

HB0236S03 compared with HB0236S01

~~{Omitted text}~~ shows text that was in HB0236S01 but was omitted in HB0236S03
inserted text shows text that was not in HB0236S01 but was inserted into HB0236S03

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1 **Truth in Taxation Amendments**
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Karen M. Peterson
Senate Sponsor: Daniel McCay



2
3 **LONG TITLE**

4 **General Description:**

5 This bill addresses property tax increases through truth in taxation.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines terms;
- 9 ▶ requires ~~{certain}~~ fiscal year taxing entities proposing a property tax rate increase to make a preliminary statement in a public meeting regarding the taxing entity's consideration of a tax rate increase;
- 12 ▶ clarifies notice and publication requirements for towns proposing a tax rate increase that do not have public websites;
- 11 ▶ clarifies the State Tax Commission's authority to deny a taxing entity's proposed ~~{property}~~ tax rate increase for failing to meet truth in taxation requirements;
- 16 ▶ provides for a one-year period in which the State Tax Commission is not required to deny a fiscal year taxing entity's proposed tax rate increase for failure to comply with certain truth in taxation requirements;

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- 13 ▸ requires fiscal year taxing entities proposing a property tax increase to:
- 14 • ~~{adopt and utilize a tentative operating budget that does not include revenue derived~~
~~from the proposed tax increase before a tax increase is approved; and}~~
- 16 • ~~{present}~~ prepare and adopt an ~~{alternative tentative}~~ interim budget that includes
~~{the additional revenue that would be derived from the proposed}~~ a property tax ~~{increase, if later~~
~~approved}~~ impact schedule; and
- 21 • reserve a certain amount of the taxing entity's general fund revenue in a restricted
budget account for a limited period of time;
- 23 ▸ includes a coordination clause to incorporate changes made to Section 59-2-919 in S.B. 238,
Property Tax Adjustments; and
- 18 ▸ makes technical and conforming changes.

Money Appropriated in this Bill:

27 None

Other Special Clauses:

29 This bill provides a coordination clause.

Utah Code Sections Affected:

31 AMENDS:

25 ~~{10-6-106, as last amended by Laws of Utah 2019, Chapter 136}~~

26 ~~{10-6-111, as last amended by Laws of Utah 2016, Chapter 353}~~

27 ~~{10-6-118, as last amended by Laws of Utah 2019, Chapter 322}~~

32 **59-2-919** , as last amended by Laws of Utah 2025, First Special Session, Chapter 17

33 **59-2-923** , as last amended by Laws of Utah 2009, Chapter 204

34 **59-2-924** , as last amended by Laws of Utah 2025, First Special Session, Chapter 15

Utah Code Sections affected by Coordination Clause:

36 **59-2-919 (05/06/26)** , as last amended by Laws of Utah 2025, First Special Session, Chapter 17

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

33 ~~{Section 1. Section 10-6-106 is amended to read: }~~

10-6-106. Definitions.

34 As used in this chapter:

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- (1) "Account group" is defined by generally accepted accounting principles as reflected in the Uniform Accounting Manual for Utah Cities.
- 38 (2) "Additional ad valorem tax revenue" means the same as that term is defined in Section 59-2-919.
- 40 [~~(2)~~] (3) "Appropriation" means an allocation of money by the governing body for a specific purpose.
- 42 [~~(3)~~] (4)
- (a) "Budget" means a plan of financial operations for a fiscal period which embodies estimates of proposed expenditures for given purposes and the proposed means of financing them.
- 45 (b) "Budget" may refer to the budget of a particular fund for which a budget is required by law or it may refer collectively to the budgets for all such funds.
- 47 [~~(4)~~] (5) "Budget officer" means the city auditor in a city of the first and second class, the mayor or some person appointed by the mayor with the approval of the city council in a city of the third, fourth, or fifth class, the mayor in the council-mayor optional form of government, or the person designated by the charter in a charter city.
- 51 [~~(5)~~] (6) "Budget period" means the fiscal period for which a budget is prepared.
- 52 [~~(6)~~] (7) "Budgetary fund" means a fund for which a budget is required.
- 53 (8) "Certified tax rate" means the same as that term is defined in Section 59-2-924.
- 54 [~~(7)~~] (9) "Check" means an order in a specific amount drawn upon a depository by an authorized officer of a city.
- 56 [~~(8)~~] (10) "City general fund" means the general fund used by a city.
- 57 [~~(9)~~] (11) "Current period" means the fiscal period in which a budget is prepared and adopted, i.e., the fiscal period next preceding the budget period.
- 59 [~~(10)~~] (12) "Department" means any functional unit within a fund that carries on a specific activity, such as a fire or police department within a city general fund.
- 61 [~~(11)~~] (13) "Encumbrance system" means a method of budgetary control in which part of an appropriation is reserved to cover a specific expenditure by charging obligations, such as purchase orders, contracts, or salary commitments to an appropriation account at their time of origin. Such obligations cease to be encumbrances when paid or when the actual liability is entered on the city's books of account.
- 66 [~~(12)~~] (14) "Enterprise fund" means a fund as defined by the Governmental Accounting Standards Board that is used by a municipality to report an activity for which a fee is charged to users for goods or services.

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- 69 ~~[(13)]~~ (15) "Estimated revenue" means the amount of revenue estimated to be received from all sources during the budget period in each fund for which a budget is being prepared.
- 71 ~~[(14)]~~ (16) "Financial officer" means the mayor in the council-mayor optional form of government or the city official as authorized by Section 10-6-158.
- 73 ~~[(15)]~~ (17) "Fiscal period" means the annual or biennial period for accounting for fiscal operations in each city.
- 75 ~~[(16)]~~ (18) "Fund" is as defined by generally accepted accounting principles as reflected in the Uniform Accounting Manual for Utah Cities.
- 77 ~~[(17)]~~ (19) "Fund balance," "retained earnings," and "deficit" have the meanings commonly accorded such terms under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Utah Cities.
- 80 ~~[(18)]~~ (20) "General fund" is as defined by the Governmental Accounting Standards Board as reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office of the Utah State Auditor.
- 83 ~~[(19)]~~ (21) "Governing body" means a city council, or city commission, as the case may be, but the authority to make any appointment to any position created by this chapter is vested in the mayor in the council-mayor optional form of government.
- 86 ~~[(20)]~~ (22) "Interfund loan" means a loan of cash from one fund to another, subject to future repayment.
- 88 ~~[(21)]~~ (23) "Last completed fiscal period" means the fiscal period next preceding the current period.
- 90 ~~[(22)]~~ (24)
- (a) "Public funds" means any money or payment collected or received by an officer or employee of the city acting in an official capacity and includes money or payment to the officer or employee for services or goods provided by the city, or the officer or employee while acting within the scope of employment or duty.
- 94 (b) "Public funds" does not include money or payments collected or received by an officer or employee of a city for charitable purposes if the mayor or city council has consented to the officer's or employee's participation in soliciting contributions for a charity.
- 98 ~~[(23)]~~ (25) "Special fund" means any fund other than the city general fund.
- 99 ~~[(24)]~~ (26) "Utility" means a utility owned by a city, in whole or in part, that provides electricity, gas, water, or sewer, or any combination of them.

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[~~(25)~~] (27) "Warrant" means an order drawn upon the city treasurer, in the absence of sufficient money in the city's depository, by an authorized officer of a city for the purpose of paying a specified amount out of the city treasury to the person named or to the bearer as money becomes available.

105 ~~{Section 2. Section 10-6-111 is amended to read: }~~

106 **10-6-111. Tentative budget to be prepared -- Contents -- Estimate of expenditures -- Budget message -- Review by governing body.**

108 (1)

(a) ~~[On]~~ Except as provided in Subsection (5), on or before the first regularly scheduled meeting of the governing body in the last May of the current period, the budget officer shall, in accordance with Subsection (1)(b), prepare for the ensuing fiscal period, and file with the governing body, a tentative budget for each fund for which a budget is required.

113 (b) The tentative budget of each fund shall set forth in tabular form:

114 (i) the actual revenues and expenditures in the last completed fiscal period;

115 (ii) the estimated total revenues and expenditures for the current fiscal period;

116 (iii) the budget officer's estimates of revenues and expenditures for the budget period, computed as provided in Subsection (1)(c); and

118 (iv) if the governing body elects, the actual performance experience to the extent established by Section 10-6-154 and available in work units, unit costs, man hours, or man years for each budgeted fund on an actual basis for the last completed fiscal period, and estimated for the current fiscal period and for the ensuing budget period.

123 (c)

(i) In making estimates of revenues and expenditures under Subsection (1)(b)(iii), the budget officer shall estimate:

125 (A) on the basis of demonstrated need, the expenditures for the budget period, after:

127 (I) hearing each department head; and

128 (II) reviewing the budget requests and estimates of the department heads; and

129 (B)

(I) the amount of revenue available to serve the needs of each fund;

130 (II) the portion of revenue to be derived from all sources other than general property taxes; and

132 (III) the portion of revenue that shall be derived from general property taxes.

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- 136 (ii) The budget officer may revise any department's estimate under Subsection (1)(c)(i)(A)(II) that the officer considers advisable for the purpose of presenting the budget to the governing body.
- 136 (iii) From the estimate made under Subsection (1)(c)(i)(B)(III), the budget officer shall compute and disclose in the budget the lowest rate of property tax levy that will raise the required amount of revenue, calculating the levy upon the latest taxable value.
- 140 (2)
- 140 (a)
- 144 (i) Each tentative budget, when filed by the budget officer with the governing body, shall contain the estimates of expenditures submitted by department heads, together with specific work programs and such other supporting data as this chapter requires or the governing body may request.
- 144 (ii) Each city of the first or second class shall, and a city of the third, fourth, or fifth class may, submit a supplementary estimate of all capital projects which each department head believes should be undertaken within the next three succeeding years.
- 148 (b) Each tentative budget submitted by the budget officer to the governing body shall be accompanied by a budget message that:
- 150 (i) explains the budget;
- 151 (ii) contains an outline of the proposed financial policies of the city for the budget period;
- 153 (iii) describes the important features of the budgetary plan;
- 154 (iv) provides the reasons for salient changes from the previous fiscal period in appropriation and revenue items; and
- 156 (v) explains any major changes in financial policy.
- 157 (3)
- 157 (a) Subject to Subsection (3)(b), a governing body in any regular public hearing or special public hearing:
- 159 (i) shall review, consider, and tentatively adopt each tentative budget; and
- 160 (ii) may, before the public hearing described in Section 10-6-114, amend or revise each tentative budget.
- 162 (b) A governing body may not reduce an appropriation required for debt retirement and interest or reduction of any existing deficits in accordance with Section 10-6-117, or otherwise required by law or ordinance, below the required minimums.

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- 165 (4)
- (a) If the municipality is acting in accordance with Section 10-2a-218, the tentative budget shall:
- 167 (i) be submitted to the governing body-elect as soon as practicable; and
- 168 (ii) cover each fund for which a budget is required from the date of incorporation to the end of the
fiscal year.
- 170 (b) The governing body shall substantially comply with all other provisions of this chapter, and the
budget shall be passed upon incorporation.
- 172 (5)
- (a) The requirement for a municipality to prepare and file a tentative budget on or before the governing
body's first regularly scheduled meeting in the last May of the current period, as specified in
Subsection (1)(a), applies only to a municipality that does not intend to exceed the certified tax rate.
- 176 (b) A municipality that intends to exceed the certified tax rate is subject to the budgeting requirements
of Subsection 59-2-924(8).
- 178 ~~{Section 3. Section 10-6-118 is amended to read: }~~
- 179 **10-6-118. Adoption of final budget -- Certification and filing.**
- 180 (1) [Before] Subject to Subsection (3), on or before June 30 of each fiscal period, or, in the case of a
property tax increase under Sections 59-2-919 through 59-2-923, before September 1 of the year
for which a property tax increase is proposed, the governing body shall by resolution or ordinance
adopt a budget for the ensuing fiscal period for each fund for which a budget is required under this
chapter.
- 185 (2) The budget officer of the governing body shall certify a copy of the final budget and file the copy
with the state auditor within 30 days after adoption.
- 187 (3) In accordance with Subsection 59-2-924(8), a municipality that intends to exceed the certified tax
rate shall, on or before June 30 of the current period:
- 189 (a) prepare and adopt a tentative operating budget that governs the municipality's expenditures from the
start of the next fiscal year until the date on which the municipality makes a final determination on
the proposed tax increase; and
- 192 (b) present and make public an alternative tentative budget that addresses the additional ad valorem tax
revenue that the municipality anticipates receiving from the proposed tax increase.

41 Section 1. Section **59-2-919** is amended to read:

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

Audit.

- 198 (1) As used in this section:
- 199 (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue generated by the
portion of the tax rate that exceeds the taxing entity's certified tax rate.
- 202 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including revenue from:
- 204 (i) eligible new growth; or
- 205 (ii) personal property that is:
- 206 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 208 (B) semiconductor manufacturing equipment.
- 209 (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal year in which the
taxing entity first adopted a budget below last year's property tax budgeted revenue.
- 212 (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding eligible new
growth, for the base year.
- 214 (e) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year that begins on
January 1 and ends on December 31.
- 216 (f) "County executive calendar year taxing entity" means a calendar year taxing entity that operates
under the county executive-council form of government described in Section 17-62-203.
- 219 (g) "Current calendar year" means the calendar year immediately preceding the calendar year for which
a calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's
certified tax rate.
- 222 (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.
- 223 (i) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July
1 and ends on June 30.
- 225 (j) "Meeting" means the same as that term is defined in Section 52-4-103.
- 226 (k) "Last year's property tax budgeted revenue" does not include:
- 227 (i) revenue received by a taxing entity from a debt service levy voted on by the public;
- 228 (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or
- 229 (iii) revenue generated by the charter school levy described in Section 53F-2-703.
- 230 (l) "Truth-in-taxation exemption period" means a six-year period that begins with the base year.
- 232

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- (2) Except as provided in Subsection (11), a taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax rate unless the taxing entity meets:
- 234 (a) the requirements of this section that apply to the taxing entity; and
235 (b) all other requirements as may be required by law.
236 (3)
- (a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax rate if the calendar year taxing entity:
- 239 (i) 14 or more days before the date of the regular general election or municipal general election held in the current calendar year, states at a public meeting:
- 241 (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate;
243 (B) the dollar amount of and purpose for additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate; and
245 (C) the approximate percentage increase in ad valorem tax revenue for the taxing entity based on the proposed increase described in Subsection (3)(a)(i)(B);
- 247 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a separate item on the meeting agenda that notifies the public that the calendar year taxing entity intends to make the statement described in Subsection (3)(a)(i);
- 252 (iii) meets the advertisement requirements of Subsections (6) and (7) before the calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);
255 (iv) provides notice by mail:
- 256 (A) seven or more days before the regular general election or municipal general election held in the current calendar year; and
258 (B) as provided in Subsection (3)(c); and
259 (v) conducts a public hearing that is held:
- 260 (A) in accordance with Subsections (8) and (9); and
261 (B) in conjunction with the public hearing required by Section 17-63-304 or 17B-1-610.
263 (b)

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- (i) For a county executive calendar year taxing entity, the statement described in Subsection (3)(a)(i) shall be made by the:
- 265 (A) county council;
- 266 (B) county executive; or
- 267 (C) both the county council and county executive.
- 268 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the county council states a dollar amount of additional ad valorem tax revenue that is greater than the amount of additional ad valorem tax revenue previously stated by the county executive in accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:
- 273 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before the county executive calendar year taxing entity conducts the public hearing under Subsection (3)(a)(v); and
- 276 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the county executive calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v).
- 279 (c) The notice described in Subsection (3)(a)(iv):
- 280 (i) shall be mailed to each owner of property:
- 281 (A) within the calendar year taxing entity; and
- 282 (B) listed on the assessment roll;
- 283 (ii) shall be printed on a separate form that:
- 284 (A) is developed by the commission;
- 285 (B) states at the top of the form, in bold upper-case type no smaller than 18 point "NOTICE OF PROPOSED TAX INCREASE"; and
- 287 (C) may be mailed with the notice required by Section 59-2-1317;
- 288 (iii) shall contain for each property described in Subsection (3)(c)(i):
- 289 (A) the value of the property for the current calendar year;
- 290 (B) the tax on the property for the current calendar year; and
- 291 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate, the estimated tax on the property;
- 294 (iv) shall contain the following statement:
- 295 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar year]. This notice contains estimates of the tax on your property and the proposed tax increase on your

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property as a result of this tax increase. These estimates are calculated on the basis of [insert previous applicable calendar year] data. The actual tax on your property and proposed tax increase on your property may vary from this estimate.";

- 300 (v) shall state the dollar amount of additional ad valorem tax revenue that would be generated each year
by the proposed increase in the certified tax rate;
- 302 (vi) shall include a brief statement of the primary purpose for the proposed tax increase, including the
taxing entity's intended use of additional ad valorem tax revenue described in Subsection (3)(c)(v);
- 305 (vii) shall state the date, time, and place of the public hearing described in Subsection (3)(a)(v);
- 307 (viii) shall state the Internet address for the taxing entity's public website;
- 308 (ix) may contain other information approved by the commission; and
- 309 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
- 310 (A) notice that the taxpayer may request electronic notice as described in Subsection 17-71-302(1)(m);
and
- 312 (B) instructions describing how to elect to receive a notice as described in Subsection 17-71-302(1)(m).
- 314 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate the estimated
tax on property on the basis of:
- 316 (i) data for the current calendar year; and
- 317 (ii) the amount of additional ad valorem tax revenue stated in accordance with this section.
- 319 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate that exceeds
the fiscal year taxing entity's certified tax rate if { ~~before the fiscal year taxing entity conducts the
public meeting at which the fiscal year taxing entity's annual budget is adopted,~~ } the fiscal year
taxing entity , before the fiscal year taxing entity conducts the public meeting at which the fiscal
year taxing entity's budget is adopted:
- 323 [~~(a) provides notice by meeting the advertisement requirements of Subsections (6) and (7) before the
fiscal year taxing entity conducts the public meeting at which the fiscal year taxing entity's annual
budget is adopted; and]~~
- 326 (a) (i) in the public meeting at which the taxing entity's tentative budget is first presented to the governing
body of the taxing entity, an executive officer or budget officer of the taxing entity states that the
tentative budget includes a proposed tax rate increase and presents a property tax impact schedule as
defined in Section 59-2-924; and

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- 177 (ii) the fiscal year taxing entity includes, on the agenda for the public meeting described in Subsection
(4)(a)(i), a separate item notifying the public that an executive officer or budget officer of the taxing
entity intends to state in the public meeting that the tentative budget includes a proposed tax rate
increase;
- 181 (b)
- (i) on or after May 1 but on or before June {8,} 13, the fiscal year taxing entity states at a public
meeting:
- 327 (A) that the fiscal year taxing entity is considering levying a tax rate that exceeds the fiscal year
taxing entity's certified tax rate;
- 329 (B) the approximate dollar amount of and purpose for additional ad valorem tax revenue that would
be generated by the proposed tax rate increase described in Subsection {(4)(a)(i)(A)} (4)(b)(i)
(A);
- 332 (C) the approximate percentage increase in ad valorem tax revenue for the fiscal year taxing entity
based on the proposed tax rate increase described in Subsection {(4)(a)(i)(A)} (4)(b)(i)(A); and
- 335 (D) that if the fiscal year taxing entity proceeds with the proposed tax rate increase, the fiscal year
taxing entity will provide notice of and conduct a public hearing, as required by Subsection
(4)(b), at which members of the public will have an opportunity to provide comments on the
proposed tax rate increase; and
- 340 (ii) the fiscal year taxing entity provides notice for the public meeting described in Subsection {(4)
(a)(i)} (4)(b)(i) in accordance with Title 52, Chapter 4, Open and Public Meetings Act, including
providing a separate item on the meeting agenda that notifies the public that the fiscal year taxing
entity intends to make the statement described in Subsection {(4)(a)(i)} (4)(b)(i);
- 345 {(b)} (c) the fiscal year taxing entity conducts a public hearing in accordance with Subsections (8) and
(9)[before the fiscal year taxing entity's annual budget is adopted] ; and
- 347 (c){(d)} the fiscal year taxing entity provides notice for the public hearing described in Subsection {(4)
(b)-} (4)(c) by meeting the advertisement requirements of Subsections (6) and (7).
- 349 (5)
- (a) A taxing entity is not required to meet the notice or public hearing requirements of Subsection (3) or
(4) if the taxing entity is expressly exempted by law from complying with the requirements of this
section.
- 352 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or (4) if:

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- 354 (i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that certified tax rate
without having to comply with the notice provisions of this section; or
- 357 (ii) the taxing entity:
- 358 (A) budgeted less than \$20,000 in ad valorem tax revenue for the previous fiscal year; and
- 360 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax revenue.
- 220 (c) The requirements of Subsection (4)(a) do not apply if the tentative budget presented during or prior
to the first meeting in May does not include a proposed tax increase.
- 362 (6)
- (a) Before holding the public hearing described in Subsection (3)(a)(v) or (4)(b), a taxing entity
proposing a tax rate increase under this section shall publish an advertisement regarding the
proposed tax increase:
- 365 (i) electronically in accordance with Section 45-1-101; and
- 366 (ii) as a class A notice under Section 63G-30-102.
- 367 (b) The advertisement described in Subsection (6)(a) shall:
- 368 (i) be published for at least 14 days before the day on which the taxing entity conducts the public
hearing described in Subsection (3)(a)(v) or (4)(b); and
- 370 (ii) substantially be in the following form and content:
- 371 "NOTICE OF PROPOSED TAX INCREASE
- 372 (NAME OF TAXING ENTITY)
- 373 The (name of the taxing entity) is proposing to increase its property tax revenue.
- 374 • The (name of the taxing entity) tax on a (insert the average value of a residence in the
taxing entity rounded to the nearest thousand dollars) residence would increase from \$_____ to
\$_____, which is \$_____ per year.
- 377 • The (name of the taxing entity) tax on a (insert the value of a business having the
same value as the average value of a residence in the taxing entity) business would increase from
\$_____ to \$_____, which is \$_____ per year.
- 380 • If the proposed budget is approved, (name of the taxing entity) would receive an
additional \$_____ in property tax revenue per year as a result of the tax increase.
- 382 • If the proposed budget is approved, (name of the taxing entity) would increase its
property tax budgeted revenue by ___% above last year's property tax budgeted revenue excluding
eligible new growth.

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- (a) shall adopt rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, governing the joint use of one advertisement described in Subsection (6) by two or more taxing entities; and
- 401 (b) subject to Section 45-1-101, may authorize a taxing entity's use of a commission-approved direct notice to each taxpayer if:
- 403 (i) the direct notice is different and separate from the notice required under Section 59-2-919.1; and
- 405 (ii) the taxing entity petitions the commission for the use of a commission-approved direct notice.
- 407 (8)
- (a)
- (i) On or before June 1, a fiscal year taxing entity shall notify the commission and the county auditor of the date, time, and place of the public hearing described in Subsection (4)(b).
- 410 (ii) On or before October 1 of the current calendar year, a calendar year taxing entity shall notify the commission and the county auditor of the date, time, and place of the public hearing described in Subsection (3)(a)(v).
- 413 (b)
- (i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be:
- 414 (A) open to the public;
- 415 (B) held at a meeting of the taxing entity with no items on the agenda other than discussion and action on the taxing entity's intent to levy a tax rate that exceeds the taxing entity's certified tax rate, the taxing entity's budget, a special district's or special service district's fee implementation or increase, or a combination of these items; and
- 420 (C) available for individuals to attend or participate either in person or remotely through electronic means.
- 422 (ii) The governing body of a taxing entity conducting a public hearing described in Subsection (3)(a)(v) or (4)(b) shall:
- 424 (A) state the dollar amount of additional ad valorem tax revenue that would be generated each year by the proposed increase in the certified tax rate;
- 426 (B) explain the reasons for the proposed tax increase, including the taxing entity's intended use of additional ad valorem tax revenue described in Subsection (8)(b)(ii)(A);
- 429 (C) if the county auditor compiles the list required by Section 59-2-919.2, present the list at the public hearing and make the list available on the taxing entity's public website; and

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- 432 (D) provide an interested party desiring to be heard an opportunity to present oral testimony within
reasonable time limits and without unreasonable restriction on the number of individuals allowed to
make public comment.
- 435 (c)
- (i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a public hearing
described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing of another
overlapping taxing entity in the same county.
- 438 (ii) The taxing entities in which the power to set tax levies is vested in the same governing board or
authority may consolidate the public hearings described in Subsection (3)(a)(v) or (4)(b) into one
public hearing.
- 441 (d) The county auditor shall resolve any conflict in public hearing dates and times after consultation
with each affected taxing entity.
- 443 (e)
- (i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or (4)(b) beginning at or
after 6 p.m.
- 445 (ii) If a taxing entity holds a public meeting for the purpose of addressing general business of the taxing
entity on the same date as a public hearing described in Subsection (3)(a)(v) or (4)(b), the public
meeting addressing general business items shall conclude before the beginning of the public hearing
described in Subsection (3)(a)(v) or (4)(b).
- 450 (f)
- (i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the public hearing described
in Subsection (3)(a)(v) or (4)(b) on the same date as another public hearing of the taxing entity.
- 453 (ii) A taxing entity may hold the following hearings on the same date as a public hearing described in
Subsection (3)(a)(v) or (4)(b):
- 455 (A) a budget hearing;
- 456 (B) if the taxing entity is a special district or a special service district, a fee hearing described in Section
17B-1-643;
- 458 (C) if the taxing entity is a town, an enterprise fund hearing described in Section 10-5-107.5; or
- 460 (D) if the taxing entity is a city, an enterprise fund hearing described in Section 10-6-135.5.
- 462 (9)

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- 465 (a) If a taxing entity does not make a final decision on budgeting additional ad valorem tax revenue at a
public hearing described in Subsection (3)(a)(v) or (4)(b), the taxing entity shall:
- 468 (i) announce at that public hearing the scheduled time and place of the next public meeting at which
the taxing entity will consider budgeting the additional ad valorem tax revenue; and
- 470 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described in Subsection
(9)(a)(i) before September 1.
- 473 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of additional ad
valorem tax revenue that exceeds the largest amount of additional ad valorem tax revenue stated at a
public meeting under Subsection (3)(a)(i).
- 476 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's certified tax rate may
coincide with a public hearing on the fiscal year taxing entity's proposed annual budget.
- 478 (10)
- (a) A county auditor may conduct an audit to verify a taxing entity's compliance with Subsection (8).
- 481 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to meet the
requirements of Subsection (8), the county auditor shall prepare and submit a report of the auditor's
findings to the commission.
- 486 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax rate if, on or
before September 15 of the year in which the taxing entity is required to hold the public hearing
described in Subsection (3)(a)(v) or (4)(b), the commission determines that the taxing entity has
failed to meet the requirements of [~~Subsection (8)~~] this section.
- 367 (11) For a fiscal year within a truth-in-taxation exemption period, a taxing entity may adopt a budget
that is equal to or less than the base year budgeted revenue without complying with this section.
- 370 (12) Notwithstanding Subsection (10)(c), if the commission determines that a fiscal year taxing entity
proposing a tax rate increase for the fiscal year beginning on July 1, 2026, has failed to meet the
requirements of Subsection (4)(a) or (b):
- 373 (a) Subsection (10)(c) does not apply, unless the commission determines that the taxing entity has failed
to meet a requirement in this section other than the requirements of Subsection (4)(a) or (b); and
- 374 (b) the commission shall provide notice to the taxing entity:
- 376 (i) notifying the taxing entity of the taxing entity's failure to meet the requirements of Subsection (4)(a)
or (b); and

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(ii) explaining to the taxing entity that failure to meet the requirements of Subsection (4)(a) or (b) for a subsequent fiscal year will result in the commission not certifying the taxing entity's proposed tax rate increase.

379 Section 2. Section **59-2-923** is amended to read:

380 **59-2-923. Expenditures of money prior to adoption of budget or tax rate.**

[A] Except as provided in Subsection 59-2-924(8), a taxing entity may, before the taxing entity adopts a final annual budget or a tax rate, expend money on the basis of the taxing entity's:

494 (1) tentative budget after adoption of the tentative budget; or

495 (2) prior year's adopted final budget as amended, which shall be readopted by resolution at a meeting of the taxing entity's governing body.

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

388 **59-2-924. Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- {Tentative budget} Budgeting requirements -- Notice provided by the commission.**

502 (1) As used in this section:

503 (a) "Additional ad valorem tax revenue" means the same as that term is defined in Section 59-2-919.

505 [~~a~~] (b)

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

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

508 (A) interest;

509 (B) penalties;

510 (C) collections from redemptions; or

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

514 [~~b~~] (c) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.

516 [~~e~~] (d)

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

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

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- (B) the aggregate taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year; and
- 522 (C) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.
- 525 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable value of personal property that is:
- 527 (A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and
- 529 (B) contained on the prior year's tax rolls of the taxing entity.
- 530 ~~(d)~~ (e) "Base taxable value" means:
- 531 (i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;
- 533 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section 11-59-207;
- 535 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;
- 537 (iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- 539 (v) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;
- 541 (vi) for a host local government, the same as that term is defined in Section 63N-2-502;
- 543 (vii) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 546 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 10-21-101 or Section 17-80-101;

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- (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-1601;
- 555 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the property tax base year, as that term is defined in Section 63N-3-1701; or
- 559 (xi) for an electrical energy development zone created under Section 79-6-1104, the value of the property within an electrical energy development zone, as shown on the assessment roll last equalized before the creation of the electrical development zone, as that term is defined in Section 79-6-1104.
- 563 [~~e~~] (f) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous three calendar years, adjusted for taxable value attributable to:
- 567 (i) an annexation to a taxing entity;
- 568 (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or
- 570 (iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.
- 573 [~~f~~] (g) "Centrally assessed industry" means the following industry classes the commission assesses in accordance with Part 2, Assessment of Property:
- 575 (i) air carrier;
- 576 (ii) coal;
- 577 (iii) coal load out property;
- 578 (iv) electric generation;
- 579 (v) electric rural;
- 580 (vi) electric utility;
- 581 (vii) gas utility;
- 582 (viii) ground access property;
- 583 (ix) land only property;
- 584 (x) liquid pipeline;
- 585 (xi) metalliferous mining;

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- 586 (xii) nonmetalliferous mining;
587 (xiii) oil and gas gathering;
588 (xiv) oil and gas production;
589 (xv) oil and gas water disposal;
590 (xvi) railroad;
591 (xvii) sand and gravel; and
592 (xviii) uranium.
- 593 [~~g~~] (h)
- (i) "Centrally assessed new growth" means the greater of:
- 594 (A) for each centrally assessed industry, zero; or
595 (B) the amount calculated by subtracting the centrally assessed benchmark value for each centrally assessed industry, adjusted for prior year end incremental value, from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for each centrally assessed industry for the current year, adjusted for current year incremental value.
- 601 (ii) "Centrally assessed new growth" does not include a change in value for a centrally assessed industry as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.
- 605 [~~h~~] (i) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 608 [~~i~~] (j) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- 500 (k) "Department" means a functional unit within a taxing entity that, in accordance with the Uniform Accounting Manual for Utah Cities, carries on a specific activity.
- 610 [~~j~~] (k) (l) "Eligible new growth" means the greater of:
- 611 (i) zero; or
612 (ii) the sum of:
613 (A) locally assessed new growth;
614 (B) centrally assessed new growth; and
615 (C) project area new growth or hotel property new growth.
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(l){(m)} "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July 1 and ends on June 30.

618 [(k)] (m){(n)} "Host local government" means the same as that term is defined in Section 63N-2-502.

620 [(t)] (n){(o)} "Hotel property" means the same as that term is defined in Section 63N-2-502.

621 [(m)] (o){(p)} "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.

624 [(n)] (p){(q)} "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.

626 [(o)] (q){(r)} "Incremental value" means:

627 (i) for an authority created under Section 11-58-201, the amount calculated by multiplying:

629 (A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and

632 (B) the number that represents the percentage of the property tax differential that is paid to the authority;

634 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:

636 (A) the difference between the current assessed value of the property and the base taxable value; and

638 (B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;

641 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:

643 (A) the difference between the taxable value for the current year and the base taxable value of the property that is located within a project area; and

645 (B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;

647 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:

649 (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and

652 (B) the number that represents the adjusted tax increment from that project area that is paid to the agency;

654 (v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:

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- 656 (A) the difference between the taxable value and the base taxable value of the property located within a
project area and on which property tax allocation is collected; and
- 659 (B) the number that represents the percentage of the property tax allocation from that project area that is
paid to the authority;
- 661 (vi) for a housing and transit reinvestment zone or convention center reinvestment zone created in
accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an
amount calculated by multiplying:
- 664 (A) the difference between the taxable value and the base taxable value of the property that is located
within a housing and transit reinvestment zone or convention center reinvestment zone and on which
tax increment is collected; and
- 668 (B) the number that represents the percentage of the tax increment that is paid to the housing and transit
reinvestment zone or convention center reinvestment zone;
- 671 (vii) for a host local government, an amount calculated by multiplying:
- 672 (A) the difference between the taxable value and the base taxable value of the hotel property on which
incremental property tax revenue is collected; and
- 674 (B) the number that represents the percentage of the incremental property tax revenue from that hotel
property that is paid to the host local government;
- 676 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home
Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership
Promotion Zone, an amount calculated by multiplying:
- 679 (A) the difference between the taxable value and the base taxable value of the property that is located
within a home ownership promotion zone and on which tax increment is collected; and
- 682 (B) the number that represents the percentage of the tax increment that is paid to the home ownership
promotion zone;
- 684 (ix) for a first home investment zone created in accordance with Title 63N, Chapter 3, Part 16, First
Home Investment Zone Act, an amount calculated by multiplying:
- 686 (A) the difference between the taxable value and the base taxable value of the property that is located
within a first home investment zone and on which tax increment is collected; and
- 689 (B) the number that represents the percentage of the tax increment that is paid to the first home
investment zone;

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- (x) for a major sporting event venue zone created [~~pursuant to~~] in accordance with Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount calculated by multiplying:
- 694 (A) the difference between the taxable value and the base taxable value of the property located within a qualified development zone for a major sporting event venue zone and upon which property tax increment is collected; and
- 697 (B) the number that represents the percentage of tax increment that is paid to the major sporting event venue zone, as approved by a major sporting event venue zone committee described in Section 63N-1a-1706; or
- 700 (xi) for an electrical energy development zone created under Section 79-6-1104, the amount calculated by multiplying:
- 702 (A) the difference between the taxable value and the base taxable value of the property that is located within the electrical energy developmental zone; and
- 704 (B) the number that represents the percentage of the tax increment that is paid to a community reinvestment agency and the Electrical Energy Development Investment Fund created in Section 79-6-1105.
- 599 (s) "Interim budget" means the final tentative budget for a fiscal year taxing entity that in accordance with Subsection (8)(a), proposes a tax rate increase for the ensuing fiscal year period that is in effect for the period beginning July 1 and ending after the date on which the taxing entity, before September 1, adopts a final budget.
- 707 [~~(p)~~] (r) {(t)}
- (i) "Locally assessed new growth" means the greater of:
- 708 (A) zero; or
- 709 (B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.
- 715 (ii) "Locally assessed new growth" does not include a change in:
- 716 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;

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(B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;

720 (C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or

722 (D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.

724 [~~(q)~~] ~~(s)~~{(u)} "Project area" means:

725 (i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

727 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;

729 (iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;

731 (iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;

733 (v) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

736 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;

740 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601; or

743 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, the qualified development zone, as defined in Section 63N-3-1701.

746 [~~(r)~~] ~~(t)~~{(v)} "Project area new growth" means:

747 (i) for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;

750 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

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- (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah Fairpark Area Investment and Restoration District;
- 757 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment;
- 759 (v) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation;
- 762 (vi) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone or convention center reinvestment zone as tax increment;
- 767 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, an amount equal to the incremental value that is no longer provided to a home ownership promotion zone as tax increment;
- 771 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount equal to the incremental value that is no longer provided to a first home investment zone as tax increment; or
- 774 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental value that is no longer provided to the creating entity of a major sporting event venue zone as property tax increment.
- 778 [~~s~~] (w) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.
- 780 [~~t~~] (x) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 782 [~~tt~~] (y) "Property tax differential" means the same as that term is defined in Sections 11-58-102 and 79-6-1104.
- 680 (z) "Property tax impact schedule" means a schedule of expenditures that, in accordance with Subsection (8)(b), is included in the interim budget for a fiscal year taxing entity that proposes a tax rate increase for the ensuing fiscal year period.
- 784 [~~v~~] (aa) "Tax increment" means:
- 785

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- (i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- 787 (ii) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as the term "property tax increment" is defined in Section 63N-3-602;
- 791 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;
- 795 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601; or
- 798 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is defined in Section 63N-3-1701.
- 801 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and the commission the following statements:
- 803 (a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and
- 806 (b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.
- 809 (3) The county auditor shall, on or before June [8] 13, transmit to the governing body of each taxing entity:
- 811 (a) the statements described in Subsections (2)(a) and (b);
- 812 (b) an estimate of the revenue from personal property;
- 813 (c) the certified tax rate; and
- 814 (d) all forms necessary to submit a tax levy request.
- 815 (4)
- (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 818 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:
- 820 (i) calculate for the taxing entity the difference between:

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- 821 (A) the aggregate taxable value of all property taxed; and
822 (B) any adjustments for current year incremental value;
- 823 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by
increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the
percentage net change in the value of taxable property for the equalization period for the three
calendar years immediately preceding the current calendar year;
- 828 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:
830 (A) the amount calculated under Subsection (4)(b)(ii); and
831 (B) the percentage of property taxes collected for the five calendar years immediately preceding the
current calendar year; and
- 833 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:
835 (A) multiplying the percentage of property taxes collected for the five calendar years immediately
preceding the current calendar year by eligible new growth; and
838 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under
Subsection (4)(b)(iii).
- 840 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:
842 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;
844 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
845 (i) in a county of the first, second, or third class, the levy imposed for municipal-type services under
Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services to Unincorporated Areas; and
848 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and
such other levies imposed solely for the municipal-type services identified in Section 17-78-501 and
Subsection 17-63-101(23);
- 851 (c) for a community reinvestment agency that received all or a portion of a taxing entity's project area
incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority,
the certified tax rate is calculated as described in Subsection (4) except that the commission shall
treat the total revenue transferred to the community reinvestment agency as ad valorem property tax
revenue that the taxing entity budgeted for the prior year; and
- 857 (d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that
section, except that a certified tax rate for the following levies shall be calculated in accordance with
Section 59-2-913 and this section:

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- 860 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
861 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under
Section 59-2-1602.
- 863 (6)
(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or 59-2-1330 at a rate that is
sufficient to generate only the revenue required to satisfy one or more eligible judgments.
- 866 (b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a)
may not be considered in establishing a taxing entity's aggregate certified tax rate.
- 869 (7)
(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
870 (i) the taxable value of real property:
871 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
873 (B) contained on the assessment roll;
874 (ii) the year end taxable value of personal property:
875 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
876 (B) contained on the prior year's assessment roll; and
877 (iii) the taxable value of real and personal property the commission assesses in accordance with Part
2, Assessment of Property.
- 879 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new growth.
- 881 (8)
{(a)} On or before June 30~~[of each year]~~, a fiscal year taxing entity that ~~{intends}~~ proposes an
increase to ~~{exceed}~~ the certified tax rate for the ensuing fiscal year period shall ~~{:}~~ adopt a
tentative budget.]
- 883 {(a) prepare and adopt a tentative operating budget:}
884 {(i) that is based solely on revenue that the taxing entity estimates to be generated by the certified tax
rate, eligible new growth, and any other existing revenue sources;}
886 {(ii) that does not include the additional ad valorem tax revenue that would be generated by the taxing
entity's proposed tax rate increase;}
888 {(iii) that ensures the taxing entity is able to function at the beginning of the next fiscal year; and}
890 {(iv) from which the taxing entity's expenditures are based before the taxing entity approves any tax
rate increase after meeting the notice and public hearing requirements of Section 59-2-919; and }

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- 893 ~~{(b) present an alternative tentative budget:}~~
- 894 ~~{(i) that, in addition to budgeting for revenue described in Subsection (8)(a)(i), outlines the taxing~~
 ~~entity's anticipated expenditures and funding priorities for the additional ad valorem tax revenue that~~
 ~~would be generated by the taxing entity's proposed tax rate increase;}~~
- 898 ~~{(ii) that the taxing entity's governing body prepares in good faith and makes available to the public;~~
 ~~and}~~
- 900 ~~{(iii) {from which the taxing entity's final adopted budget can be derived only if, after meeting the~~
 ~~notice and public hearing requirements of Section 59-2-919, the taxing entity approves a tax rate~~
 ~~increase.}}~~
- 903 ~~{(b)}(9)}~~
- ~~{(a)} :~~
- 783 (i) prepare and adopt an interim budget that:
- 784 (A) is based on the taxing entity's proposed tax rate increase;
- 785 (B) includes a property tax impact schedule, subject to the requirements of Subsection (8)(b); and
- 787 (C) is in effect for the period beginning on July 1 and ending after the date on which the taxing entity,
 subject to the requirements of Section 59-2-919, adopts a budget;
- 790 (ii) present and make available to the public the property tax impact schedule described in
 Subsection (8)(a)(i)(B):
- 792 (A) at each public hearing held prior to June 30 at which the taxing entity discusses the taxing entity's
 proposed general fund budget for the ensuing fiscal year period; and
- 795 (B) as a separate document from all other budget documents; and
- 796 (iii) subject to Subsection (8)(c), set aside, in a restricted budget account, an amount of the taxing
 entity's general fund revenue that is no less than the amount of additional ad valorem tax
 revenue that would be generated by the taxing entity's proposed tax rate increase.
- 800 (b) The property tax impact schedule described in Subsection (8)(a)(i)(B) shall:
- 801 (i) specify:
- 802 (A) the approximate dollar amount of additional ad valorem tax revenue that would be generated by the
 proposed tax rate increase;
- 804 (B) the approximate percentage increase in tax revenue based on the proposed tax rate increase;
- 806 (C) the approximate percentage increase to the amount of property taxes paid on an average residence
 per year as a result of the proposed tax rate increase; and

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- 808 (D) the approximate percentage increase to the amount of property taxes paid on an average commercial
811 property per year as a result of the proposed tax rate increase; and
813 (ii) for each department of the taxing entity whose budget would be affected by the proposed tax rate
815 increase;
817 (A) outline the budget increase or decrease to the department as a result of the proposed tax rate
822 increase; and
825 (B) articulate the operational impact to the department if the taxing entity approves the proposed tax
832 rate increase.
837 (c) A taxing entity subject to this Subsection (8) may not expend or otherwise obligate the revenue that
844 the taxing entity sets aside in a restricted budget account, as required by Subsection (8)(a)(iii), for
851 the period beginning on July 1 and ending after the date on which the taxing entity, subject to the
858 requirements of Section 59-2-919, adopts a budget.
865 (d) A county shall include the property tax impact schedule described in Subsection (8)(a)(i)(B) as part
872 of the county notice provided under Section 59-2-919.1, if requested and paid for by the taxing
879 entity.
886 ~~[(b)]~~ (e) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the
893 county auditor of:
900 (i) the taxing entity's intent to exceed the certified tax rate; and
907 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
914 ~~[(e)]~~ (b){(f)} The county auditor shall notify property owners of any intent to levy a tax rate that
921 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
928 (9) On or before June 30, a fiscal year taxing entity shall adopt a budget if the taxing entity does not
935 propose an increase to the certified tax rate for the ensuing fiscal year period.
942 ~~[(9)]~~ (10)
949 (a) Subject to Subsection ~~[(9)(d)]~~ (10)(d), the commission shall provide notice, through electronic
956 means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:
963 (i) the amount calculated under Subsection ~~[(9)(b)]~~ (10)(b) is 10% or more of the year end taxable
970 value of the real and personal property the commission assesses in accordance with Part 2,
977 Assessment of Property, for the previous year, adjusted for prior year end incremental value;
984 and
991

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(ii) the amount calculated under Subsection [~~(9)(e)~~] (10)(c) is 50% or more of the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

921 (b) For purposes of Subsection [~~(9)(a)(i)~~] (10)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.

928 (c) For purposes of Subsection [~~(9)(a)(ii)~~] (10)(a)(ii), the commission shall calculate an amount by subtracting the total taxable value of real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

934 (d) The notification under Subsection [~~(9)(a)~~] (10)(a) shall include a list of taxpayers that meet the requirement under Subsection [~~(9)(a)(ii)~~] (10)(a)(ii).

860 Section 4. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

862 Section 5. **Coordinating H.B. 236 with S.B. 238.**

If H.B. 236, Truth in Taxation Amendments, and S.B. 238, Property Tax Adjustments, both pass and become law, the Legislature intends that, on May 6, 2026, Subsection 59-2-919(12), enacted in H.B. 236, be renumbered and amended to read:

"(13) Notwithstanding Subsection (12)(c), if the commission determines that a fiscal year taxing entity proposing a tax rate increase for the fiscal year beginning on July 1, 2026, has failed to meet the requirements of Subsection (4)(a) or (b):

(a) Subsection (12)(c) does not apply, unless the commission determines that the taxing entity has failed to meet a requirement in this section other than the requirements of Subsection (4)(a) or (b); and

(b) the commission shall provide notice to the taxing entity:

(i) notifying the taxing entity of the taxing entity's failure to meet the requirements of

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Subsection (4)(a) or (b); and

(ii) explaining to the taxing entity that failure to meet the requirements of Subsection (4)(a) or (b) for a subsequent fiscal year will result in the commission not certifying the taxing entity's proposed tax rate increase."

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