

SB0097S01 compared with SB0097

{Omitted text} shows text that was in SB0097 but was omitted in SB0097S01
inserted text shows text that was not in SB0097 but was inserted into SB0097S01

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

1 {Property} Tax {Rate} Revenue Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Daniel McCay
House Sponsor:

LONG TITLE

General Description:

This bill addresses property modifies provisions related to tax rates revenue.

Highlighted Provisions:

This bill:

- defines terms;
- limits the amount of surplus funds that may accumulate in a city or county general fund;
- limits the residential property tax exemption to one primary residence per household;
- establishes a rebuttable presumption that property owned by a business entity does not qualify for the residential exemption;
- requires residential property owners to apply to the county to receive a residential exemption if the property was ineligible for the residential exemption in the prior year, and ownership interest in the property changes, or the county has reason to believe the property no longer qualifies for the residential exemption;
- prohibits taxing entities from depositing property tax revenue into a reserve fund for capital improvement projects after a certain date;

SB0097 compared with SB0097S01

- 12 ▶ limits the total amount of additional property tax revenue a taxing entity may obtain through
truth-in-taxation, with certain exceptions;
- 14 ▶ excludes certain valuation increases resulting from physical improvements to property from the
calculation of locally assessed new growth;
- 16 ▶ excludes increases to the value of tangible personal property from the calculation of project area
new growth; {and}
- 25 ▶ **subtracts interest earned on investments from a taxing entity's certified tax rate**
calculation; and
- 18 ▶ makes technical changes.

Money Appropriated in this Bill:

29 None

Other Special Clauses:

31 This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

34 **10-6-116 (Effective 05/06/26), as last amended by Laws of Utah 2021, Chapter 52**

35 **17-63-204 (Effective 05/06/26), as renumbered and amended by Laws of Utah 2025, First
Special Session, Chapter 13**

37 **59-2-103 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 234**

38 **59-2-103.5 (Effective 01/01/27), as last amended by Laws of Utah 2025, Chapter 234**

39 **59-2-917 (Effective 05/06/26), as last amended by Laws of Utah 1988, Chapter 3**

40 **59-2-919 (Effective 07/01/26), as last amended by Laws of Utah 2025, First Special Session,
Chapter 17**

42 **59-2-924 (Effective 06/01/26), as last amended by Laws of Utah 2025, First Special Session,
Chapter 15**

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

46 **Section 1. Section 10-6-116 is amended to read:**

47 **10-6-116. Accumulated fund balances -- Limitations -- Excess balances -- Unanticipated
excess of revenues -- Reserves for capital improvements.**

49 (1)

SB0097 compared with SB0097S01

(a) A city may accumulate retained earnings or fund balances, as appropriate, in any fund. With respect to the city general fund only, any accumulated fund balance is restricted to the following purposes:

(i) to provide working capital to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other applicable revenues are collected, thereby reducing the amount the city must borrow during the period;

(ii) to provide a resource to meet emergency expenditures under Section 10-6-129; and

(iii) to cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues.

(b) Notwithstanding Subsection (1)(a)(i), a city may not appropriate a fund balance for budgeting purposes except as provided in Subsection (4).

(c) Notwithstanding Subsection (1)(a)(iii), a city may not appropriate a fund balance to avoid an operating deficit during any budget period except as provided under Subsection (4), or for emergency purposes under Section 10-6-129.

(2) The accumulation of a fund balance in the city general fund may not exceed [35%] 25% of the total revenue of the city general fund for the current fiscal period.

(3) If the fund balance at the close of any fiscal period exceeds the amount permitted under Subsection (2), the excess shall be appropriated in the manner provided in Section 10-6-117.

(4) Any fund balance in excess of 5% of the total revenues of the city general fund may be utilized for budget purposes.

(5)

(a) Within a capital improvements fund, the governing body may, in any budget period, appropriate from estimated revenue or fund balance to a reserve for capital improvements for the purpose of financing future specific capital improvements, under a formal long-range capital plan adopted by the governing body.

(b) The reserves described in Subsection (5)(a) may accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) Disbursements from reserves described in Subsection (5)(a) shall be made only by transfer to a revenue or transfer account within the capital improvements fund, under a budget appropriation in a budget for the fund adopted in the manner provided by this chapter.

(d) Expenditures from the above appropriation budget accounts shall conform to all requirements of this chapter relating to execution and control of budgets.

SB0097 compared with SB0097S01

85 Section 2. Section 17-63-204 is amended to read:

86 **17-63-204. Retained earnings -- Accumulation -- Restrictions -- Disbursements.**

88 (1)

89 (a) A county may accumulate:

90 (i) retained earnings in any enterprise or internal service fund; and

91 (ii) a fund balance in any fund that is not an enterprise or internal service fund.

93 (b) Notwithstanding Subsection (1)(a), use of the county general fund shall be restricted to the following purposes:

95 (i) to provide cash to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other revenues are collected;

96 (ii) to provide a fund or reserve to meet emergency expenditures; and

97 (iii) to cover unanticipated deficits for future years.

98 (2)

99 (a) The maximum accumulated unappropriated surplus in the county general fund, as determined before adoption of the tentative budget, may not exceed [an amount equal to the greater of:] 25% of the total revenues of the county general fund for the current fiscal period.

100 [(i)

101 (A) ~~for a county with a taxable value of \$750,000,000 or more and a population of 100,000 or more, 25% of the total revenues of the county general fund for the current fiscal period; or]~~

102 [(B) ~~for any other county, 65% of the total revenues of the county general fund for the current fiscal period; and]~~

103 [(ii) ~~the estimated total revenues from property taxes for the current fiscal period.]~~

104 (b) Any surplus balance in excess of the above computed maximum shall be included in the estimated revenues of the county general fund budget for the next fiscal period.

105 (3) Any fund balance exceeding 5% of the total county general fund revenues may be used for budgetary purposes.

106 (4)

107 (a) A county may appropriate funds from estimated revenue in any budget period to a reserve for capital improvements within any capital improvements fund which has been duly established by ordinance or resolution.

SB0097 compared with SB0097S01

(b) Money in the reserves shall be allowed to accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

117 (c) Disbursements from the reserves shall be made only by transfer to a revenue account within a capital improvements fund in accordance with an appropriation for the fund.

119 (d) Expenditures from the capital improvement budget accounts shall conform to all requirements of this chapter as it relates to the execution and control of budgets.

121 Section 3. Section 59-2-103 is amended to read:

122 **59-2-103. Rate of assessment of property -- Residential property -- Rebuttable presumption.**

124 (1) As used in this section:

125 (a) "Business entity" means the same as that term is defined in Section 59-2-1332.5.

126 [(a)] (b)

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

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

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

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

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

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

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

145 (6)

SB0097 compared with SB0097S01

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

147 [({b) An owner of multiple primary residences located within the state is allowed a residential exemption under Subsection (3) for:}]

149 [{i) subject to Subsection (6)(a), the primary residence of the owner;}]

150 [{ii) each residential property that is the primary residence of a tenant; and}]

151 [{iii) subject to Subsection 59-2-103.5(4), each residential property described in Subsection 59-2-102(35)(b)(ii).}]

153 (7) There is a rebuttable presumption that property owned by a business entity does not qualify for the residential exemption described in Subsection (3).

155 Section 4. Section 59-2-103.5 is amended to read:

156 **59-2-103.5. Procedures to obtain an exemption for residential property -- Procedure if property owner or property no longer qualifies to receive a residential exemption.**

159 (1) Subject to Subsections (4), (5), and (6), [and (11),] for residential property other than part-year residential property, [a county legislative body may adopt an ordinance that requires] an owner [to] shall file an application with the county board of equalization before the county applies a residential exemption authorized under Section 59-2-103 to the value of the residential property if:

164 (a) the residential property was ineligible for the residential exemption during the calendar year immediately preceding the calendar year for which the owner is seeking to have the residential exemption applied to the value of the residential property;

168 (b) an ownership interest in the residential property changes; or

169 (c) the county board of equalization determines that there is reason to believe that the residential property no longer qualifies for the residential exemption.

171 (2)

172 (a) The application described in Subsection (1):

174 (i) shall be on a form the commission provides by rule and makes available to the counties;

175 (ii) shall be signed by the owner of the residential property; and

176 (iii) may not request the sales price of the residential property.

179 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing the contents of the form described in Subsection (2)(a).

SB0097 compared with SB0097S01

(c) For purposes of the application described in Subsection (1), a county may not request information from an owner of a residential property beyond the information in the form provided by the commission under this Subsection (2).

182 (3)

183 (a) ~~[Regardless of whether a county legislative body adopts an ordinance described in Subsection (1), before]~~ Before a county may apply a residential exemption to the value of part-year residential property, an owner of the property shall:

184 (i) subject to Subsection (6), file the application described in Subsection (2)(a) with the county board of equalization; and

185 (ii) include as part of the application described in Subsection (2)(a) a statement that certifies:

186 (A) the date the part-year residential property became residential property;

187 (B) that the part-year residential property will be used as residential property for 183 or more consecutive calendar days during the calendar year for which the owner seeks to obtain the residential exemption; and

188 (C) that the owner, or a member of the owner's household, may not claim a residential exemption for any property for the calendar year for which the owner seeks to obtain the residential exemption, other than the part-year residential property, or as allowed under Section 59-2-103 with respect to the primary residence or household furnishings, furniture, and equipment of the owner's tenant.

189 (b) If an owner files an application under this Subsection (3) on or after May 1 of the calendar year for which the owner seeks to obtain the residential exemption, the county board of equalization may require the owner to pay an application fee not to exceed \$50.

190 (4) Before a county allows residential property described in Subsection 59-2-102(35)(b)(ii) a residential exemption authorized under Section 59-2-103, an owner of the residential property shall file with the county assessor a written declaration that:

191 (a) states under penalty of perjury that, to the best of each owner's knowledge, upon completion of construction or occupancy of the residential property, the residential property will be used for residential purposes as a primary residence;

192 (b) is signed by each owner of the residential property; and

193 (c) is on a form approved by the commission.

194 (5)

SB0097 compared with SB0097S01

(a) Before a county allows residential property described in Subsection 59-2-103(6)(b) a residential exemption authorized under Section 59-2-103, an owner of the residential property shall file with the county assessor a written declaration that:

(i) states under penalty of perjury that, to the best of each owner's knowledge, the residential property will be used for residential purposes as a primary residence of a tenant;

(ii) is signed by each owner of the residential property; and

(iii) is on a form approved by the commission.

(b)

(i)

(A) In addition to the declaration, a county assessor may request from an owner a current lease agreement signed by the tenant.

(B) If the lease agreement is insufficient for a county assessor to make a determination about eligibility for a residential exemption, a county assessor may request a copy of the real estate insurance policy for the property.

(C) If the real estate insurance policy is insufficient for a county assessor to make a determination about eligibility for a residential exemption, a county assessor may request a copy of a filing from the most recent federal tax return showing that the owner had profit or loss from the residential property as a rental.

(ii) A county assessor may not request information from an owner's tenant.

(6)

(a) Except as provided in Subsection (6)(b), the county board of equalization may not accept from a property owner an application to receive a residential exemption authorized under Section 59-2-103 for the property owner's primary residence that is filed after the later of:

(i) September 15 of the calendar year for which the property owner seeks to receive the residential exemption; or

(ii) the last day of a 45-day period beginning on the day on which the county auditor provides the notice under Section 59-2-919.1.

(b)

(i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing for circumstances under which the county board of equalization is required to

SB0097 compared with SB0097S01

accept a property owner's application for a residential exemption authorized under Section 59-2-103 that is filed after the time period described in Subsection (6)(a).

242 (ii) The commission shall report to the Revenue and Taxation Interim Committee on any rules
[promulgated] implemented under this Subsection (6)(b).

244 (7) Except as provided in Subsection (8), if a property owner no longer qualifies to receive a residential exemption authorized under Section 59-2-103 for the property owner's primary residence, the property owner shall:

247 (a) file a written statement with the county board of equalization of the county in which the property is located:

249 (i) on a form provided by the county board of equalization; and

250 (ii) notifying the county board of equalization that the property owner no longer qualifies to receive a residential exemption authorized under Section 59-2-103 for the property owner's primary residence; and

253 (b) declare on the property owner's individual income tax return under Chapter 10, Individual Income Tax Act, for the taxable year for which the property owner no longer qualifies to receive a residential exemption authorized under Section 59-2-103 for the property owner's primary residence, that the property owner no longer qualifies to receive a residential exemption authorized under Section 59-2-103 for the property owner's primary residence.

259 (8) A property owner is not required to file a written statement or make the declaration described in Subsection (7) if the property owner:

261 (a) changes primary residences;

262 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for the residence that was the property owner's former primary residence; and

264 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for the residence that is the property owner's current primary residence.

266 (9) Subsections (2) through (8) do not apply to qualifying exempt primary residential rental personal property.

268 (10)

(a) [Subject to Subsection (11), for] For the first calendar year in which a property owner qualifies to receive a residential exemption under Section 59-2-103, a county assessor may require the property owner to file a signed statement described in Section 59-2-306.

SB0097 compared with SB0097S01

272 (b) [Subject to Subsection (11) and notwithstanding] Notwithstanding Section 59-2-306, for a calendar
273 year after the calendar year described in Subsection (10)(a) in which a property owner qualifies for
274 an exemption authorized under Section 59-2-1115 for qualifying exempt primary residential rental
275 personal property, a signed statement described in Section 59-2-306 with respect to the qualifying
276 exempt primary residential rental personal property may only require the property owner to certify,
277 under penalty of perjury, that the property owner qualifies for the exemption authorized under
278 Section 59-2-1115.

280 [(11)]

281 (a) ~~After an ownership interest in residential property changes, the county assessor shall:~~

282 [(i) ~~notify the owner of the residential property that the owner is required to submit a written~~
283 ~~declaration described in Subsection (11)(d) within 90 days after the day on which the county~~
284 ~~assessor mails the notice under this Subsection (11)(a); and]~~

285 [(ii) ~~provide the owner of the residential property with the form described in Subsection (11)(e) to~~
286 ~~make the written declaration described in Subsection (11)(d).]~~

287 [(b) ~~A county assessor is not required to provide a notice to an owner of residential property under~~
288 ~~Subsection (11)(a) if the situs address of the residential property is the same as any one of the~~
289 ~~following:~~]

290 [(i) ~~the mailing address of the residential property owner or the tenant of the residential property;~~]

291 [(ii) ~~the address listed on the:~~]

292 [(A) ~~residential property owner's driver license; or~~]

293 [(B) ~~tenant of the residential property's driver license; or~~]

294 [(iii) ~~the address listed on the:~~]

295 [(A) ~~residential property owner's voter registration; or~~]

296 [(B) ~~tenant of the residential property's voter registration.~~]

297 [(e) ~~A county assessor is not required to provide a notice to an owner of residential property under~~
298 ~~Subsection (11)(a) if:~~]

299 [(i) ~~the owner is using a post office box or rural route box located in the county where the residential~~
300 ~~property is located; and]~~

301 [(ii) ~~the residential property is located in a county of the fourth, fifth, or sixth class.~~]

SB0097 compared with SB0097S01

[~~(d) An owner of residential property that receives a notice described in Subsection (11)(a) shall submit a written declaration to the county assessor under penalty of perjury certifying the information contained in the form described in Subsection (11)(e).~~]

307 [~~(e) The written declaration required by Subsection (11)(d) shall be:~~]

308 [~~(i) signed by the owner of the residential property; and~~]

309 [~~(ii) in substantially the following form:~~

~~"Residential Property Declaration~~

310 ~~This form must be submitted to the County Assessor's office where your new residential~~
311 ~~property is located within 90 days of receipt. Failure to do so will result in the county assessor~~
~~taking action that could result in the withdrawal of the primary residential exemption from your~~
~~residential property.~~

Residential Property Owner Information

316 Name(s): _____

317 Home Phone: _____

318 Work Phone: _____

319 Mailing Address: _____

Residential Property Information

320 Physical Address: _____

Certification

321 1. Is this property used as a primary residential property or part-year residential property for
322 you or another person?

323 "Part-year residential property" means owned property that is not residential property on
324 January 1 of a calendar year but becomes residential property after January 1 of the calendar year.

325 Yes No

326 2. Will this primary residential property or part-year residential property be occupied for 183 or
327 more consecutive calendar days by the owner or another person?

328 A part-year residential property occupied for 183 or more consecutive calendar days in a
329 calendar year by the owner(s) or a tenant is eligible for the exemption.

330 Yes No

331 If a property owner or a property owner's spouse claims a residential exemption under Utah
332 Code Ann. §59-2-103 for property in this state that is the primary residence of the property owner or

SB0097 compared with SB0097S01

the property owner's spouse, that claim of a residential exemption shall be considered in determining whether the property owner and the property owner's spouse have domicile in Utah for income tax purposes.

Signature

Under penalties of perjury, I declare to the best of my knowledge and belief, this declaration and accompanying pages are true, correct, and complete.

(Owner signature) _____ Date (mm/dd/yyyy)

(Owner printed name)]

[f) For purposes of a written declaration described in this Subsection (11), a county may not request information from a property owner beyond the information described in the form provided in Subsection (11)(e).]

[g]

(i) If, after receiving a written declaration filed under Subsection (11)(d), the county determines that the property has been incorrectly qualified or disqualified to receive a residential exemption, the county shall:]

[A] redetermine the property's qualification to receive a residential exemption; and]

[B) notify the claimant of the redetermination and the county's reason for the redetermination.]

[(ii) The redetermination provided in Subsection (11)(g)(i)(A) is final unless:]

[(A) except as provided in Subsection (11)(g)(iii), the property owner appeals the redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or]

[(B) the county determines that the property is eligible to receive a primary residential exemption as part-year residential property.]

[**(iii)** The board of equalization may not accept an appeal that is filed after the later of:]

[**(A)** September 15 of the current calendar year; or]

[B) the last day of the 45-day period beginning on the day on which the county auditor provides the notice under Section 59-2-919.1.]

[h]

(i) If a residential property owner fails to file a written declaration required by Subsection (11)(d), the county assessor shall mail to the owner of the residential property a notice that:]

[(A) the property owner failed to file a written declaration as required by Subsection (11)(d); and]

SB0097 compared with SB0097S01

[~~(B) the property owner will no longer qualify to receive the residential exemption authorized under Section 59-2-103 for the property that is the subject of the written declaration if the property owner does not file the written declaration required by Subsection (11)(d) within 30 days after the day on which the county assessor mails the notice under this Subsection (11)(h)(i).]~~]

374 [~~(ii) If a property owner fails to file a written declaration required by Subsection (11)(d) after receiving the notice described in Subsection (11)(h)(i), the property owner no longer qualifies to receive the residential exemption authorized under Section 59-2-103 in the calendar year for the property that is the subject of the written declaration unless:~~]

379 [~~(A) except as provided in Subsection (11)(h)(iii), the property owner appeals the redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or~~]

382 [~~(B) the county determines that the property is eligible to receive a primary residential exemption as part-year residential property.~~]

384 [~~(iii) The board of equalization may not accept an appeal that is filed after the later of:~~]

385 [~~(A) September 15 of the current calendar year; or~~]

386 [~~(B) the last day of the 45-day period beginning on the day on which the county auditor provides the notice under Section 59-2-919.1.~~]

388 [~~(iv) A property owner that is disqualified to receive the residential exemption under Subsection (11)(h)(ii) may file an application described in Subsection (1) to determine whether the owner is eligible to receive the residential exemption.~~]

391 [~~(i) The requirements of this Subsection (11) do not apply to a county assessor in a county that adopts and enforces an ordinance described in Subsection (1).~~]

Section 5. Section 59-2-917 is amended to read:

59-2-917. Use of funds.

395 (1) The money raised by the levy imposed by Section 59-2-916 may be used for development purposes as provided in Section 59-2-916 or the governing body of any taxing entity may make contributions to the extent of the fund raised by the tax, to any state or government agency which has been organized for that public purpose and is engaged in the development.

400 (2) Notwithstanding any other provision of law, beginning May 6, 2026, a taxing entity may not deposit property tax revenue into a reserve fund for capital improvement projects.

Section 6. Section 59-2-919 is amended to read:

SB0097 compared with SB0097S01

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

Audit.

34 (1) As used in this section:

35 (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.

38 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including revenue from:

40 (i) eligible new growth; or

41 (ii) personal property that is:

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

44 (B) semiconductor manufacturing equipment.

45 (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.

48 (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding eligible new growth, for the base year.

50 (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.

52 (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.

55 (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.

58 (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.

59 (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.

61 (j) "Meeting" means the same as that term is defined in Section 52-4-103.

62 (k) "Last year's property tax budgeted revenue" does not include:

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

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

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

66 (l) "Truth-in-taxation exemption period" means a six-year period that begins with the base year.

SB0097 compared with SB0097S01

(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:

70 (a) the requirements of this section that apply to the taxing entity; and

71 (b) all other requirements as may be required by law.

72 (3)

73 (a) Subject to Subsection (3)(b) and except as provided in [Subseetion] Subsections (5) and (12), a
74 calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified
75 tax rate if the calendar year taxing entity:

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

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

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

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

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

88 (iii) meets the advertisement requirements of Subsections (6) and (7) before the calendar year
89 taxing entity conducts the public hearing required by Subsection (3)(a)(v);

90 (iv) provides notice by mail:

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

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

94 (v) conducts a public hearing that is held:

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

96 (B) in conjunction with the public hearing required by Section 17-63-304 or 17B-1-610.

97 (b)

SB0097 compared with SB0097S01

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

101 (A) county council;

102 (B) county executive; or

103 (C) both the county council and county executive.

104 (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:

109 (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

112 (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).

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

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

117 (A) within the calendar year taxing entity; and

118 (B) listed on the assessment roll;

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

120 (A) is developed by the commission;

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

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

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

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

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

127 (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;

130 (iv) shall contain the following statement:

131 "[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

SB0097 compared with SB0097S01

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.";

- 136 (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;
- 138 (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);
- 141 (vii) shall state the date, time, and place of the public hearing described in Subsection (3)(a)(v);
- 143 (viii) shall state the Internet address for the taxing entity's public website;
- 144 (ix) may contain other information approved by the commission; and
- 145 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
 - 146 (A) notice that the taxpayer may request electronic notice as described in Subsection 17-71-302(1)(m); and
 - 148 (B) instructions describing how to elect to receive a notice as described in Subsection 17-71-302(1)(m).
- 150 (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:
 - 152 (i) data for the current calendar year; and
 - 153 (ii) the amount of additional ad valorem tax revenue stated in accordance with this section.
- 155 (4) Except as provided in [Subseetion] Subsections (5) and (12), a fiscal year taxing entity may levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:
 - 158 (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
 - 161 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the fiscal year taxing entity's annual budget is adopted.
- 163 (5)
 - 163 (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.
 - 166 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or (4) if:

SB0097 compared with SB0097S01

(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

171 (ii) the taxing entity:

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

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

176 (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:

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

180 (ii) as a class A notice under Section 63G-30-102.

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

182 (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

184 (ii) substantially be in the following form and content:

"NOTICE OF PROPOSED TAX INCREASE

(NAME OF TAXING ENTITY)

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

188 • 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.

191 • 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.

194 • 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.

196 • 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.

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

SB0097 compared with SB0097S01

proposed tax increase. You have the option to attend or participate in the public hearing in person or online.

PUBLIC HEARING

Date/Time: (date) (time)

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

Virtual Meeting Link: (Internet address for remote participation and live streaming options)

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

(7) The commission:

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

(b) subject to Section 45-1-101, may authorize a taxing entity's use of a commission-approved direct notice to each taxpayer if:

(i) the direct notice is different and separate from the notice required under Section 59-2-919.1; and

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

(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).

(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).

(b)

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

(A) open to the public;

(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

SB0097 compared with SB0097S01

234 (C) available for individuals to attend or participate either in person or remotely through electronic
means.

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

238 (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;

240 (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);

243 (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

246 (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.

249 (c)

252 (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.

255 (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.

257 (d) The county auditor shall resolve any conflict in public hearing dates and times after consultation
with each affected taxing entity.

259 (e)

264 (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.

264 (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).

264 (f)

SB0097 compared with SB0097S01

- (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.
- 267 (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):
 - 269 (A) a budget hearing;
 - 270 (B) if the taxing entity is a special district or a special service district, a fee hearing described in Section 17B-1-643;
 - 272 (C) if the taxing entity is a town, an enterprise fund hearing described in Section 10-5-107.5; or
 - 274 (D) if the taxing entity is a city, an enterprise fund hearing described in Section 10-6-135.5.
- 276 (9)
 - (a) If a taxing entity does not make a final decision on budgeting additional ad valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b), the taxing entity shall:
 - 279 (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
 - 282 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described in Subsection (9)(a)(i) before September 1.
 - 284 (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).
 - 287 (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.
- 290 (10)
 - (a) A county auditor may conduct an audit to verify a taxing entity's compliance with Subsection (8).
 - 292 (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.
 - 295 (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).

299

SB0097 compared with SB0097S01

(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.

302 {~~(12) {A taxing entity may not adopt a final budget that budgets an amount of additional ad valorem tax revenue that exceeds 5% of last year's property tax budgeted revenue, excluding eligible new growth.}~~}

674 (12)

(a) Except as provided in Subsection (12)(b), a taxing entity may not adopt a final budget that budgets an amount of additional ad valorem tax revenue that exceeds 5% of last year's property tax budgeted revenue, excluding eligible new growth.

677 (b) The prohibition in Subsection (12)(a) does not apply to a taxing entity that:

678 (i) is a school district; and

679 (ii) receives state support in accordance with Section 53F-2-601.

680 Section 7. Section **59-2-924** is amended to read:

59-2-924. Definitions -- Report of valuation of property to county auditor and commission

-- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.

310 (1) As used in this section:

311 (a)

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

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

315 (A) interest;

316 (B) penalties;

317 (C) collections from redemptions; or

318 (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.

320 (b) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.

322 (c)

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

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

SB0097 compared with SB0097S01

- (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
- (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.

328

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

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

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

335 (d) "Base taxable value" means:

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

339 (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;

341 (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;

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

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

347 (vi) for a host local government, the same as that term is defined in Section 63N-2-502;

349 (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;

352 (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;

357

SB0097 compared with SB0097S01

(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;

361 (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

365 (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.

369 (e) "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:

373 (i) an annexation to a taxing entity;

374 (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or

376 (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.

379 (f) "Centrally assessed industry" means the following industry classes the commission assesses in accordance with Part 2, Assessment of Property:

381 (i) air carrier;

382 (ii) coal;

383 (iii) coal load out property;

384 (iv) electric generation;

385 (v) electric rural;

386 (vi) electric utility;

387 (vii) gas utility;

388 (viii) ground access property;

389 (ix) land only property;

390 (x) liquid pipeline;

391 (xi) metalliferous mining;

SB0097 compared with SB0097S01

392 (xii) nonmetalliferous mining;

393 (xiii) oil and gas gathering;

394 (xiv) oil and gas production;

395 (xv) oil and gas water disposal;

396 (xvi) railroad;

397 (xvii) sand and gravel; and

398 (xviii) uranium.

399 (g)

400 (i) "Centrally assessed new growth" means the greater of:

401 (A) for each centrally assessed industry, zero; or

402 (B) the amount calculated by subtracting the centrally assessed benchmark value for each centrally

403 assessed industry, adjusted for prior year end incremental value, from the taxable value of

404 real and personal property the commission assesses in accordance with Part 2, Assessment of

405 Property, for each centrally assessed industry for the current year, adjusted for current year

406 incremental value.

407 (ii) "Centrally assessed new growth" does not include a change in value for a centrally assessed industry

408 as a result of a change in the method of apportioning the value prescribed by the Legislature, a court,

409 or the commission in an administrative rule or administrative order.

411 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a

412 taxing entity as was budgeted by that taxing entity for the prior year.

413 (i) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.

415 (j) "Eligible new growth" means the greater of:

416 (i) zero; or

417 (ii) the sum of:

418 (A) locally assessed new growth;

419 (B) centrally assessed new growth; and

420 (C) project area new growth or hotel property new growth.

421 (k) "Host local government" means the same as that term is defined in Section 63N-2-502.

423 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.

424 (m) "Hotel property new growth" means an amount equal to the incremental value that is no longer

425 provided to a host local government as incremental property tax revenue.

SB0097 compared with SB0097S01

426 (n) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.

428 (o) "Incremental value" means:

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

431 (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

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

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

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

440 (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;

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

445 (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

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

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

451 (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

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

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

458 (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

461 (B) the number that represents the percentage of the property tax allocation from that project area that is
paid to the authority;

463 (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:

SB0097 compared with SB0097S01

466 (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

470 (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;

473 (vii) for a host local government, an amount calculated by multiplying:

474 (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

476 (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;

478 (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:

481 (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

484 (B) the number that represents the percentage of the tax increment that is paid to the home ownership
promotion zone;

486 (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:

488 (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

491 (B) the number that represents the percentage of the tax increment that is paid to the first home
investment zone;

493 (x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3, Part 17, Major
Sporting Event Venue Zone Act, an amount calculated by multiplying:

496 (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

499 (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

SB0097 compared with SB0097S01

502 (xi) for an electrical energy development zone created under Section 79-6-1104, the amount calculated
503 by multiplying:
504 (A) the difference between the taxable value and the base taxable value of the property that is located
505 within the electrical energy developmental zone; and
506 (B) the number that represents the percentage of the tax increment that is paid to a community
507 reinvestment agency and the Electrical Energy Development Investment Fund created in Section
508 79-6-1105.

509 (p)
510 (i) "Locally assessed new growth" means the greater of:
511 (A) zero; or
512 (B) the amount calculated by subtracting the year end taxable value of real property the county
513 assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted
514 for prior year end incremental value from the taxable value of real property the county assessor
515 assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current
516 year incremental value, minus any change in value to ~~real~~ property, as a result of physical
517 improvements, that is less than {100} ~~200~~ higher than the taxable value of the ~~real~~ property
518 for the previous year, subject to Subsection (10).

519 (ii) "Locally assessed new growth" does not include a change in:
520 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another
521 adjustment;
522 (B) assessed value based on whether a property is allowed a residential exemption for a primary
523 residence under Section 59-2-103;
524 (C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or
525 (D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment
526 Act.

527 (q) "Project area" means:
528 (i) for an authority created under Section 11-58-201, the same as that term is defined in Section
529 11-58-102;
530 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the
531 same as that term is defined in Section 11-70-101;

532

SB0097 compared with SB0097S01

- (iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- 535 (iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;
- 537 (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;
- 540 (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;
- 544 (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
- 547 (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.

550 (r)

- (i) "Project area new growth" means:
 - 551 [({i})] (A) 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;
 - 554 [({ii})] (B) 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;
 - 558 [({iii})] (C) 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;
 - 561 [({iv})] (D) 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;
 - 563 [({v})] (E) 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;
 - 566 [({vi})] (F) 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,

SB0097 compared with SB0097S01

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;

571 [vii] (G) 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;

576 [viii] (H) 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

580 [ix] (I) 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.

584 (ii) "Project area new growth" does not include, for any entity described in [Subsection \(1\)\(r\)\(i\)](#) [Subsections \(1\)\(r\)\(i\)\(A\) through \(I\)](#), [{a change in value for}](#) tangible personal property.

586 (s) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.

588 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.

589 (u) "Property tax differential" means the same as that term is defined in Sections 11-58-102 and 79-6-1104.

591 (v) "Tax increment" means:

592 (i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;

594 (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;

598 (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;

602 (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

605 (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.

SB0097 compared with SB0097S01

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

610 (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

613 (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.

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

618 (a) the statements described in Subsections (2)(a) and (b);

619 (b) an estimate of the revenue from personal property;

620 (c) the certified tax rate; and

621 (d) all forms necessary to submit a tax levy request.

622 (4)

623 (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, minus any
amount of interest the taxing entity earned or realized on an investment during the current year, by
the amount calculated under Subsection (4)(b).

625 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as
follows:

626 (i) calculate for the taxing entity the difference between:

627 (A) the aggregate taxable value of all property taxed; and

628 (B) any adjustments for current year incremental value;

629 (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;

630 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:

631 (A) the amount calculated under Subsection (4)(b)(ii); and

632 (B) the percentage of property taxes collected for the five calendar years immediately preceding the
current calendar year; and

633 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:

SB0097 compared with SB0097S01

- (A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and
- (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).

(5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:

- (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;
- (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
 - (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
 - (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);
- (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
- (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:
 - (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
 - (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(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.
- (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.

(7)

- (a) For the purpose of calculating the certified tax rate, the county auditor shall use:
 - (i) the taxable value of real property;

SB0097 compared with SB0097S01

678 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
680 (B) contained on the assessment roll;
681 (ii) the year end taxable value of personal property:
682 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
683 (B) contained on the prior year's assessment roll; and
684 (iii) the taxable value of real and personal property the commission assesses in accordance with Part
2, Assessment of Property.

686 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new growth.

688 (8)
(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
689 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county
auditor of:
691 (i) the taxing entity's intent to exceed the certified tax rate; and
692 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
693 (c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the
certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

695 (9)
(a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or
before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:
698 (i) the amount calculated under Subsection (9)(b) is 10% or more of 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; and
702 (ii) the amount calculated under Subsection (9)(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.

705 (b) For purposes of Subsection (9)(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.

SB0097 compared with SB0097S01

(c) For purposes of Subsection (9)(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.

717 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

1096 (10) For purposes of determining locally assessed new growth under this section, a taxing entity may not consider a change in value for real property as a result of physical improvements until completion of the physical improvements.

1099 Section 8. **Effective date.**

Effective Date.

720 (1) Except as provided in {Subsection} Subsections (2)through (4), this bill takes effect on {June 1, } May 6, 2026.

1101 (2) The actions affecting Section 59-2-924 (Effective 06/01/26) take effect on June 1, 2026.

721 (2){(3)} The actions affecting Section 59-2-919 (Effective 07/01/26) take effect on July 1, 2026.

1103 (4) The actions affecting Section 59-2-103.5 (Effective 01/01/27) take effect on January 1, 2027.

1-28-26 1:47 PM