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**Truth in Taxation Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Karen M. Peterson**

Senate Sponsor:

2

**LONG TITLE**

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**General Description:**

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This bill addresses property tax increases through truth in taxation.

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**Highlighted Provisions:**

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This bill:

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▶ requires certain taxing entities proposing a property tax increase to make a preliminary statement in a public meeting regarding the taxing entity's consideration of a tax increase;

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▶ prohibits the State Tax Commission from certifying a taxing entity's proposed property tax increase if the taxing entity fails to meet the requirements for making the preliminary statement;

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▶ requires taxing entities proposing a property tax increase to:

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- 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

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- present an alternative tentative budget that includes the additional revenue that would be derived from the proposed tax increase, if later approved; and

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▶ makes technical and conforming changes.

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**Money Appropriated in this Bill:**

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None

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**Other Special Clauses:**

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None

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**Utah Code Sections Affected:**

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**AMENDS:**

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

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

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

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

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

31           **59-2-919 . Notice and public hearing requirements for certain tax increases --**

32           **Exceptions -- Audit.**

33           (1) As used in this section:

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

37           (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including  
38           revenue from:  
39           (i) eligible new growth; or  
40           (ii) personal property that is:  
41              (A) assessed by a county assessor in accordance with Part 3, County Assessment;  
42              and  
43              (B) semiconductor manufacturing equipment.

44           (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal  
45           year in which the taxing entity first adopted a budget below last year's property tax  
46           budgeted revenue.

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

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

51           (f) "County executive calendar year taxing entity" means a calendar year taxing entity  
52           that operates under the county executive-council form of government described in  
53           Section 17-62-203.

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

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

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

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

61           (k) "Last year's property tax budgeted revenue" does not include:  
62              (i) revenue received by a taxing entity from a debt service levy voted on by the public;  
63              (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or  
64              (iii) revenue generated by the charter school levy described in Section 53F-2-703.

- (l) "Truth-in-taxation exemption period" means a six-year period that begins with the base year.
- 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:
  - (a) the requirements of this section that apply to the taxing entity; and
  - (b) all other requirements as may be required by law.
- (a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax rate if the calendar year taxing entity:
  - (i) 14 or more days before the date of the regular general election or municipal general election held in the current calendar year, states at a public meeting:
    - (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate;
    - (B) the dollar amount of and purpose for additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate; and
    - (C) the approximate percentage increase in ad valorem tax revenue for the taxing entity based on the proposed increase described in Subsection (3)(a)(i)(B);
  - (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a separate item on the meeting agenda that notifies the public that the calendar year taxing entity intends to make the statement described in Subsection (3)(a)(i);
  - (iii) meets the advertisement requirements of Subsections (6) and (7) before the calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);
  - (iv) provides notice by mail:
    - (A) seven or more days before the regular general election or municipal general election held in the current calendar year; and
    - (B) as provided in Subsection (3)(c); and
  - (v) conducts a public hearing that is held:
    - (A) in accordance with Subsections (8) and (9); and
    - (B) in conjunction with the public hearing required by Section 17-63-304 or 17B-1-610.
- (b)(i) For a county executive calendar year taxing entity, the statement described in

99 Subsection (3)(a)(i) shall be made by the:

100 (A) county council;  
101 (B) county executive; or  
102 (C) both the county council and county executive.

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

108 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before  
109 the county executive calendar year taxing entity conducts the public hearing  
110 under Subsection (3)(a)(v); and  
111 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before  
112 the county executive calendar year taxing entity conducts the public hearing  
113 required by Subsection (3)(a)(v).

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

115 (i) shall be mailed to each owner of property:  
116 (A) within the calendar year taxing entity; and  
117 (B) listed on the assessment roll;

118 (ii) shall be printed on a separate form that:  
119 (A) is developed by the commission;  
120 (B) states at the top of the form, in bold upper-case type no smaller than 18 point  
121 "NOTICE OF PROPOSED TAX INCREASE"; and

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

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

124 (A) the value of the property for the current calendar year;  
125 (B) the tax on the property for the current calendar year; and  
126 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year  
127 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing  
128 entity's certified tax rate, the estimated tax on the property;

129 (iv) shall contain the following statement:

130 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar  
131 year]. This notice contains estimates of the tax on your property and the proposed tax increase  
132 on your property as a result of this tax increase. These estimates are calculated on the basis of

133 [insert previous applicable calendar year] data. The actual tax on your property and proposed  
134 tax increase on your property may vary from this estimate.";

135 (v) shall state the dollar amount of additional ad valorem tax revenue that would be  
136 generated each year by the proposed increase in the certified tax rate;

137 (vi) shall include a brief statement of the primary purpose for the proposed tax  
138 increase, including the taxing entity's intended use of additional ad valorem tax  
139 revenue described in Subsection (3)(c)(v);

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

142 (viii) shall state the Internet address for the taxing entity's public website;

143 (ix) may contain other information approved by the commission; and

144 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:

145 (A) notice that the taxpayer may request electronic notice as described in  
146 Subsection 17-71-302(1)(m); and

147 (B) instructions describing how to elect to receive a notice as described in  
148 Subsection 17-71-302(1)(m).

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

151 (i) data for the current calendar year; and

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

154 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate that  
155 exceeds the fiscal year taxing entity's certified tax rate if, before the fiscal year taxing  
156 entity conducts the public meeting at which the fiscal year taxing entity's annual budget  
157 is adopted, the fiscal year taxing entity:

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

161 (a)(i) on or after May 1 but on or before June 8, states at a public meeting:

162 (A) that the fiscal year taxing entity is considering levying a tax rate that exceeds  
163 the fiscal year taxing entity's certified tax rate;

164 (B) the approximate dollar amount of and purpose for additional ad valorem tax  
165 revenue that would be generated by the proposed tax rate increase described in  
166 Subsection (4)(a)(i)(A);

167 (C) the approximate percentage increase in ad valorem tax revenue for the fiscal  
168 year taxing entity based on the proposed tax rate increase described in  
169 Subsection (4)(a)(i)(A); and  
170 (D) that if the fiscal year taxing entity proceeds with the proposed tax rate  
171 increase, the fiscal year taxing entity will provide notice of and conduct a  
172 public hearing, as required by Subsection (4)(b), at which members of the  
173 public will have an opportunity to provide comments on the proposed tax rate  
174 increase; and  
175 (ii) provides notice for the public meeting described in Subsection (4)(a)(i) in  
176 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including  
177 providing a separate item on the meeting agenda that notifies the public that the  
178 fiscal year taxing entity intends to make the statement described in Subsection  
179 (4)(a)(i);  
180 (b) conducts a public hearing in accordance with Subsections (8) and (9)[ ~~before the~~ the  
181 ~~fiscal year taxing entity's annual budget is adopted~~ ] ; and  
182 (c) provides notice for the public hearing described in Subsection (4)(b) by meeting the  
183 advertisement requirements of Subsections (6) and (7).  
184 (5)(a) A taxing entity is not required to meet the notice or public hearing requirements of  
185 Subsection (3) or (4) if the taxing entity is expressly exempted by law from  
186 complying with the requirements of this section.  
187 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or  
188 (4) if:  
189 (i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that  
190 certified tax rate without having to comply with the notice provisions of this  
191 section; or  
192 (ii) the taxing entity:  
193 (A) budgeted less than \$20,000 in ad valorem tax revenue for the previous fiscal  
194 year; and  
195 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem  
196 tax revenue.  
197 (6)(a) Before holding the public hearing described in Subsection (3)(a)(v) or (4)(b), a  
198 taxing entity proposing a tax rate increase under this section shall publish an  
199 advertisement regarding the proposed tax increase:  
200 (i) electronically in accordance with Section 45-1-101; and

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

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

(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

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

**"NOTICE OF PROPOSED TAX INCREASE**

(NAME OF TAXING ENTITY)

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

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

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

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

- 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.

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 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

235 Subsection (6) by two or more taxing entities; and

236 (b) subject to Section 45-1-101, may authorize a taxing entity's use of a

237 commission-approved direct notice to each taxpayer if:

238 (i) the direct notice is different and separate from the notice required under Section

239 59-2-919.1; and

240 (ii) the taxing entity petitions the commission for the use of a commission-approved

241 direct notice.

242 (8)(a)(i) On or before June 1, a fiscal year taxing entity shall notify the commission

243 and the county auditor of the date, time, and place of the public hearing described

244 in Subsection (4)(b).

245 (ii) On or before October 1 of the current calendar year, a calendar year taxing entity

246 shall notify the commission and the county auditor of the date, time, and place of

247 the public hearing described in Subsection (3)(a)(v).

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

249 (A) open to the public;

250 (B) held at a meeting of the taxing entity with no items on the agenda other than

251 discussion and action on the taxing entity's intent to levy a tax rate that exceeds

252 the taxing entity's certified tax rate, the taxing entity's budget, a special

253 district's or special service district's fee implementation or increase, or a

254 combination of these items; and

255 (C) available for individuals to attend or participate either in person or remotely

256 through electronic means.

257 (ii) The governing body of a taxing entity conducting a public hearing described in

258 Subsection (3)(a)(v) or (4)(b) shall:

259 (A) state the dollar amount of additional ad valorem tax revenue that would be

260 generated each year by the proposed increase in the certified tax rate;

261 (B) explain the reasons for the proposed tax increase, including the taxing entity's

262 intended use of additional ad valorem tax revenue described in Subsection

263 (8)(b)(ii)(A);

264 (C) if the county auditor compiles the list required by Section 59-2-919.2, present

265 the list at the public hearing and make the list available on the taxing entity's

266 public website; and

267 (D) provide an interested party desiring to be heard an opportunity to present oral

268 testimony within reasonable time limits and without unreasonable restriction

269 on the number of individuals allowed to make public comment.

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

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

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

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

280 (ii) If a taxing entity holds a public meeting for the purpose of addressing general  
281 business of the taxing entity on the same date as a public hearing described in  
282 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business  
283 items shall conclude before the beginning of the public hearing described in  
284 Subsection (3)(a)(v) or (4)(b).

285 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the  
286 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as  
287 another public hearing of the taxing entity.

288 (ii) A taxing entity may hold the following hearings on the same date as a public  
289 hearing described in Subsection (3)(a)(v) or (4)(b):

290 (A) a budget hearing;

291 (B) if the taxing entity is a special district or a special service district, a fee  
292 hearing described in Section 17B-1-643;

293 (C) if the taxing entity is a town, an enterprise fund hearing described in Section  
294 10-5-107.5; or

295 (D) if the taxing entity is a city, an enterprise fund hearing described in Section  
296 10-6-135.5.

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

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

- (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described in Subsection (9)(a)(i) before September 1.
- (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of additional ad valorem tax revenue that exceeds the largest amount of additional ad valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's certified tax rate may coincide with a public hearing on the fiscal year taxing entity's proposed annual budget.

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

- (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.
- (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:
  - (i) the requirements of Subsection (8)[.] ; and
  - (ii) for a fiscal year taxing entity, the requirements of Subsection (4)(a).

(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.

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

**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:

- (1) tentative budget after adoption of the tentative budget; or
- (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.

Section 3. 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 -- Tentative budget requirements -- Notice provided by the**

337     **commission.**

338     (1) As used in this section:

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

341         [(a)] (b)(i) "Ad valorem property tax revenue" means revenue collected in accordance  
342             with this chapter.

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

344             (A) interest;

345             (B) penalties;

346             (C) collections from redemptions; or

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

350         [(b)] (c) "Adjusted tax increment" means the same as that term is defined in Section  
351             17C-1-102.

352         [(e)] (d)(i) "Aggregate taxable value of all property taxed" means:

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

355             (B) the aggregate taxable value of all real and personal property the commission  
356                 assesses in accordance with Part 2, Assessment of Property, for the current  
357                 year; and

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

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

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

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

366         [(d)] (e) "Base taxable value" means:

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

369             (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
370                 the same as that term is defined in Section 11-59-207;

371 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
372 11-70-201, the same as that term is defined in Section 11-70-101;

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

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

377 (vi) for a host local government, the same as that term is defined in Section  
378 63N-2-502;

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

382 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,  
383 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part  
384 5, Home Ownership Promotion Zone, a property's taxable value as shown upon  
385 the assessment roll last equalized during the base year, as that term is defined in  
386 Section 10-21-101 or Section 17-80-101;

387 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,  
388 First Home Investment Zone Act, a property's taxable value as shown upon the  
389 assessment roll last equalized during the base year, as that term is defined in  
390 Section 63N-3-1601;

391 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,  
392 Major Sporting Event Venue Zone Act, a property's taxable value as shown upon  
393 the assessment roll last equalized during the property tax base year, as that term is  
394 defined in Section 63N-3-1701; or

395 (xi) for an electrical energy development zone created under Section 79-6-1104, the  
396 value of the property within an electrical energy development zone, as shown on  
397 the assessment roll last equalized before the creation of the electrical development  
398 zone, as that term is defined in Section 79-6-1104.

399 [(e)] (f) "Centrally assessed benchmark value" means an amount equal to the average  
400 year end taxable value of real and personal property the commission assesses in  
401 accordance with Part 2, Assessment of Property, for the previous three calendar  
402 years, adjusted for taxable value attributable to:  
403 (i) an annexation to a taxing entity;  
404 (ii) an incorrect allocation of taxable value of real or personal property the

commission assesses in accordance with Part 2, Assessment of Property; or

- ) 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.

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

- (i) air carrier;
- (ii) coal;
- (iii) coal load out property;
- (iv) electric generation;
- (v) electric rural;
- (vi) electric utility;
- (vii) gas utility;
- (viii) ground access property;
- (ix) land only property;
- (x) liquid pipeline;
- (xi) metalliferous mining;
- (xii) nonmetalliferous mining;
- (xiii) oil and gas gathering;
- (xiv) oil and gas production;
- (xv) oil and gas water disposal;
- (xvi) railroad;
- (xvii) sand and gravel; and
- (xviii) uranium.

[(g)] (h)(i) "Centrally assessed new growth" means the greater of:

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

(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

439 the value prescribed by the Legislature, a court, or the commission in an  
440 administrative rule or administrative order.

441 [§(h)] (i) "Certified tax rate" means a tax rate that will provide the same ad valorem  
442 property tax revenue for a taxing entity as was budgeted by that taxing entity for the  
443 prior year.

444 [§(i)] (j) "Community reinvestment agency" means the same as that term is defined in  
445 Section 17C-1-102.

446 [§(j)] (k) "Eligible new growth" means the greater of:

447 (i) zero; or

448 (ii) the sum of:

449 (A) locally assessed new growth;

450 (B) centrally assessed new growth; and

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

452 [§(k)] (l) "Host local government" means the same as that term is defined in Section  
453 63N-2-502.

454 [§(l)] (m) "Hotel property" means the same as that term is defined in Section 63N-2-502.

455 [§(m)] (n) "Hotel property new growth" means an amount equal to the incremental value  
456 that is no longer provided to a host local government as incremental property tax  
457 revenue.

458 [§(n)] (o) "Incremental property tax revenue" means the same as that term is defined in  
459 Section 63N-2-502.

460 [§(o)] (p) "Incremental value" means:

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

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

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

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

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

472 (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;

- (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:
  - (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
  - (B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;
- (iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:
  - (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
  - (B) the number that represents the adjusted tax increment from that project area that is paid to the agency;
- (v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:
  - (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
  - (B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;
- (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:
  - (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
  - (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;
- (vii) for a host local government, an amount calculated by multiplying:
  - (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

(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;

i) 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:

(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

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

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:

(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

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

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:

(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

(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

for an electrical energy development zone created under Section 79-6-1104, the amount calculated by multiplying:

(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

(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.

541 [¶] (q)(i) "Locally assessed new growth" means the greater of:

542 (A) zero; or

543 (B) the amount calculated by subtracting the year end taxable value of real

544 property the county assessor assesses in accordance with Part 3, County

545 Assessment, for the previous year, adjusted for prior year end incremental

546 value from the taxable value of real property the county assessor assesses in

547 accordance with Part 3, County Assessment, for the current year, adjusted for

548 current year incremental value.

549 (ii) "Locally assessed new growth" does not include a change in:

550 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,

551 or another adjustment;

552 (B) assessed value based on whether a property is allowed a residential exemption

553 for a primary residence under Section 59-2-103;

554 (C) assessed value based on whether a property is assessed under Part 5, Farmland

555 Assessment Act; or

556 (D) assessed value based on whether a property is assessed under Part 17, Urban

557 Farming Assessment Act.

558 [¶] (r) "Project area" means:

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

560 in Section 11-58-102;

561 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section

562 11-70-201, the same as that term is defined in Section 11-70-101;

563 (iii) for an agency created under Section 17C-1-201.5, the same as that term is

564 defined in Section 17C-1-102;

565 (iv) for an authority created under Section 63H-1-201, the same as that term is

566 defined in Section 63H-1-102;

567 (v) for a housing and transit reinvestment zone or convention center reinvestment

568 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit

569 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

570 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,

571 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part

572 5, Home Ownership Promotion Zone, the same as that term is defined in Section

573 10-21-101 or Section 17-80-101;

574 (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

(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.

[r] (s) "Project area new growth" means:

- (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;
- (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;
- (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;
- (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;
- (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;
- (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;
- (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;
- (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
- (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.

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

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

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

[(v)] (w) "Tax increment" means:

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

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

- (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
- (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.

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

- 645 (a) the statements described in Subsections (2)(a) and (b);
- 646 (b) an estimate of the revenue from personal property;
- 647 (c) the certified tax rate; and
- 648 (d) all forms necessary to submit a tax levy request.

649 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be  
650 calculated by dividing the ad valorem property tax revenue that a taxing entity  
651 budgeted for the prior year by the amount calculated under Subsection (4)(b).

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

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

- 655 (A) the aggregate taxable value of all property taxed; and
- 656 (B) any adjustments for current year incremental value;

657 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount  
658 determined by increasing or decreasing the amount calculated under Subsection  
659 (4)(b)(i) by the average of the percentage net change in the value of taxable  
660 property for the equalization period for the three calendar years immediately  
661 preceding the current calendar year;

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

- 664 (A) the amount calculated under Subsection (4)(b)(ii); and
- 665 (B) the percentage of property taxes collected for the five calendar years  
666 immediately preceding the current calendar year; and

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

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

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

676 (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:
  - (A) the county assessor assesses in accordance with Part 3, County Assessment; and
  - (B) contained on the assessment roll;
- (ii) the year end taxable value of personal property:
  - (A) a county assessor assesses in accordance with Part 3, County Assessment; and
  - (B) contained on the prior year's assessment roll; and

711 (iii) the taxable value of real and personal property the commission assesses in  
712 accordance with Part 2, Assessment of Property.

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

715 (8)[(a)] On or before June 30[~~of each year~~], a taxing entity shall:

716 (a) adopt a tentative budget[.] , if the taxing entity does not intend to exceed the certified  
717 tax rate; or

718 (b) if the taxing entity intends to exceed the certified tax rate:

719 (i) adopt a tentative operating budget:

720 (A) that is based solely on revenue that the taxing entity estimates to be generated  
721 by the certified tax rate, eligible new growth, and any other existing revenue  
722 sources;

723 (B) that does not include the additional ad valorem tax revenue that would be  
724 generated by the taxing entity's proposed tax rate increase;

725 (C) that ensures the taxing entity is able to function at the beginning of the next  
726 fiscal year; and

727 (D) from which the taxing entity's expenditures are based before the taxing entity  
728 approves a tax rate increase after meeting the notice and public hearing  
729 requirements of Section 59-2-919; and

730 (ii) present an alternative tentative budget:

731 (A) that, in addition to budgeting for revenue described in Subsection (8)(b)(i)(A),  
732 outlines the taxing entity's anticipated expenditures and funding priorities for  
733 the additional ad valorem tax revenue that would be generated by the taxing  
734 entity's proposed tax rate increase;

735 (B) that the taxing entity's governing body prepares in good faith and makes  
736 available to the public; and

737 (C) from which the taxing entity's final adopted budget can be derived only if,  
738 after meeting the notice and public hearing requirements of Section 59-2-919,  
739 the taxing entity approves a tax rate increase.

740 [(b)] (9)(a) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall  
741 notify the county auditor of:

742 (i) the taxing entity's intent to exceed the certified tax rate; and

743 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

744 [(e)] (b) The county auditor shall notify property owners of any intent to levy a tax rate

745 that exceeds the certified tax rate in accordance with Sections 59-2-919 and  
746 59-2-919.1.

747 [9] (10)(a) Subject to Subsection [(9)(d)] (10)(d), the commission shall provide notice,  
748 through electronic means on or before July 31, to a taxing entity and the Revenue and  
749 Taxation Interim Committee if:

750 (i) the amount calculated under Subsection [(9)(b)] (10)(b) is 10% or more of the year  
751 end taxable value of the real and personal property the commission assesses in  
752 accordance with Part 2, Assessment of Property, for the previous year, adjusted  
753 for prior year end incremental value; and

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

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

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

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

773 **Section 4. Effective Date.**

774 This bill takes effect on May 6, 2026.