

**Property Tax Revenue Increase Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tiara Auxier**

Senate Sponsor:

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**LONG TITLE****General Description:**

This bill modifies provisions relating to property tax new growth increases.

**Highlighted Provisions:**

This bill:

- limits how much revenue a taxing entity receives from new growth; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:****AMENDS:**

**53F-2-301** [~~(Effective 07/01/26)~~] (Effective 01/01/27), as last amended by Laws of Utah 2025, Chapter 518

**53F-8-301** (**Effective 01/01/27**), as renumbered and amended by Laws of Utah 2018, Chapter 2

**59-2-102** (**Effective 01/01/27**), as last amended by Laws of Utah 2025, Chapter 234

**59-2-103** (**Effective 01/01/27**), as last amended by Laws of Utah 2025, Chapter 234

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

**59-2-804** (**Effective 01/01/27**), as last amended by Laws of Utah 2025, Chapter 234

**59-2-913** (**Effective 01/01/27**), as last amended by Laws of Utah 2018, Chapter 368

**59-2-919** (**Effective 01/01/27**), as last amended by Laws of Utah 2025, First Special Session, Chapter 17

**59-2-924** (**Effective 01/01/27**), as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**59-2-926** [~~(Effective 07/01/26)~~] (Effective 01/01/27), as last amended by Laws of Utah 2025, Chapter 518

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

Section 1. Section **53F-2-301** is amended to read:

**53F-2-301** ~~[(Effective 07/01/26)]~~ (Effective 01/01/27). **Minimum basic tax rate for a fiscal year that begins after July 1, 2022.**

(1) As used in this section:

(a) "Basic levy increment rate" means a tax rate that will generate an amount of revenue equal to \$75,000,000.

(b) "Commission" means the State Tax Commission.

(c) "Inflation adjusted budget increase" means the amount provided in Subsection (2)(a) for the previous fiscal year multiplied by the inflation factor.

(d) "Inflation factor" means:

(i) the increase in the Consumer Price Index for all urban consumers, prepared by the United States Bureau of Statistics, during the preceding calendar year; or

(ii) if there is not an increase in the Consumer Price Index for all urban consumers, prepared by the United States Bureau of Statistics, during the preceding calendar year, zero.

~~[(e)]~~ (e) "Maximum new growth revenue" means the lesser of:

(i) the eligible new growth, as defined in Section 59-2-924, multiplied by the minimum basic rate; or

(ii) the inflation adjusted budget increase.

(f) "Minimum basic local amount" means an amount that is:

(i) equal to the sum of:

(A) the school districts' contribution to the basic school program the previous fiscal year;

(B) the amount generated by the basic levy increment rate; and

(C) the maximum new growth revenue; and

~~[(C) the eligible new growth, as defined in Section 59-2-924 and rules of the State Tax Commission multiplied by the minimum basic rate; and]~~

(ii) set annually by the Legislature in Subsection (2)(a).

~~[(d)]~~ (g) "Minimum basic tax rate" means a tax rate certified by consensus between the commission, the Governor's Office of Planning and Budget, and the Office of the Legislative Fiscal Analyst that will generate an amount of revenue equal to the minimum basic local amount described in Subsection (2)(a).

- (2)(a) The minimum basic local amount for the fiscal year that begins on July 1, 2025, is \$810,593,200 in revenue statewide.
- (b) The preliminary estimate of the minimum basic tax rate for a fiscal year that begins on July 1, 2025, is .001408.
- (3)(a) On or before June 22, the commission, the Governor's Office of Planning and Budget, and the Office of the Legislative Fiscal Analyst shall by consensus certify the minimum basic tax rate for the year.
- (b) The estimate of the minimum basic tax rate provided in Subsection (2)(b) is based on a forecast for property values for the next calendar year.
- (c) The certified minimum basic tax rate described in Subsection (3)(a) is based on property values as of January 1 of the current calendar year, except personal property, which is based on values from the previous calendar year.
- (4)(a) To qualify for receipt of the state contribution toward the basic school program and as a school district's contribution toward the cost of the basic school program for the school district, each local school board shall impose the minimum basic tax rate.
- (b)(i) The state is not subject to the notice requirements of Section 59-2-926 before imposing the tax rates described in this Subsection (4).
- (ii) The state is subject to the notice requirements of Section 59-2-926 if the state authorizes a tax rate that exceeds the tax rates described in this Subsection (4).
- (5)(a) The state shall contribute to each school district toward the cost of the basic school program in the school district an amount of money that is the difference between the cost of the school district's basic school program and the sum of revenue generated by the school district by the following:
- (i) the minimum basic tax rate; and
- (ii) the basic levy increment rate.
- (b)(i) If the difference described in Subsection (5)(a) equals or exceeds the cost of the basic school program in a school district, no state contribution shall be made to the basic school program for the school district.
- (ii) The proceeds of the difference described in Subsection (5)(a) that exceed the cost of the basic school program shall be paid into the Uniform School Fund as provided by law and by the close of the fiscal year in which the proceeds were calculated.
- (6) Upon appropriation by the Legislature, the Division of Finance shall deposit an amount equal to the proceeds generated statewide by the basic levy increment rate into the

Minimum Basic Growth Account created in Section 53F-9-302.

- (7) Nothing in the repeal of the tax rate indexed to the increase in the value of the WPU affects the ongoing appropriations to the Teacher and Student Success Account created in Section 53F-9-306.

Section 2. Section **53F-8-301** is amended to read:

**53F-8-301 (Effective 01/01/27). State-supported voted local levy authorized -- Election requirements -- Reconsideration of the program.**

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

(b) As used in this section:

(i) "Inflation adjusted budget increase" means the amount of ad valorem property tax revenue derived from a voted local levy for the previous fiscal year multiplied by the inflation factor.

(ii) "Inflation factor" means:

(A) the increase in the Consumer Price Index for all urban consumers, prepared by the United States Bureau of Statistics, during the preceding calendar year; or

(B) if there is not an increase in the Consumer Price Index for all urban consumers, prepared by the United States Bureau of Statistics, during the preceding calendar year, zero.

(iii) "Maximum new growth revenue" means the lesser of:

(A) the eligible new growth, as defined in Section 59-2-924, multiplied by the voted local levy; or

(B) the inflation adjusted budget increase.

- (2) An election to consider adoption or modification of a voted local levy is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the local school board.

- (3)(a)(i) To impose a voted local levy, a majority of the electors of a school district voting at an election in the manner set forth in Subsections (8) and (9) must vote in favor of a special tax.

(ii) The tax rate may not exceed .002 per dollar of taxable value.

- (b) Except as provided in Subsection (3)(c), ~~[in order]~~to receive state support in accordance with Section 53F-2-601 the first year, a school district shall receive voter approval no later than December 1 of the year ~~[prior to]~~ before implementation.

- (c) Beginning on or after January 1, 2012, a school district may receive state support in

accordance with Section 53F-2-601 without complying with the requirements of Subsection (3)(b) if the local school board imposed a tax in accordance with this section during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

- (4)(a) An election to modify an existing voted local levy is not a reconsideration of the existing authority unless the proposition submitted to the electors expressly so states.
- (b) A majority vote opposing a modification does not deprive the local school board of authority to continue the levy.
- (c) If adoption of a voted local levy is contingent upon an offset reducing other local school board levies, the local school board shall allow the electors, in an election, to consider modifying or discontinuing the imposition of the levy prior to a subsequent increase in other levies that would increase the total local school board levy.
- (d) Nothing contained in this section terminates, without an election, the authority of a local school board to continue imposing an existing voted local levy previously authorized by the voters as a voted leeway program.
- (5) Notwithstanding Section 59-2-919, a local school board may budget an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section in addition to ~~[revenue from eligible new growth as defined in Section 59-2-924,]~~ maximum new growth revenue without having to comply with the notice requirements of Section 59-2-919, if:
- (a) the voted local levy is approved:
- (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and
- (ii) within the four-year period immediately preceding the year in which the local school board seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and
- (b) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the local school board complies with the requirements of Subsection (7).
- (6) Notwithstanding Section 59-2-919, a local school board may levy a tax rate under this section that exceeds the certified tax rate without having to comply with the notice requirements of Section 59-2-919 if:
- (a) the levy exceeds the certified tax rate as the result of a local school board budgeting an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section;

(b) the voted local levy was approved:

(i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the local school board seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(c) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the local school board complies with requirements of Subsection (7).

(7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the electors regarding the adoption or modification of a voted local levy shall contain the following statement:

"A vote in favor of this tax means that the local school board of [name of the school district] may increase revenue from this property tax without advertising the increase for the next five years."

(8)(a) Before a local school board may impose a property tax levy pursuant to this section, a local school board shall submit an opinion question to the school district's registered voters voting on the imposition of the tax rate so that each registered voter has the opportunity to express the registered voter's opinion on whether the tax rate should be imposed.

(b) The election required by this Subsection (8) shall be held:

(i) at a regular general election conducted in accordance with the procedures and requirements of Title 20A, Election Code, governing regular elections;

(ii) at a municipal general election conducted in accordance with the procedures and requirements of Section 20A-1-202; or

(iii) at a local special election conducted in accordance with the procedures and requirements of Section 20A-1-203.

(c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or after January 1, 2012, a local school board may levy a tax rate in accordance with this section without complying with the requirements of Subsections (8)(a) and (b) if the local school board imposed a tax in accordance with this section at any time during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

(9) If a local school board determines that a majority of the school district's registered voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax rate in accordance with Subsection (8), the local school board may impose the

201 tax rate.

202 Section 3. Section **59-2-102** is amended to read:

203 **59-2-102 (Effective 01/01/27). Definitions.**

204 As used in this chapter:

205 (1)(a) "Acquisition cost" means ~~[any]~~ a cost required to put an item of tangible personal  
206 property into service.

207 (b) "Acquisition cost" includes:

208 (i) the purchase price of a new or used item;

209 (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating,  
210 skidding, or ~~[any]~~ other applicable cost of shipping;

211 (iii) the cost of installation, engineering, rigging, erection, or assembly, including  
212 foundations, pilings, utility connections, or similar costs; and

213 (iv) sales and use taxes.

214 (2) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
215 engaging in dispensing activities directly affecting agriculture or horticulture with an  
216 airworthiness certificate from the Federal Aviation Administration certifying the aircraft  
217 or rotorcraft's use for agricultural and pest control purposes.

218 (3) "Air charter service" means an air carrier operation that requires the customer to hire an  
219 entire aircraft rather than book passage in whatever capacity is available on a scheduled  
220 trip.

221 (4) "Air contract service" means an air carrier operation available only to customers that  
222 engage the services of the carrier through a contractual agreement and excess capacity  
223 on any trip and is not available to the public at large.

224 (5) "Aircraft" means the same as that term is defined in Section 72-10-102.

225 (6)(a) ~~[Except as provided in Subsection (6)(b), "airline"]~~ "Airline" means an air carrier  
226 that:

227 (i) operates:

228 (A) on an interstate route; and

229 (B) on a scheduled basis; and

230 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on  
231 a regularly scheduled route.

232 (b) "Airline" does not include an:

233 (i) air charter service; or

234 (ii) air contract service.

- (7) "Assessment roll" or "assessment book" means a permanent record of the assessment of property as assessed by the county assessor and the commission and may be maintained manually or as a computerized file as a consolidated record or as multiple records by type, classification, or categories.
- (8) "Base parcel" means a parcel of property that was legally:
- (a) subdivided into two or more lots, parcels, or other divisions of land; or
  - (b)(i) combined with one or more other parcels of property; and
  - (ii) subdivided into two or more lots, parcels, or other divisions of land.
- (9)(a) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:
- (i) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a multicounty assessing and collecting levy, as specified in Section 59-2-1602; and
  - (ii) the ~~[product]~~ lesser of:
    - (A) eligible new growth, as defined in Section 59-2-924~~[-and]~~ , multiplied by ~~[(B)]~~ the multicounty assessing and collecting levy certified by the commission for the previous year~~[-]~~ ; or
    - (B) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a multicounty assessing and collecting levy, as specified in Section 59-2-1602, multiplied by the inflation factor.
- (b) For purposes of this Subsection (9), "ad valorem property tax revenue" does not include property tax revenue received by a taxing entity from personal property that is:
- (i) assessed by a county assessor in accordance with Part 3, County Assessment; and
  - (ii) semiconductor manufacturing equipment.
- (c) For purposes of calculating the certified revenue levy described in this Subsection (9), the commission shall use:
- (i) the taxable value of real property assessed by a county assessor contained on the assessment roll;
  - (ii) the taxable value of real and personal property assessed by the commission; and
  - (iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.
- (10) "County-assessed commercial vehicle" means:
- (a) ~~[any]~~ a commercial vehicle, trailer, or semitrailer that is not apportioned under



Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or property in furtherance of the owner's commercial enterprise;

(b) ~~[any]~~ a passenger vehicle owned by a business and used by ~~[its]~~ the business's employees for transportation as a company car or vanpool vehicle; and

(c) ~~[vehicles that are]~~ a vehicle that is:

(i) especially constructed for towing or wrecking, and that ~~[are]~~ is not otherwise used to transport goods, merchandise, or people for compensation;

(ii) used or licensed as taxicabs or limousines;

(iii) used as rental passenger cars, travel trailers, or motor homes;

(iv) used or licensed in this state for use as ambulances or hearses;

(v) especially designed and used for garbage and rubbish collection; or

(vi) used exclusively to transport students or ~~[their]~~ the students' instructors to or from ~~[any]~~ a private, public, or religious school or school activities.

(11) "Eligible judgment" means a final and unappealable judgment or order under Section 59-2-1330:

(a) that became a final and unappealable judgment or order no more than 14 months before the day on which the notice described in Section 59-2-919.1 is required to be provided; and

(b) for which a taxing entity's share of the final and unappealable judgment or order is greater than or equal to the lesser of:

(i) \$5,000; or

(ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year.

(12)(a) "Escaped property" means ~~[any-]~~property, whether personal~~[, and]~~ or real, or any improvements to the property~~[,]~~ that ~~[is]~~ are subject to taxation and ~~[is]~~ are:

(i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed to the wrong taxpayer by the assessing authority;

(ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to comply with the reporting requirements of this chapter; or

(iii) undervalued because of errors made by the assessing authority based upon incomplete or erroneous information ~~[furnished by]~~the taxpayer provides.

(b) "Escaped property" does not include property that is undervalued because of the use of a different valuation methodology or because of a different application of the same valuation methodology.

- (13)(a) "Fair market value" means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.
- (b) For purposes of taxation, "fair market value" shall be determined using the current zoning laws applicable to the property in question, except in cases where there is a reasonable probability of a change in the zoning laws affecting that property in the tax year in question and the change would have an appreciable influence upon the value.
- (14) "Geothermal fluid" means water in any form at temperatures greater than 120 degrees centigrade naturally present in a geothermal system.
- (15) "Geothermal resource" means:
- (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade; and
  - (b) the energy, in whatever form, including pressure, present in, resulting from, created by, or which may be extracted from that natural heat, directly or through a material medium.
- (16)(a) "Goodwill" means:
- (i) acquired goodwill that is reported as goodwill on the books and records that a taxpayer maintains for financial reporting purposes; or
  - (ii) the ability of a business to:
    - (A) generate income that exceeds a normal rate of return on assets and that results from a factor described in Subsection (16)(b); or
    - (B) obtain an economic or competitive advantage resulting from a factor described in Subsection (16)(b).
- (b) The following factors apply to Subsection (16)(a)(ii):
- (i) superior management skills;
  - (ii) reputation;
  - (iii) customer relationships;
  - (iv) patronage; or
  - (v) a factor similar to Subsections (16)(b)(i) through (iv).
- (c) "Goodwill" does not include:
- (i) the intangible property described in Subsection [~~(20)(a)~~] (22)(a) or (b);
  - (ii) locational attributes of real property, including:
    - (A) zoning;
    - (B) location;

- 337 (C) view;
- 338 (D) a geographic feature;
- 339 (E) an easement;
- 340 (F) a covenant;
- 341 (G) proximity to raw materials;
- 342 (H) the condition of surrounding property; or
- 343 (I) proximity to markets;
- 344 (iii) value attributable to the identification of an improvement to real property,
- 345 including:
- 346 (A) reputation of the designer, builder, or architect of the improvement;
- 347 (B) a name given to, or associated with, the improvement; or
- 348 (C) the historic significance of an improvement; or
- 349 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 350 of the existing tangible property in place working together as a unit.
- 351 (17) "Governing body" means:
- 352 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 353 (b) for a special district under Title 17B, Limited Purpose Local Government Entities -
- 354 Special Districts, the [-]special district's board of trustees;
- 355 (c) for a school district, the local board of education;
- 356 (d) for a special service district under Title 17D, Chapter 1, Special Service District Act:
- 357 (i) the legislative body of the county or municipality that created the special service
- 358 district, to the extent that the county or municipal legislative body has not
- 359 delegated authority to an administrative control board established under Section
- 360 17D-1-301; or
- 361 (ii) the administrative control board, to the extent that the county or municipal
- 362 legislative body has delegated authority to an administrative control board
- 363 established under Section 17D-1-301; or
- 364 (e) for a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure
- 365 District Act, the public infrastructure district's board of trustees.
- 366 (18) "Gross vehicle weight rating" means the maximum gross vehicle weight rating as
- 367 reported by the manufacturer of the motor vehicle for the vehicle identification number.
- 368 (19)(a) [~~Except as provided in Subsection (19)(c), "improvement"~~] "Improvement"
- 369 means a building, structure, fixture, fence, or other item that is permanently attached
- 370 to land, regardless of whether the title has been acquired to the land, if:

- (i)(A) attachment to land is essential to the operation or use of the item; and  
(B) the manner of attachment to land suggests that the item will remain attached to the land in the same place over the useful life of the item; or

(ii) removal of the item would:

(A) cause substantial damage to the item; or

(B) require substantial alteration or repair of a structure to which the item is attached.

(b) "Improvement" includes:

(i) an accessory to an item described in Subsection [(19)(a)] (22)(a) if the accessory is:

(A) essential to the operation of the item described in Subsection [(19)(a)] (22)(a); and

(B) installed solely to serve the operation of the item described in Subsection [(19)(a)] (22)(a); and

(ii) an item described in Subsection [(19)(a)] (22)(a) that is temporarily detached from the land for repairs and remains located on the land.

(c) "Improvement" does not include:

(i) an item [~~considered to be personal property pursuant to~~ that, according to rules made in accordance with Section 59-2-107, is personal property];

(ii) a moveable item that is attached to land for stability only or for an obvious temporary purpose;

(iii)(A) manufacturing equipment and machinery; or

(B) essential accessories to manufacturing equipment and machinery;

(iv) an item attached to the land in a manner that facilitates removal without substantial damage to the land or the item; or

(v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that transportable factory-built housing unit is considered to be personal property under Section 59-2-1503.

(20) "Inflation adjusted budget increase" means last year's property tax budgeted revenue, as defined in Section 59-2-919, multiplied by the inflation factor.

(21) "Inflation factor" means:

(a) the increase in the Consumer Price Index for all urban consumers, prepared by the United States Bureau of Statistics, during the preceding calendar year; or

(b) if there is not an increase in the Consumer Price Index for all urban consumers, prepared by the United States Bureau of Statistics, during the preceding calendar

405 year, zero.

406 [~~(20)~~] (22) "Intangible property" means:

- 407 (a) property that is capable of private ownership separate from tangible property,  
408 including:  
409 (i) money;  
410 (ii) credits;  
411 (iii) bonds;  
412 (iv) stocks;  
413 (v) representative property;  
414 (vi) franchises;  
415 (vii) licenses;  
416 (viii) trade names;  
417 (ix) copyrights; and  
418 (x) patents;  
419 (b) a low-income housing tax credit;  
420 (c) goodwill; or  
421 (d) a clean or renewable energy tax credit or incentive, including:  
422 (i) a federal renewable energy production tax credit under Section 45, Internal  
423 Revenue Code;  
424 (ii) a federal energy credit for qualified renewable electricity production facilities  
425 under Section 48, Internal Revenue Code;  
426 (iii) a federal grant for a renewable energy property under American Recovery and  
427 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and  
428 (iv) a tax credit under Subsection 59-7-614(5).

429 [~~(21)~~] (23) "Livestock" means:

- 430 (a) a domestic animal;  
431 (b) a fish;  
432 (c) a fur-bearing animal;  
433 (d) a honeybee; or  
434 (e) poultry.

435 [~~(22)~~] (24) "Low-income housing tax credit" means:

- 436 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code; or  
437 (b) a low-income housing tax credit under Section 59-7-607 or Section 59-10-1010.

438 (25) "Maximum new growth revenue" means revenue equal to the lesser of:

(a) the certified tax rate multiplied by eligible new growth as defined in Section 59-2-924;  
or

(b) the inflation adjusted budget increase.

[(23)] (26) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.

[(24)] (27) "Mine" means a natural deposit of either metalliferous or nonmetalliferous  
valuable mineral.

[(25)] (28) "Mining" means the process of producing, extracting, leaching, evaporating, or  
otherwise removing a mineral from a mine.

[(26)] (29)(a) "Mobile flight equipment" means tangible personal property that is owned  
or operated by an air charter service, air contract service, or airline and:

(i) is capable of flight or is attached to an aircraft that is capable of flight; or

(ii) is contained in an aircraft that is capable of flight if the tangible personal property  
is intended to be used:

(A) during multiple flights;

(B) during a takeoff, flight, or landing; and

(C) as a service provided by an air charter service, air contract service, or airline.

(b)(i) "Mobile flight equipment" does not include a spare part other than a spare  
engine that is rotated at regular intervals with an engine that is attached to the  
aircraft.

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
the commission may make rules defining the term "regular intervals."

[(27)] (30) "Nonmetalliferous minerals" includes~~[- but is not limited to,]~~ oil, gas, coal, salts,  
sand, rock, gravel, and all carboniferous materials.

[(28)] (31) "Part-year residential property" means property that is not residential property on  
January 1 of a calendar year but becomes residential property after January 1 of the  
calendar year.

[(29)] (32) "Personal property" includes:

(a) every class of property as defined in Subsection ~~[(30)]~~ (33) that is the subject of  
ownership and is not real estate or an improvement;

(b) ~~[any]~~ a pipe laid in or affixed to land whether or not the ownership of the pipe is  
separate from the ownership of the underlying land, even if the pipe meets the  
definition of an improvement;

(c) ~~[bridges and ferries]~~ a bridge or a ferry;

(d) livestock; and

(e) an outdoor advertising [~~structures~~] structure as defined in Section 72-7-502.

[(30)] (33)(a) "Property" means property that is subject to assessment and taxation according to [its] the property's value.

(b) "Property" does not include intangible property as defined in this section.

[(31)] (34)(a) "Public utility" means:

(i) the operating property of a railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline company, electrical corporation, sewerage corporation, or heat corporation where the company performs the service for, or delivers the commodity to, the public generally or companies serving the public generally, or in the case of a gas corporation or an electrical corporation, where the gas or electricity is sold or furnished to any member or consumers within the state for domestic, commercial, or industrial use; and

(ii) the operating property of any entity or person defined under Section 54-2-1 except water corporations.

(b) "Public utility" does not include the operating property of a telecommunications service provider.

[(32)] (35)(a) Subject to Subsection [(32)(b)] (35)(b), "qualifying exempt primary residential rental personal property" means household furnishings, furniture, and equipment that:

(i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

(ii) are owned by the owner of the dwelling unit that is the primary residence of a tenant; and

(iii) after applying the residential exemption described in Section 59-2-103, are exempt from taxation under this chapter in accordance with Subsection 59-2-1115(2).

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "dwelling unit" for purposes of this Subsection [(32)] (35) and Subsection [(35)] (38).

[(33)] (36) "Real estate" or "real property" includes:

(a) the possession of, claim to, ownership of, or right to the possession of land;

(b) all mines, minerals, and quarries in and under the land, all timber belonging to individuals or corporations growing or being on the lands of this state or the United States, and all rights and privileges appertaining to these; and

(c) improvements.

[(34)] (37)(a) "Relationship with an owner of the property's land surface rights" means a relationship described in Subsection 267(b), Internal Revenue Code, except that the term 25% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code.

(b) For purposes of determining if a relationship described in Subsection 267(b), Internal Revenue Code, exists, the ownership of stock [shall be] is determined using the ownership rules in Subsection 267(c), Internal Revenue Code.

[(35)] (38)(a) "Residential property," for purposes of the reductions and adjustments under this chapter, means [any] property used for residential purposes as a primary residence.

(b) "Residential property" includes:

(i) [~~except as provided in Subsection (35)(b)(ii), includes~~] household furnishings, furniture, and equipment if the household furnishings, furniture, and equipment are:

(A) used exclusively within a dwelling unit that is the primary residence of a tenant; and

(B) owned by the owner of the dwelling unit that is the primary residence of a tenant; and

(ii) if the county assessor determines that the property will be used for residential purposes as a primary residence:

(A) property under construction; or

(B) unoccupied property.

(c) "Residential property" does not include property used for transient residential use.

(d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "dwelling unit" for purposes of Subsection [ (32)] (35) and this Subsection [(35)] (38).

[(36)] (39) "Split estate mineral rights owner" means a person that:

(a) has a legal right to extract a mineral from property;

(b) does not hold more than a 25% interest in:

(i) the land surface rights of the property where the wellhead is located; or

(ii) an entity with an ownership interest in the land surface rights of the property where the wellhead is located;

(c) is not an entity in which the owner of the land surface rights of the property where



the wellhead is located holds more than a 25% interest; and  
(d) does not have a relationship with an owner of the land surface rights of the property where the wellhead is located.

[(37)] (40)(a) "State-assessed commercial vehicle" means:

(i) ~~[any]~~ a commercial vehicle, trailer, or semitrailer that operates interstate or intrastate to transport passengers, freight, merchandise, or other property for hire; or

(ii) ~~[any]~~ a commercial vehicle, trailer, or semitrailer that operates interstate and transports the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

(b) "State-assessed commercial vehicle" does not include ~~[vehicles used for hire that are]~~ a vehicle used for hire that is specified in Subsection (10)(c) as a county-assessed commercial ~~[vehicles]~~ vehicle.

[(38)] (41) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of a base parcel.

[(39)] (42) "Tax area" means a geographic area created by the overlapping boundaries of one or more taxing entities.

[(40)] (43) "Taxable value" means fair market value less any applicable reduction allowed for residential property under Section 59-2-103.

[(41)] (44) "Taxing entity" means ~~[any]~~ a county, city, town, school district, special taxing district, special district under Title 17B, Limited Purpose Local Government Entities - Special Districts, or ~~[other]~~ another political subdivision of the state with the authority to levy a tax on property.

[(42)] (45)(a) "Tax roll" means a permanent record of the taxes charged on property, as extended on the assessment roll, and may be maintained on the same record or records as the assessment roll or may be maintained on a separate record properly indexed to the assessment roll.

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

[(43)] (46) "Telecommunications service provider" means the same as that term is defined in Section 59-12-102.

Section 4. Section **59-2-103** is amended to read:

**59-2-103 (Effective 01/01/27). Rate of assessment of property -- Residential property.**

(1) As used in this section:

- (a)(i) "Household" means the association of individuals who live in the same dwelling, sharing the dwelling's furnishings, facilities, accommodations, and expenses.
- (ii) "Household" includes married individuals, who are not legally separated, who have established domiciles at separate locations within the state.

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

- (2) All tangible taxable property located within the state shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provided by law.
- (3) Subject to Subsections (4) through (6) and Section 59-2-103.5, for a calendar year, the fair market value of residential property located within the state is allowed a residential exemption equal to a 45% reduction in the value of the property.
- (4) Part-year residential property located within the state is allowed the residential exemption described in Subsection (3) if the part-year residential property is used as residential property for 183 or more consecutive calendar days during the calendar year for which the owner seeks to obtain the residential exemption.
- (5) No more than one acre of land per residential unit may qualify for the residential exemption described in Subsection (3).
- (6)(a) Except as provided in Subsections (6)(b)(ii) and (iii), a residential exemption described in Subsection (3) is limited to one primary residence per household.
- (b) An owner of multiple primary residences located within the state is allowed a residential exemption under Subsection (3) for:
- (i) subject to Subsection (6)(a), the primary residence of the owner;
  - (ii) each residential property that is the primary residence of a tenant; and
  - (iii) subject to Subsection 59-2-103.5(4), each residential property described in Subsection ~~[59-2-102(35)(b)(ii)]~~ 59-2-102(38)(b)(ii).

Section 5. Section **59-2-103.5** is amended to read:

**59-2-103.5 (Effective 01/01/27). Procedures to obtain an exemption for residential property -- Procedure if property owner or property no longer qualifies to receive a residential exemption.**

- (1) Subject to Subsections (4), (5), (6), and (11), for residential property other than part-year residential property, a county legislative body may adopt an ordinance that requires an owner to file an application with the county board of equalization before the

609 county applies a residential exemption authorized under Section 59-2-103 to the value of  
610 the residential property if:

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

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

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

618 (2)(a) The application described in Subsection (1):

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

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

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

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

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

629 (3)(a) Regardless of whether a county legislative body adopts an ordinance described in  
630 Subsection (1), before a county may apply a residential exemption to the value of  
631 part-year residential property, an owner of the property shall:

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

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

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

637 (B) that the part-year residential property will be used as residential property for  
638 183 or more consecutive calendar days during the calendar year for which the  
639 owner seeks to obtain the residential exemption; and

640 (C) that the owner, or a member of the owner's household, may not claim a  
641 residential exemption for any property for the calendar year for which the  
642 owner seeks to obtain the residential exemption, other than the part-year

residential property, or as allowed under Section 59-2-103 with respect to the primary residence or household furnishings, furniture, and equipment of the owner's tenant.

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

(4) Before a county allows residential property described in Subsection ~~59-2-102(35)(b)(ii)]~~ 59-2-102(38)(b)(ii) a residential exemption authorized under Section 59-2-103, an owner of the residential property shall file with the county assessor a written declaration that:

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

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

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

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

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

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

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

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

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

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

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

- 677 (6)(a) Except as provided in Subsection (6)(b), the county board of equalization may not  
678 accept from a property owner an application to receive a residential exemption  
679 authorized under Section 59-2-103 for the property owner's primary residence that is  
680 filed after the later of:
- 681 (i) September 15 of the calendar year for which the property owner seeks to receive  
682 the residential exemption; or
  - 683 (ii) the last day of a 45-day period beginning on the day on which the county auditor  
684 provides the notice under Section 59-2-919.1.
- 685 (b)(i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
686 the commission may make rules providing for circumstances under which the  
687 county board of equalization is required to accept a property owner's application  
688 for a residential exemption authorized under Section 59-2-103 that is filed after  
689 the time period described in Subsection (6)(a).
- 690 (ii) The commission shall report to the Revenue and Taxation Interim Committee on  
691 any rules promulgated under this Subsection (6)(b).
- 692 (7) Except as provided in Subsection (8), if a property owner no longer qualifies to receive  
693 a residential exemption authorized under Section 59-2-103 for the property owner's  
694 primary residence, the property owner shall:
- 695 (a) file a written statement with the county board of equalization of the county in which  
696 the property is located:
    - 697 (i) on a form provided by the county board of equalization; and
    - 698 (ii) notifying the county board of equalization that the property owner no longer  
699 qualifies to receive a residential exemption authorized under Section 59-2-103 for  
700 the property owner's primary residence; and
  - 701 (b) declare on the property owner's individual income tax return under Chapter 10,  
702 Individual Income Tax Act, for the taxable year for which the property owner no  
703 longer qualifies to receive a residential exemption authorized under Section 59-2-103  
704 for the property owner's primary residence, that the property owner no longer  
705 qualifies to receive a residential exemption authorized under Section 59-2-103 for the  
706 property owner's primary residence.
- 707 (8) A property owner is not required to file a written statement or make the declaration  
708 described in Subsection (7) if the property owner:
- 709 (a) changes primary residences;
  - 710 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for

711 the residence that was the property owner's former primary residence; and  
712 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for the  
713 residence that is the property owner's current primary residence.

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

716 (10)(a) Subject to Subsection (11), for the first calendar year in which a property owner  
717 qualifies to receive a residential exemption under Section 59-2-103, a county assessor  
718 may require the property owner to file a signed statement described in Section  
719 59-2-306.

720 (b) Subject to Subsection (11) and notwithstanding Section 59-2-306, for a calendar year  
721 after the calendar year described in Subsection (10)(a) in which a property owner  
722 qualifies for an exemption authorized under Section 59-2-1115 for qualifying exempt  
723 primary residential rental personal property, a signed statement described in Section  
724 59-2-306 with respect to the qualifying exempt primary residential rental personal  
725 property may only require the property owner to certify, under penalty of perjury,  
726 that the property owner qualifies for the exemption authorized under Section  
727 59-2-1115.

728 (11)(a) After an ownership interest in residential property changes, the county assessor  
729 shall:

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

733 (ii) provide the owner of the residential property with the form described in  
734 Subsection (11)(e) to make the written declaration described in Subsection (11)(d).

735 (b) A county assessor is not required to provide a notice to an owner of residential  
736 property under Subsection (11)(a) if the situs address of the residential property is the  
737 same as any one of the following:

738 (i) the mailing address of the residential property owner or the tenant of the  
739 residential property;

740 (ii) the address listed on the:

741 (A) residential property owner's driver license; or

742 (B) tenant of the residential property's driver license; or

743 (iii) the address listed on the:

744 (A) residential property owner's voter registration; or

- (B) tenant of the residential property's voter registration.
- (c) A county assessor is not required to provide a notice to an owner of residential property under Subsection (11)(a) if:
- (i) the owner is using a post office box or rural route box located in the county where the residential property is located; and
  - (ii) the residential property is located in a county of the fourth, fifth, or sixth class.
- (d) An owner of residential property that receives a notice described in Subsection (11)(a) shall submit a written declaration to the county assessor under penalty of perjury certifying the information contained in the form described in Subsection (11)(e).
- (e) The written declaration required by Subsection (11)(d) shall be:
- (i) signed by the owner of the residential property; and
  - (ii) in substantially the following form:

"Residential Property Declaration

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

Residential Property Owner Information

Name(s): \_\_\_\_\_

Home Phone: \_\_\_\_\_

Work Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Residential Property Information

Physical Address: \_\_\_\_\_

Certification

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

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

Yes          No

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

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

Yes          No

If a property owner or a property owner's spouse claims a residential exemption under Utah Code Ann. §59-2-103 for property in this state that is the primary residence of the property owner or the property owner's spouse, that claim of a residential exemption shall be considered in determining whether the property owner and the property owner's spouse have domicile in Utah for income tax purposes.

Signature

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

\_\_\_\_\_(Owner signature) \_\_\_\_\_Date (mm/dd/yyyy)

\_\_\_\_\_(Owner printed name)."

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

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

(A) redetermine the property's qualification to receive a residential exemption; and

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

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

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

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

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

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

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

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



property a notice that:

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

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

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

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

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

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

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

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

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

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

Section 6. Section **59-2-804** is amended to read:

**59-2-804 (Effective 01/01/27). Interstate allocation of mobile flight equipment.**

(1) As used in this section:

(a) "Aircraft type" means a particular model of aircraft as designated by the manufacturer of the aircraft.

(b) "Airline ground hours calculation" means an amount equal to the product of:

(i) the total number of hours aircraft owned or operated by an airline are on the

- 847 ground, calculated by aircraft type; and
- 848 (ii) the cost percentage.
- 849 (c) "Airline revenue ton miles" means, for an airline, the total revenue ton miles during
- 850 the calendar year that immediately precedes the January 1 described in Section
- 851 59-2-103.
- 852 (d) "Cost percentage" means a fraction, calculated by aircraft type, the numerator of
- 853 which is the airline's average cost of the aircraft type and the denominator of which is
- 854 the airline's average cost of the aircraft type:
- 855 (i) owned or operated by the airline; and
- 856 (ii) that has the lowest average cost.
- 857 (e) "Ground hours factor" means the product of:
- 858 (i) a fraction, the numerator of which is the Utah ground hours calculation and the
- 859 denominator of which is the airline ground hours calculation; and
- 860 (ii) .50.
- 861 (f)(i) [~~Except as provided in Subsection (1)(f)(ii), "mobile]~~ "Mobile flight equipment"
- 862 is as defined in Section 59-2-102.
- 863 (ii) "Mobile flight equipment" does not include tangible personal property described
- 864 in Subsection [~~59-2-102(26)] 59-2-102(29) owned by an:~~
- 865 (A) air charter service; or
- 866 (B) air contract service.
- 867 (g) "Mobile flight equipment allocation factor" means the sum of:
- 868 (i) the ground hours factor; and
- 869 (ii) the revenue ton miles factor.
- 870 (h) "Revenue ton miles" is determined in accordance with 14 C.F.R. Part 241.
- 871 (i) "Revenue ton miles factor" means the product of:
- 872 (i) a fraction, the numerator of which is the Utah revenue ton miles and the
- 873 denominator of which is the airline revenue ton miles; and
- 874 (ii) .50.
- 875 (j) "Utah ground hours calculation" means an amount equal to the product of:
- 876 (i) the total number of hours aircraft owned or operated by an airline are on the
- 877 ground in this state, calculated by aircraft type; and
- 878 (ii) the cost percentage.
- 879 (k) "Utah revenue ton miles" means, for an airline, the total revenue ton miles within the
- 880 borders of this state:

(i) during the calendar year that immediately precedes the January 1 described in Section 59-2-103; and

(ii) from flight stages that originate or terminate in this state.

(2) For purposes of the assessment of an airline's mobile flight equipment by the commission, a portion of the value of the airline's mobile flight equipment shall be allocated to the state by calculating the product of:

(a) the total value of the mobile flight equipment; and

(b) the mobile flight equipment allocation factor.

Section 7. Section **59-2-913** is amended to read:

**59-2-913 (Effective 01/01/27). Definitions -- Statement of amount and purpose of levy -- Contents of statement -- Filing with county auditor -- Transmittal to commission -- Calculations for establishing tax levies -- Format of statement.**

(1) As used in this section, [~~"budgeted property tax revenues"~~] "property tax budgeted revenue" does not include property tax revenue received by a taxing entity from personal property that is:

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

(b) semiconductor manufacturing equipment.

(2)(a) The legislative body of each taxing entity shall file a statement as provided in this section with the county auditor of the county in which the taxing entity is located.

(b) The auditor shall annually transmit the statement to the commission:

(i) before June 22; or

(ii) with the commission's approval[~~of the commission, on a subsequent date prior to~~]  
on a date that is later than June 22 but before the date required by Section  
59-2-1317 for the county treasurer to provide the notice under Section 59-2-1317.

(c) The statement shall contain the amount and purpose of each levy fixed by the legislative body of the taxing entity.

(3) For purposes of establishing the levy set for each of a taxing entity's applicable funds, the legislative body of the taxing entity shall calculate an amount determined by dividing the [~~budgeted property tax revenues~~] property tax budgeted revenue, specified in a budget that has been adopted and approved [~~prior to~~] before setting the levy, by the amount calculated under Subsections 59-2-924(4)(b)(i) through (iv).

(4) The format of the statement under this section shall:

(a) be determined by the commission; and

(b) cite any applicable statutory provisions that:

- 915 (i) require a specific levy; or  
916 (ii) limit the property tax levy for any taxing entity.  
917 (5) The commission may require certification that the information submitted on a statement  
918 under this section is true and correct.

919 Section 8. Section **59-2-919** is amended to read:

920 **59-2-919 (Effective 01/01/27). Notice and public hearing requirements for**  
921 **certain tax increases -- Exceptions -- Audit.**

922 (1) As used in this section:

- 923 (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue  
924 generated by the portion of the tax rate that exceeds the taxing entity's certified tax  
925 rate.  
926 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including[  
927 ~~revenue from~~]:  
928 (i) ~~[eligible new growth]~~ maximum new growth revenue; or  
929 (ii) revenue from personal property that is:  
930 (A) assessed by a county assessor in accordance with Part 3, County Assessment;  
931 and  
932 (B) semiconductor manufacturing equipment.  
933 (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal  
934 year in which the taxing entity first adopted a budget below last year's property tax  
935 budgeted revenue.  
936 (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding  
937 eligible new growth, for the base year.  
938 (e) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year  
939 that begins on January 1 and ends on December 31.  
940 (f) "County executive calendar year taxing entity" means a calendar year taxing entity  
941 that operates under the county executive-council form of government described in  
942 Section 17-62-203.  
943 (g) "Current calendar year" means the calendar year immediately preceding the calendar  
944 year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the  
945 calendar year taxing entity's certified tax rate.  
946 (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.  
947 (i) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that  
948 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)~~] (j)(i) "Last year's property tax budgeted revenue" means the revenue a taxing entity budgeted to be generated from a property tax levy for the previous fiscal year.

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

[~~(i)~~] (A) revenue received by a taxing entity from a debt service levy voted on by the public;

[~~(ii)~~] (B) revenue generated by the [~~combined~~] minimum basic tax rate as defined in Section 53F-2-301; or

[~~(iii)~~] (C) revenue generated by the charter school levy described in Section 53F-2-703.

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

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

(A) county council;

(B) county executive; or

(C) both the county council and county executive.

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

(A) make the statement described in Subsection (3)(a)(i) 14 or more days before the county executive calendar year taxing entity conducts the public hearing under Subsection (3)(a)(v); and

(B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the county executive calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v).

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

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

(A) within the calendar year taxing entity; and

(B) listed on the assessment roll;

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

(A) is developed by the commission;

(B) states at the top of the form, in bold upper-case type no smaller than 18 point

"NOTICE OF PROPOSED TAX INCREASE"; and

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

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

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

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

(C) subject to Subsection (3)(d), for the calendar year for which the calendar year

taxing entity seeks to levy a tax rate that exceeds the calendar year taxing

entity's certified tax rate, the estimated tax on the property;

(iv) shall contain the following statement:

"[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar year]. This notice contains estimates of the tax on your property and the proposed tax increase on your 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~~] 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 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

(b) conducts a public hearing in accordance with Subsections (8) and (9) before the fiscal year taxing entity's annual budget is adopted.

(5)(a) A taxing entity is not required to meet the notice or public hearing requirements of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with the requirements of this section.

(b) A taxing entity is not required to meet the notice requirements of Subsection (3) or (4) if:

(i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that certified tax rate without having to comply with the notice provisions of this section; or

(ii) the taxing entity:

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

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

(6)(a) Before holding the public hearing described in Subsection (3)(a)(v) or (4)(b), a taxing entity proposing a tax rate increase under this section shall publish an advertisement regarding the proposed tax increase:

(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~~] maximum new growth revenue.

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

1119 shall notify the commission and the county auditor of the date, time, and place of  
1120 the public hearing described in Subsection (3)(a)(v).

1121 (b)(i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be:

1122 (A) open to the public;

1123 (B) held at a meeting of the taxing entity with no items on the agenda other than  
1124 discussion and action on the taxing entity's intent to levy a tax rate that exceeds  
1125 the taxing entity's certified tax rate, the taxing entity's budget, a special  
1126 district's or special service district's fee implementation or increase, or a  
1127 combination of these items; and

1128 (C) available for individuals to attend or participate either in person or remotely  
1129 through electronic means.

1130 (ii) The governing body of a taxing entity conducting a public hearing described in  
1131 Subsection (3)(a)(v) or (4)(b) shall:

1132 (A) state the dollar amount of additional ad valorem tax revenue that would be  
1133 generated each year by the proposed increase in the certified tax rate;

1134 (B) explain the reasons for the proposed tax increase, including the taxing entity's  
1135 intended use of additional ad valorem tax revenue described in Subsection  
1136 (8)(b)(ii)(A);

1137 (C) if the county auditor compiles the list required by Section 59-2-919.2, present  
1138 the list at the public hearing and make the list available on the taxing entity's  
1139 public website; and

1140 (D) provide an interested party desiring to be heard an opportunity to present oral  
1141 testimony within reasonable time limits and without unreasonable restriction  
1142 on the number of individuals allowed to make public comment.

1143 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a  
1144 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the  
1145 public hearing of another overlapping taxing entity in the same county.

1146 (ii) The taxing entities in which the power to set tax levies is vested in the same  
1147 governing board or authority may consolidate the public hearings described in  
1148 Subsection (3)(a)(v) or (4)(b) into one public hearing.

1149 (d) The county auditor shall resolve any conflict in public hearing dates and times after  
1150 consultation with each affected taxing entity.

1151 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or  
1152 (4)(b) beginning at or after 6 p.m.

- 1153 (ii) If a taxing entity holds a public meeting for the purpose of addressing general  
1154 business of the taxing entity on the same date as a public hearing described in  
1155 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business  
1156 items shall conclude before the beginning of the public hearing described in  
1157 Subsection (3)(a)(v) or (4)(b).
- 1158 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the  
1159 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as  
1160 another public hearing of the taxing entity.
- 1161 (ii) A taxing entity may hold the following hearings on the same date as a public  
1162 hearing described in Subsection (3)(a)(v) or (4)(b):
- 1163 (A) a budget hearing;
- 1164 (B) if the taxing entity is a special district or a special service district, a fee  
1165 hearing described in Section 17B-1-643;
- 1166 (C) if the taxing entity is a town, an enterprise fund hearing described in Section  
1167 10-5-107.5; or
- 1168 (D) if the taxing entity is a city, an enterprise fund hearing described in Section  
1169 10-6-135.5.
- 1170 (9)(a) If a taxing entity does not make a final decision on budgeting additional ad  
1171 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b),  
1172 the taxing entity shall:
- 1173 (i) announce at that public hearing the scheduled time and place of the next public  
1174 meeting at which the taxing entity will consider budgeting the additional ad  
1175 valorem tax revenue; and
- 1176 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described  
1177 in Subsection (9)(a)(i) before September 1.
- 1178 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of  
1179 additional ad valorem tax revenue that exceeds the largest amount of additional ad  
1180 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- 1181 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's  
1182 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's  
1183 proposed annual budget.
- 1184 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance  
1185 with Subsection (8).
- 1186 (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 the requirements of Subsection (8).

(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 9. Section **59-2-924** is amended to read:

**59-2-924 (Effective 01/01/27). Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.**

(1) As used in this section:

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

(c)(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

1221 year's tax rolls of the taxing entity.

1222 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate  
1223 year end taxable value of personal property that is:

1224 (A) semiconductor manufacturing equipment assessed by a county assessor in  
1225 accordance with Part 3, County Assessment; and

1226 (B) contained on the prior year's tax rolls of the taxing entity.

1227 (d) "Base taxable value" means:

1228 (i) for an authority created under Section 11-58-201, the same as that term is defined  
1229 in Section 11-58-102;

1230 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
1231 the same as that term is defined in Section ~~[11-59-207]~~ 11-59-208;

1232 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
1233 11-70-201, the same as that term is defined in Section 11-70-101;

1234 (iv) for an agency created under Section 17C-1-201.5, the same as that term is  
1235 defined in Section 17C-1-102;

1236 (v) for an authority created under Section 63H-1-201, the same as that term is defined  
1237 in Section 63H-1-102;

1238 (vi) for a host local government, the same as that term is defined in Section  
1239 63N-2-502;

1240 (vii) for a housing and transit reinvestment zone or convention center reinvestment  
1241 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
1242 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

1243 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,  
1244 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part  
1245 5, Home Ownership Promotion Zone, a property's taxable value as shown upon  
1246 the assessment roll last equalized during the base year, as that term is defined in  
1247 Section 10-21-101 or Section 17-80-101;

1248 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,  
1249 First Home Investment Zone Act, a property's taxable value as shown upon the  
1250 assessment roll last equalized during the base year, as that term is defined in  
1251 Section 63N-3-1601;

1252 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,  
1253 Major Sporting Event Venue Zone Act, a property's taxable value as shown upon  
1254 the assessment roll last equalized during the property tax base year, as that term is

defined in Section 63N-3-1701; or

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

- (e) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous three calendar years, adjusted for taxable value attributable to:
  - (i) an annexation to a taxing entity;
  - (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or
  - (iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

- (f) "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)(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 the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

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

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

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

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

(o) "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 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;

(viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:

(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;

(ix) for a first home investment zone created in accordance with Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:

(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;

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

(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

- 1391 major sporting event venue zone, as approved by a major sporting event venue  
1392 zone committee described in Section 63N-1a-1706; or
- 1393 (xi) for an electrical energy development zone created under Section 79-6-1104, the  
1394 amount calculated by multiplying:
- 1395 (A) the difference between the taxable value and the base taxable value of the  
1396 property that is located within the electrical energy developmental zone; and  
1397 (B) the number that represents the percentage of the tax increment that is paid to a  
1398 community reinvestment agency and the Electrical Energy Development  
1399 Investment Fund created in Section 79-6-1105.
- 1400 (p)(i) "Locally assessed new growth" means the greater of:
- 1401 (A) zero; or
- 1402 (B) the amount calculated by subtracting the year end taxable value of real  
1403 property the county assessor assesses in accordance with Part 3, County  
1404 Assessment, for the previous year, adjusted for prior year end incremental  
1405 value from the taxable value of real property the county assessor assesses in  
1406 accordance with Part 3, County Assessment, for the current year, adjusted for  
1407 current year incremental value.
- 1408 (ii) "Locally assessed new growth" does not include a change in:
- 1409 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,  
1410 or another adjustment;
- 1411 (B) assessed value based on whether a property is allowed a residential exemption  
1412 for a primary residence under Section 59-2-103;
- 1413 (C) assessed value based on whether a property is assessed under Part 5, Farmland  
1414 Assessment Act; or
- 1415 (D) assessed value based on whether a property is assessed under Part 17, Urban  
1416 Farming Assessment Act.
- 1417 (q) "Project area" means:
- 1418 (i) for an authority created under Section 11-58-201, the same as that term is defined  
1419 in Section 11-58-102;
- 1420 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section  
1421 11-70-201, the same as that term is defined in Section 11-70-101;
- 1422 (iii) for an agency created under Section 17C-1-201.5, the same as that term is  
1423 defined in Section 17C-1-102;
- 1424 (iv) for an authority created under Section 63H-1-201, the same as that term is

- 1425 defined in Section 63H-1-102;
- 1426 (v) for a housing and transit reinvestment zone or convention center reinvestment
- 1427 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 1428 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 1429 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
- 1430 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
- 1431 5, Home Ownership Promotion Zone, the same as that term is defined in Section
- 1432 10-21-101 or Section 17-80-101;
- 1433 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 1434 First Home Investment Zone Act, the same as that term is defined in Section
- 1435 63N-3-1601; or
- 1436 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3,
- 1437 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
- 1438 as defined in Section 63N-3-1701.
- 1439 (r) "Project area new growth" means:
- 1440 (i) for an authority created under Section 11-58-201, an amount equal to the
- 1441 incremental value that is no longer provided to an authority as property tax
- 1442 differential;
- 1443 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 1444 an amount equal to the incremental value that is no longer provided to the Point of
- 1445 the Mountain State Land Authority as property tax augmentation, as defined in
- 1446 Section ~~[11-59-207]~~ 11-59-208;
- 1447 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 1448 11-70-201, an amount equal to the incremental value that is no longer provided to
- 1449 the Utah Fairpark Area Investment and Restoration District;
- 1450 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
- 1451 incremental value that is no longer provided to an agency as tax increment;
- 1452 (v) for an authority created under Section 63H-1-201, an amount equal to the
- 1453 incremental value that is no longer provided to an authority as property tax
- 1454 allocation;
- 1455 (vi) for a housing and transit reinvestment zone or convention center reinvestment
- 1456 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 1457 Reinvestment Zone Act, an amount equal to the incremental value that is no
- 1458 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) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.

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

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

(v) "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.

- 1493 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and  
1494 the commission the following statements:
- 1495 (a) a statement containing the aggregate valuation of all taxable real property a county  
1496 assessor assesses in accordance with Part 3, County Assessment, for each taxing  
1497 entity; and
- 1498 (b) a statement containing the taxable value of all personal property a county assessor  
1499 assesses in accordance with Part 3, County Assessment, from the prior year end  
1500 values.
- 1501 (3) [The] On or before June 8, the county auditor shall~~[- on or before June 8,]~~ transmit to the  
1502 governing body of each taxing entity:
- 1503 (a) the statements described in Subsections (2)(a) and ~~[(b)]~~ (2)(b);
- 1504 (b) an estimate of the revenue from personal property;
- 1505 (c) the certified tax rate; and
- 1506 (d) all forms necessary to submit a tax levy request.
- 1507 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be  
1508 calculated by dividing the ad valorem property tax revenue that a taxing entity  
1509 budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 1510 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall  
1511 calculate an amount as follows:
- 1512 (i) calculate for the taxing entity the difference between:
- 1513 (A) the aggregate taxable value of all property taxed; and
- 1514 (B) any adjustments for current year incremental value;
- 1515 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount  
1516 determined by increasing or decreasing the amount calculated under Subsection  
1517 (4)(b)(i) by the average of the percentage net change in the value of taxable  
1518 property for the equalization period for the three calendar years immediately  
1519 preceding the current calendar year;
- 1520 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the  
1521 product of:
- 1522 (A) the amount calculated under Subsection (4)(b)(ii); and
- 1523 (B) the percentage of property taxes collected for the five calendar years  
1524 immediately preceding the current calendar year; and
- 1525 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an  
1526 amount determined by:

- 1527 (A) multiplying the percentage of property taxes collected for the five calendar  
1528 years immediately preceding the current calendar year by ~~[eligible]~~ the value  
1529 associated with maximum new growth revenue; and
- 1530 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the  
1531 amount calculated under Subsection (4)(b)(iii).
- 1532 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated  
1533 as follows:
- 1534 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified  
1535 tax rate is zero;
- 1536 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 1537 (i) in a county of the first, second, or third class, as classified in Section 17-60-104,  
1538 the levy imposed for municipal-type services under Title 17, Chapter 78, Part 5,  
1539 Provision of Municipal-Type Services to Unincorporated Areas; and
- 1540 (ii) in a county of the fourth, fifth, or sixth class, as classified in Section 17-60-104,  
1541 the levy imposed for general county purposes and such other levies imposed  
1542 solely for the municipal-type services identified in Section 17-78-501 and  
1543 Subsection 17-63-101(23);
- 1544 (c) for a community reinvestment agency that received all or a portion of a taxing  
1545 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,  
1546 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in  
1547 Subsection (4) except that the commission shall treat the total revenue transferred to  
1548 the community reinvestment agency as ad valorem property tax revenue that the  
1549 taxing entity budgeted for the prior year; and
- 1550 (d) for debt service voted on by the public, the certified tax rate is the actual levy  
1551 imposed by that section, except that a certified tax rate for the following levies shall  
1552 be calculated in accordance with Section 59-2-913 and this section:
- 1553 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and  
1554 (ii) a levy to pay for the costs of state legislative mandates or judicial or  
1555 administrative orders under Section 59-2-1602.
- 1556 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or  
1557 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy  
1558 one or more eligible judgments.
- 1559 (b) The ad valorem property tax revenue generated by a judgment levy described in  
1560 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate

- 1561 certified tax rate.
- 1562 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 1563 (i) the taxable value of real property:
- 1564 (A) the county assessor assesses in accordance with Part 3, County Assessment;
- 1565 and
- 1566 (B) contained on the assessment roll;
- 1567 (ii) the year end taxable value of personal property:
- 1568 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 1569 (B) contained on the prior year's assessment roll; and
- 1570 (iii) the taxable value of real and personal property the commission assesses in
- 1571 accordance with Part 2, Assessment of Property.
- 1572 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
- 1573 growth.
- 1574 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
- 1575 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
- 1576 the county auditor of:
- 1577 (i) the taxing entity's intent to exceed the certified tax rate; and
- 1578 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 1579 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
- 1580 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 1581 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
- 1582 electronic means on or before July 31, to a taxing entity and the Revenue and
- 1583 Taxation Interim Committee if:
- 1584 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
- 1585 taxable value of the real and personal property the commission assesses in
- 1586 accordance with Part 2, Assessment of Property, for the previous year, adjusted
- 1587 for prior year end incremental value; and
- 1588 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
- 1589 end taxable value of the real and personal property of a taxpayer the commission
- 1590 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 1591 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
- 1592 subtracting the taxable value of real and personal property the commission assesses
- 1593 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
- 1594 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), 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) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

Section 10. Section **59-2-926** is amended to read:

**59-2-926 [(Effective 07/01/26)] (Effective 01/01/27). Proposed tax increase by state -- Notice -- Contents -- Dates.**

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

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

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

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

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

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

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

(iii) shall be run once.

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

"NOTICE OF TAX INCREASE



The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax [~~revenues~~] revenue will come from the following sources (include all of the following provisions):

(a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause of adjustment or increased [~~revenues~~] revenue, such as reappraisals or factoring orders);

(b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the tax base due to (explain cause of [~~eligible new growth~~] maximum new growth revenue, such as new building activity, annexation, etc.); and

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

(i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue exclusive of [~~eligible~~] maximum new growth revenue; and

(ii) \$\_\_\_\_\_ under the increased property tax [~~revenues exclusive of eligible new growth~~] revenue exclusive of maximum new growth revenue budgeted by the state of Utah."

**Section 11. Effective Date.**

This bill takes effect on January 1, 2027.