

Truth in Taxation Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen M. Peterson

Senate Sponsor:

LONG TITLE**General Description:**

This bill addresses property tax increases through truth in taxation.

Highlighted Provisions:

This bill:

- 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;
- 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;
- requires taxing entities proposing a property tax increase to:
 - 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
 - present an alternative tentative budget that includes the additional revenue that would be derived from the proposed tax increase, if later approved; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

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

(1) As used in this section:

- (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.
- (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including revenue from:
 - (i) eligible new growth; or
 - (ii) personal property that is:
 - (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (B) semiconductor manufacturing equipment.
- (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.
- (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding eligible new growth, for the base year.
- (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.
- (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.
- (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.
- (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.
- (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.
- (j) "Meeting" means the same as that term is defined in Section 52-4-103.
- (k) "Last year's property tax budgeted revenue" does not include:
 - (i) revenue received by a taxing entity from a debt service levy voted on by the public;
 - (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or
 - (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.

(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:

- (a) the requirements of this section that apply to the taxing entity; and
- (b) all other requirements as may be required by law.

(3)(a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax rate if the calendar year taxing entity:

(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

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

(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;

(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);

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

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

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

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

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

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

(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:

(i) data for the current calendar year; and

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

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

~~[(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]~~

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

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

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

- 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~~
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

- 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
- (C) available for individuals to attend or participate either in person or remotely through electronic means.
- (ii) The governing body of a taxing entity conducting a public hearing described in Subsection (3)(a)(v) or (4)(b) shall:
- (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;
- (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);
- (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
- (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.
- (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing of another overlapping taxing entity in the same county.
- (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.
- (d) The county auditor shall resolve any conflict in public hearing dates and times after consultation with each affected taxing entity.
- (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or (4)(b) beginning at or after 6 p.m.
- (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).
- (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as another public hearing of the taxing entity.
- (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):
- (A) a budget hearing;
- (B) if the taxing entity is a special district or a special service district, a fee hearing described in Section 17B-1-643;
- (C) if the taxing entity is a town, an enterprise fund hearing described in Section 10-5-107.5; or
- (D) if the taxing entity is a city, an enterprise fund hearing described in Section 10-6-135.5.
- (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:
- (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

- 303 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described
304 in Subsection (9)(a)(i) before September 1.
- 305 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of
306 additional ad valorem tax revenue that exceeds the largest amount of additional ad
307 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- 308 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
309 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's
310 proposed annual budget.
- 311 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance
312 with Subsection (8).
- 313 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to
314 meet the requirements of Subsection (8), the county auditor shall prepare and submit
315 a report of the auditor's findings to the commission.
- 316 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax
317 rate if, on or before September 15 of the year in which the taxing entity is required to
318 hold the public hearing described in Subsection (3)(a)(v) or (4)(b), the commission
319 determines that the taxing entity has failed to meet:
- 320 (i) the requirements of Subsection (8)[-] ; and
- 321 (ii) for a fiscal year taxing entity, the requirements of Subsection (4)(a).
- 322 (11) For a fiscal year within a truth-in-taxation exemption period, a taxing entity may adopt
323 a budget that is equal to or less than the base year budgeted revenue without complying
324 with this section.

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

326 **59-2-923 . Expenditures of money prior to adoption of budget or tax rate.**

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

- 330 (1) tentative budget after adoption of the tentative budget; or
- 331 (2) prior year's adopted final budget as amended, which shall be readopted by resolution at
332 a meeting of the taxing entity's governing body.

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

334 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
335 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
336 **rate -- Rulemaking authority -- Tentative budget requirements -- Notice provided by the**

commission.

(1) As used in this section:

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

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

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

(A) interest;

(B) penalties;

(C) collections from redemptions; or

(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.

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

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

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

(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.

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

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

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

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

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

(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;

- 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

405 commission assesses in accordance with Part 2, Assessment of Property; or
 406 (iii) a change in value as a result of a change in the method of apportioning the value
 407 prescribed by the Legislature, a court, or the commission in an administrative rule
 408 or administrative order.

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

- 411 (i) air carrier;
- 412 (ii) coal;
- 413 (iii) coal load out property;
- 414 (iv) electric generation;
- 415 (v) electric rural;
- 416 (vi) electric utility;
- 417 (vii) gas utility;
- 418 (viii) ground access property;
- 419 (ix) land only property;
- 420 (x) liquid pipeline;
- 421 (xi) metalliferous mining;
- 422 (xii) nonmetalliferous mining;
- 423 (xiii) oil and gas gathering;
- 424 (xiv) oil and gas production;
- 425 (xv) oil and gas water disposal;
- 426 (xvi) railroad;
- 427 (xvii) sand and gravel; and
- 428 (xviii) uranium.

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

- 430 (A) for each centrally assessed industry, zero; or
- 431 (B) the amount calculated by subtracting the centrally assessed benchmark value
 432 for each centrally assessed industry, adjusted for prior year end incremental
 433 value, from the taxable value of real and personal property the commission
 434 assesses in accordance with Part 2, Assessment of Property, for each centrally
 435 assessed industry for the current year, adjusted for current year incremental
 436 value.
- 437 (ii) "Centrally assessed new growth" does not include a change in value for a
 438 centrally assessed industry as a result of a change in the method of apportioning

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

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

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

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

(i) zero; or

(ii) the sum of:

(A) locally assessed new growth;

(B) centrally assessed new growth; and

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

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

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

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

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

~~[(o)]~~ (p) "Incremental value" means:

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

(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

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

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

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

(B) the number that represents the percentage of the property tax augmentation, as

- 473 defined in Section 11-59-207, that is paid to the Point of the Mountain State
474 Land Authority;
- 475 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
476 11-70-201, the amount calculated by multiplying:
- 477 (A) the difference between the taxable value for the current year and the base
478 taxable value of the property that is located within a project area; and
- 479 (B) the number that represents the percentage of enhanced property tax revenue,
480 as defined in Section 11-70-101;
- 481 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
482 multiplying:
- 483 (A) the difference between the taxable value and the base taxable value of the
484 property located within a project area and on which tax increment is collected;
485 and
- 486 (B) the number that represents the adjusted tax increment from that project area
487 that is paid to the agency;
- 488 (v) for an authority created under Section 63H-1-201, the amount calculated by
489 multiplying:
- 490 (A) the difference between the taxable value and the base taxable value of the
491 property located within a project area and on which property tax allocation is
492 collected; and
- 493 (B) the number that represents the percentage of the property tax allocation from
494 that project area that is paid to the authority;
- 495 (vi) for a housing and transit reinvestment zone or convention center reinvestment
496 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
497 Reinvestment Zone Act, an amount calculated by multiplying:
- 498 (A) the difference between the taxable value and the base taxable value of the
499 property that is located within a housing and transit reinvestment zone or
500 convention center reinvestment zone and on which tax increment is collected;
501 and
- 502 (B) the number that represents the percentage of the tax increment that is paid to
503 the housing and transit reinvestment zone or convention center reinvestment
504 zone;
- 505 (vii) for a host local government, an amount calculated by multiplying:
- 506 (A) the difference between the taxable value and the base taxable value of the

- 507 hotel property on which incremental property tax revenue is collected; and
- 508 (B) the number that represents the percentage of the incremental property tax
- 509 revenue from that hotel property that is paid to the host local government;
- 510 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
- 511 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
- 512 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
- 513 (A) the difference between the taxable value and the base taxable value of the
- 514 property that is located within a home ownership promotion zone and on which
- 515 tax increment is collected; and
- 516 (B) the number that represents the percentage of the tax increment that is paid to
- 517 the home ownership promotion zone;
- 518 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
- 519 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 520 (A) the difference between the taxable value and the base taxable value of the
- 521 property that is located within a first home investment zone and on which tax
- 522 increment is collected; and
- 523 (B) the number that represents the percentage of the tax increment that is paid to
- 524 the first home investment zone;
- 525 (x) for a major sporting event venue zone created [~~pursuant to~~] in accordance with
- 526 Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount
- 527 calculated by multiplying:
- 528 (A) the difference between the taxable value and the base taxable value of the
- 529 property located within a qualified development zone for a major sporting
- 530 event venue zone and upon which property tax increment is collected; and
- 531 (B) the number that represents the percentage of tax increment that is paid to the
- 532 major sporting event venue zone, as approved by a major sporting event venue
- 533 zone committee described in Section 63N-1a-1706; or
- 534 (xi) for an electrical energy development zone created under Section 79-6-1104, the
- 535 amount calculated by multiplying:
- 536 (A) the difference between the taxable value and the base taxable value of the
- 537 property that is located within the electrical energy developmental zone; and
- 538 (B) the number that represents the percentage of the tax increment that is paid to a
- 539 community reinvestment agency and the Electrical Energy Development
- 540 Investment Fund created in Section 79-6-1105.

541 ~~[(p)]~~ (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 ~~[(q)]~~ (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,

575 First Home Investment Zone Act, the same as that term is defined in Section
576 63N-3-1601; or
577 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3,
578 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
579 as defined in Section 63N-3-1701.

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

- 581 (i) for an authority created under Section 11-58-201, an amount equal to the
582 incremental value that is no longer provided to an authority as property tax
583 differential;
- 584 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
585 an amount equal to the incremental value that is no longer provided to the Point of
586 the Mountain State Land Authority as property tax augmentation, as defined in
587 Section 11-59-207;
- 588 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
589 11-70-201, an amount equal to the incremental value that is no longer provided to
590 the Utah Fairpark Area Investment and Restoration District;
- 591 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
592 incremental value that is no longer provided to an agency as tax increment;
- 593 (v) for an authority created under Section 63H-1-201, an amount equal to the
594 incremental value that is no longer provided to an authority as property tax
595 allocation;
- 596 (vi) for a housing and transit reinvestment zone or convention center reinvestment
597 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
598 Reinvestment Zone Act, an amount equal to the incremental value that is no
599 longer provided to a housing and transit reinvestment zone or convention center
600 reinvestment zone as tax increment;
- 601 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
602 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
603 5, Home Ownership Promotion Zone, an amount equal to the incremental value
604 that is no longer provided to a home ownership promotion zone as tax increment;
- 605 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
606 First Home Investment Zone Act, an amount equal to the incremental value that is
607 no longer provided to a first home investment zone as tax increment; or
608 (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.

- (3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:
- (a) the statements described in Subsections (2)(a) and (b);
 - (b) an estimate of the revenue from personal property;
 - (c) the certified tax rate; and
 - (d) all forms necessary to submit a tax levy request.
- (4)(a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year by the amount calculated under Subsection (4)(b).
- (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:
- (i) calculate for the taxing entity the difference between:
 - (A) the aggregate taxable value of all property taxed; and
 - (B) any adjustments for current year incremental value;
 - (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;
 - (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:
 - (A) the amount calculated under Subsection (4)(b)(ii); and
 - (B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and
 - (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:
 - (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

- 677 tax rate is zero;
- 678 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 679 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
- 680 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services
- 681 to Unincorporated Areas; and
- 682 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
- 683 purposes and such other levies imposed solely for the municipal-type services
- 684 identified in Section 17-78-501 and Subsection 17-63-101(23);
- 685 (c) for a community reinvestment agency that received all or a portion of a taxing
- 686 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
- 687 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
- 688 Subsection (4) except that the commission shall treat the total revenue transferred to
- 689 the community reinvestment agency as ad valorem property tax revenue that the
- 690 taxing entity budgeted for the prior year; and
- 691 (d) for debt service voted on by the public, the certified tax rate is the actual levy
- 692 imposed by that section, except that a certified tax rate for the following levies shall
- 693 be calculated in accordance with Section 59-2-913 and this section:
- 694 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
- 695 (ii) a levy to pay for the costs of state legislative mandates or judicial or
- 696 administrative orders under Section 59-2-1602.
- 697 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or
- 698 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy
- 699 one or more eligible judgments.
- 700 (b) The ad valorem property tax revenue generated by a judgment levy described in
- 701 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
- 702 certified tax rate.
- 703 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 704 (i) the taxable value of real property:
- 705 (A) the county assessor assesses in accordance with Part 3, County Assessment;
- 706 and
- 707 (B) contained on the assessment roll;
- 708 (ii) the year end taxable value of personal property:
- 709 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 710 (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

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

~~[(9)]~~ (10)(a) Subject to Subsection ~~[(9)(d)]~~ (10)(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:

(i) the amount calculated under Subsection ~~[(9)(b)]~~ (10)(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

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

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

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

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

Section 4. **Effective Date.**

This bill takes effect on May 6, 2026.