 30.
- 1094 (d) An election or a revocation of an election under this Subsection (4):
- 1095 (i) does not relieve a taxpayer of the duty to pay a tax due under this chapter on or
 1096 before the due date for paying the tax; or
- 1097 (ii) does not alter the requirement that a taxpayer appealing the valuation or the
 1098 equalization of the taxpayer's real property submit the application for appeal
 1099 within the time period provided in Subsection 59-2-1004(3).
- 1100 (e) A county auditor shall provide the notice required by this section as provided in
 1101 Subsection (2), until a taxpayer makes a new election in accordance with this
 1102 Subsection (4), if:
- 1103 (i) the taxpayer revokes an election in accordance with Subsection (4)(c) to receive
 1104 the notice required by this section by electronic means; or
- 1105 (ii) the county auditor finds that the taxpayer's electronic contact information is
 1106 invalid.
- 1107 (f) A person is considered to be a taxpayer for purposes of this Subsection (4) regardless
 1108 of whether the property that is the subject of the notice required by this section is
 1109 exempt from taxation.

1110 Section 14. Section **59-2-920** is amended to read:

1111 **59-2-920 . Resolution and levy to be forwarded to commission.**

- 1112 (1) If a taxing entity, after fulfilling the requirements of Section 59-2-911.5 or 59-2-919,
 1113 adopts a resolution to levy a tax rate that exceeds the taxing entity's certified tax rate, the
 1114 taxing entity shall forward the resolution to the tax commission along with the statement
 1115 of the amount and purpose of the levy required under Sections 59-2-912 and 59-2-913.
- 1116 [~~(2) No tax rate in excess of the certified tax rate may be certified by the commission or~~
 1117 ~~implemented by the taxing entity until the resolution described in Subsection (1) is~~
 1118 ~~adopted by the governing authority of the taxing entity and submitted to the commission.]~~

1119 (2) The commission may not certify and a taxing entity may not implement a tax rate that
 1120 exceeds the certified tax rate until the governing authority of the taxing entity adopts the
 1121 resolution described in Subsection (1) and submits the resolution to the commission.

1122 Section 15. Section **59-2-921** is amended to read:

1123 **59-2-921 . Changes in assessment roll -- Rate adjustments -- Exemption from**
 1124 **notice and public hearing provisions.**

1125 (1) On or before September 15 the county board of equalization and, in cases involving the
 1126 original jurisdiction of the commission or an appeal from the county board of
 1127 equalization, the commission, shall annually notify each taxing entity of the following
 1128 changes resulting from actions by the commission or the county board of equalization:

- 1129 (a) a change in the taxing entity's assessment roll; and
 1130 (b) a change in the taxing entity's adopted tax rate.

1131 (2) A taxing entity is not required to comply with the voter approval requirement in Section
 1132 59-2-911.5 or the notice and public hearing provisions of Section 59-2-919 if the
 1133 commission, the county board of equalization, or a court of competent jurisdiction:

- 1134 (a) changes a taxing entity's adopted tax rate; or
 1135 (b)(i) makes a reduction in the taxing entity's assessment roll; and
 1136 (ii) the taxing entity adopts by resolution an increase in [its] the taxing entity's tax rate
 1137 above the certified tax rate as a result of the reduction under Subsection (2)(b)(i).

1138 (3) A rate adjustment under this section for:

- 1139 (a) a taxing entity shall be:
 1140 (i) made by the county auditor;
 1141 (ii) aggregated;
 1142 (iii) reported by the county auditor to the commission; and
 1143 (iv) certified by the commission; and
 1144 (b) the state shall be made by the commission.

1145 Section 16. Section **59-2-922** is amended to read:

1146 **59-2-922 . Replacement resolution for greater tax rate.**

1147 Except as provided in Section 59-2-921, if, after a taxing entity approves an initial tax
 1148 rate, the taxing entity determines that a greater tax rate is required, the taxing entity shall adopt
 1149 a replacement resolution after the taxing entity meets the voter approval requirement in
 1150 Section 59-2-911.5 or the notice and public hearing requirements of Section 59-2-919 to the
 1151 extent required by Section 59-2-919.

1152 Section 17. Section **59-2-926** is amended to read:

1153 **59-2-926 . Proposed tax increase by state -- Notice -- Contents -- Dates.**

1154 If the state authorizes a tax rate that exceeds the combined basic rate described in
 1155 Section 53F-2-301, or authorizes a levy [~~pursuant to~~] in accordance with Section 59-2-1602
 1156 that exceeds the certified revenue levy as defined in Section 59-2-102, the state shall publish a
 1157 notice no later than 10 days after the last day of the annual legislative general session that
 1158 meets the following requirements:

1159 (1)(a) The Office of the Legislative Fiscal Analyst shall advertise that the state
 1160 authorized a levy that generates revenue in excess of the previous year's ad valorem
 1161 tax revenue, plus [~~eligible new growth as defined in Section 59-2-924~~] maximum new
 1162 growth revenue, but exclusive of revenue from collections from redemptions,
 1163 interest, and penalties:

1164 (i) in a newspaper of general circulation in the state; and

1165 (ii) as required in Section 45-1-101.

1166 (b) Except an advertisement published on a website, the advertisement described in
 1167 Subsection (1)(a):

1168 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18
 1169 point, and surrounded by a 1/4-inch border;

1170 (ii) may not be placed in that portion of the newspaper where legal notices and
 1171 classified advertisements appear; and

1172 (iii) shall be run once.

1173 (2) The form and content of the notice shall be substantially as follows:

1174 "NOTICE OF TAX INCREASE

1175 The state has budgeted an increase in its property tax revenue from \$_____ to
 1176 \$_____ or ____%. The increase in property tax revenues will come from the following
 1177 sources (include all of the following provisions):

1178 (a) \$_____ of the increase will come from (provide an explanation of the cause of
 1179 adjustment or increased revenues, such as reappraisals or factoring orders);

1180 (b) \$_____ of the increase will come from natural increases in the value of the tax
 1181 base due to (explain cause of eligible new growth, such as new building activity,
 1182 annexation, etc.); and

1183 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for
 1184 the basic state-supported school program, applicable tax rate for the Property Tax
 1185 Valuation Fund, or both) paid \$_____ in property taxes would pay the
 1186 following:

1187 (i) \$_____ if the state of Utah did not budget an increase in property tax
1188 revenue exclusive of eligible new growth; and
1189 (ii) \$_____ under the increased property tax revenues exclusive of eligible new
1190 growth budgeted by the state of Utah."

1191 Section 18. **Effective Date.**
1192 This bill takes effect on January 1, 2026.