

1 **Property Tax Revenue Increase Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tiara Auxier

Senate Sponsor:

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

31

32 *Be it enacted by the Legislature of the state of Utah:*33 Section 1. Section **53F-2-301** is amended to read:34 **53F-2-301 [Effective 07/01/26] (Effective 01/01/27). Minimum basic tax rate for a**
35 **fiscal year that begins after July 1, 2022.**

36 (1) As used in this section:

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

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

40 (c) "Inflation adjusted budget increase" means the amount provided in Subsection (2)(a)
41 for the previous fiscal year multiplied by the inflation factor.42 (d) "Inflation factor" means:43 (i) the increase in the Consumer Price Index for all urban consumers, prepared by the
44 United States Bureau of Statistics, during the preceding calendar year; or45 (ii) if there is not an increase in the Consumer Price Index for all urban consumers,
46 prepared by the United States Bureau of Statistics, during the preceding calendar
47 year, zero.48 [(e)] (e) "Maximum new growth revenue" means the lesser of:49 (i) the eligible new growth, as defined in Section 59-2-924, multiplied by the
50 minimum basic rate; or51 (ii) the inflation adjusted budget increase.

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

53 (i) equal to the sum of:

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

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

57 (C) the maximum new growth revenue; and58 [(C) the eligible new growth, as defined in Section 59-2-924 and rules of the State
59 Tax Commission multiplied by the minimum basic rate; and]

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

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

65 (2)(a) The minimum basic local amount for the fiscal year that begins on July 1, 2025, is
66 \$810,593,200 in revenue statewide.

67 (b) The preliminary estimate of the minimum basic tax rate for a fiscal year that begins
68 on July 1, 2025, is .001408.

69 (3)(a) On or before June 22, the commission, the Governor's Office of Planning and
70 Budget, and the Office of the Legislative Fiscal Analyst shall by consensus certify
71 the minimum basic tax rate for the year.

72 (b) The estimate of the minimum basic tax rate provided in Subsection (2)(b) is based on
73 a forecast for property values for the next calendar year.

74 (c) The certified minimum basic tax rate described in Subsection (3)(a) is based on
75 property values as of January 1 of the current calendar year, except personal property,
76 which is based on values from the previous calendar year.

77 (4)(a) To qualify for receipt of the state contribution toward the basic school program
78 and as a school district's contribution toward the cost of the basic school program for
79 the school district, each local school board shall impose the minimum basic tax rate.

80 (b)(i) The state is not subject to the notice requirements of Section 59-2-926 before
81 imposing the tax rates described in this Subsection (4).

82 (ii) The state is subject to the notice requirements of Section 59-2-926 if the state
83 authorizes a tax rate that exceeds the tax rates described in this Subsection (4).

84 (5)(a) The state shall contribute to each school district toward the cost of the basic
85 school program in the school district an amount of money that is the difference
86 between the cost of the school district's basic school program and the sum of revenue
87 generated by the school district by the following:

88 (i) the minimum basic tax rate; and
89 (ii) the basic levy increment rate.

90 (b)(i) If the difference described in Subsection (5)(a) equals or exceeds the cost of the
91 basic school program in a school district, no state contribution shall be made to
92 the basic school program for the school district.

93 (ii) The proceeds of the difference described in Subsection (5)(a) that exceed the cost
94 of the basic school program shall be paid into the Uniform School Fund as
95 provided by law and by the close of the fiscal year in which the proceeds were
96 calculated.

97 (6) Upon appropriation by the Legislature, the Division of Finance shall deposit an amount
98 equal to the proceeds generated statewide by the basic levy increment rate into the

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

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

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

104 **53F-8-301 (Effective 01/01/27). State-supported voted local levy authorized --**

105 **Election requirements -- Reconsideration of the program.**

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

107 (b) As used in this section:

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

111 (ii) "Inflation factor" means:

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

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

118 (A) the eligible new growth, as defined in Section 59-2-924, multiplied by the
119 voted local levy; or
120 (B) the inflation adjusted budget increase.

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

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

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

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

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

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

137 (4)(a) An election to modify an existing voted local levy is not a reconsideration of the
138 existing authority unless the proposition submitted to the electors expressly so states.
139 (b) A majority vote opposing a modification does not deprive the local school board of
140 authority to continue the levy.
141 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
142 school board levies, the local school board shall allow the electors, in an election, to
143 consider modifying or discontinuing the imposition of the levy prior to a subsequent
144 increase in other levies that would increase the total local school board levy.
145 (d) Nothing contained in this section terminates, without an election, the authority of a
146 local school board to continue imposing an existing voted local levy previously
147 authorized by the voters as a voted leeway program.

148 (5) Notwithstanding Section 59-2-919, a local school board may budget an increased
149 amount of ad valorem property tax revenue derived from a voted local levy imposed
150 under this section in addition to ~~[revenue from eligible new growth as defined in Section~~
151 ~~59-2-924,]~~ maximum new growth revenue without having to comply with the notice
152 requirements of Section 59-2-919, if:
153 (a) the voted local levy is approved:
154 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and
155 (ii) within the four-year period immediately preceding the year in which the local
156 school board seeks to budget an increased amount of ad valorem property tax
157 revenue derived from the voted local levy; and
158 (b) for a voted local levy approved or modified in accordance with this section on or
159 after January 1, 2009, the local school board complies with the requirements of
160 Subsection (7).
161 (6) Notwithstanding Section 59-2-919, a local school board may levy a tax rate under this
162 section that exceeds the certified tax rate without having to comply with the notice
163 requirements of Section 59-2-919 if:
164 (a) the levy exceeds the certified tax rate as the result of a local school board budgeting
165 an increased amount of ad valorem property tax revenue derived from a voted local
166 levy imposed under this section;

167 (b) the voted local levy was approved:

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

169 (ii) within the four-year period immediately preceding the year in which the local

170 school board seeks to budget an increased amount of ad valorem property tax

171 revenue derived from the voted local levy; and

172 (c) for a voted local levy approved or modified in accordance with this section on or

173 after January 1, 2009, the local school board complies with requirements of

174 Subsection (7).

175 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the electors

176 regarding the adoption or modification of a voted local levy shall contain the following

177 statement:

178 "A vote in favor of this tax means that the local school board of [name of the school

179 district] may increase revenue from this property tax without advertising the increase for the

180 next five years."

181 (8)(a) Before a local school board may impose a property tax levy pursuant to this

182 section, a local school board shall submit an opinion question to the school district's

183 registered voters voting on the imposition of the tax rate so that each registered voter

184 has the opportunity to express the registered voter's opinion on whether the tax rate

185 should be imposed.

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

187 (i) at a regular general election conducted in accordance with the procedures and

188 requirements of Title 20A, Election Code, governing regular elections;

189 (ii) at a municipal general election conducted in accordance with the procedures and

190 requirements of Section 20A-1-202; or

191 (iii) at a local special election conducted in accordance with the procedures and

192 requirements of Section 20A-1-203.

193 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or

194 after January 1, 2012, a local school board may levy a tax rate in accordance with this

195 section without complying with the requirements of Subsections (8)(a) and (b) if the

196 local school board imposed a tax in accordance with this section at any time during

197 the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

198 (9) If a local school board determines that a majority of the school district's registered

199 voters voting on the imposition of the tax rate have voted in favor of the imposition of

200 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.

235 (7) "Assessment roll" or "assessment book" means a permanent record of the assessment of
236 property as assessed by the county assessor and the commission and may be maintained
237 manually or as a computerized file as a consolidated record or as multiple records by
238 type, classification, or categories.

239 (8) "Base parcel" means a parcel of property that was legally:

- 240 (a) subdivided into two or more lots, parcels, or other divisions of land; or
- 241 (b)(i) combined with one or more other parcels of property; and
- 242 (ii) subdivided into two or more lots, parcels, or other divisions of land.

243 (9)(a) "Certified revenue levy" means a property tax levy that provides an amount of ad
244 valorem property tax revenue equal to the sum of:

- 245 (i) the amount of ad valorem property tax revenue to be generated statewide in the
246 previous year from imposing a multicounty assessing and collecting levy, as
247 specified in Section 59-2-1602; and
- 248 (ii) the [product] lesser of:
 - 249 (A) eligible new growth, as defined in Section 59-2-924[; and] , multiplied by
250 [(B)] the multicounty assessing and collecting levy certified by the commission
251 for the previous year[.]; or
 - 252 (B) the amount of ad valorem property tax revenue to be generated statewide in
253 the previous year from imposing a multicounty assessing and collecting levy,
254 as specified in Section 59-2-1602, multiplied by the inflation factor.

255 (b) For purposes of this Subsection (9), "ad valorem property tax revenue" does not
256 include property tax revenue received by a taxing entity from personal property that
257 is:

- 258 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 259 (ii) semiconductor manufacturing equipment.

260 (c) For purposes of calculating the certified revenue levy described in this Subsection (9),
261 the commission shall use:

- 262 (i) the taxable value of real property assessed by a county assessor contained on the
263 assessment roll;
- 264 (ii) the taxable value of real and personal property assessed by the commission; and
- 265 (iii) the taxable year end value of personal property assessed by a county assessor
266 contained on the prior year's assessment roll.

267 (10) "County-assessed commercial vehicle" means:

- 268 (a) [any] a commercial vehicle, trailer, or semitrailer that is not apportioned under

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

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

273 (c) vehicles that are a vehicle that is:

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

276 (ii) used or licensed as taxicabs or limousines;

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

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

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

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

282 (11) "Eligible judgment" means a final and unappealable judgment or order under Section
283 59-2-1330:

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

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

289 (i) \$5,000; or

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

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

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

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

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

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

303 (13)(a) "Fair market value" means the amount at which property would change hands
304 between a willing buyer and a willing seller, neither being under any compulsion to
305 buy or sell and both having reasonable knowledge of the relevant facts.

306 (b) For purposes of taxation, "fair market value" shall be determined using the current
307 zoning laws applicable to the property in question, except in cases where there is a
308 reasonable probability of a change in the zoning laws affecting that property in the
309 tax year in question and the change would have an appreciable influence upon the
310 value.

311 (14) "Geothermal fluid" means water in any form at temperatures greater than 120 degrees
312 centigrade naturally present in a geothermal system.

313 (15) "Geothermal resource" means:
314 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade; and
315 (b) the energy, in whatever form, including pressure, present in, resulting from, created
316 by, or which may be extracted from that natural heat, directly or through a material
317 medium.

318 (16)(a) "Goodwill" means:
319 (i) acquired goodwill that is reported as goodwill on the books and records that a
320 taxpayer maintains for financial reporting purposes; or
321 (ii) the ability of a business to:
322 (A) generate income that exceeds a normal rate of return on assets and that results
323 from a factor described in Subsection (16)(b); or
324 (B) obtain an economic or competitive advantage resulting from a factor described
325 in Subsection (16)(b).
326 (b) The following factors apply to Subsection (16)(a)(ii):
327 (i) superior management skills;
328 (ii) reputation;
329 (iii) customer relationships;
330 (iv) patronage; or
331 (v) a factor similar to Subsections (16)(b)(i) through (iv).
332 (c) "Goodwill" does not include:
333 (i) the intangible property described in Subsection [(20)(a)] (22)(a) or (b);
334 (ii) locational attributes of real property, including:
335 (A) zoning;
336 (B) location;

- (C) view;
- (D) a geographic feature;
- (E) an easement;
- (F) a covenant;
- (G) proximity to raw materials;
- (H) the condition of surrounding property; or
- (I) proximity to markets;

(iii) value attributable to the identification of an improvement to real property, including:

- (A) reputation of the designer, builder, or architect of the improvement;
- (B) a name given to, or associated with, the improvement; or
- (C) the historic significance of an improvement; or

(iv) the enhancement or assemblage value specifically attributable to the interrelation of the existing tangible property in place working together as a unit.

(17) "Governing body" means:

- (a) for a county, city, or town, the legislative body of the county, city, or town;
- (b) for a special district under Title 17B, Limited Purpose Local Government Entities - Special Districts, the [+]special district's board of trustees;
- (c) for a school district, the local board of education;
- (d) for a special service district under Title 17D, Chapter 1, Special Service District Act:
 - (i) the legislative body of the county or municipality that created the special service district, to the extent that the county or municipal legislative body has not delegated authority to an administrative control board established under Section 17D-1-301; or
 - (ii) the administrative control board, to the extent that the county or municipal legislative body has delegated authority to an administrative control board established under Section 17D-1-301; or
- (e) for a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure District Act, the public infrastructure district's board of trustees.

(18) "Gross vehicle weight rating" means the maximum gross vehicle weight rating as reported by the manufacturer of the motor vehicle for the vehicle identification number.

(19)(a) [Except as provided in Subsektion (19)(c), "improvement"] "Improvement"

means a building, structure, fixture, fence, or other item that is permanently attached to land, regardless of whether the title has been acquired to the land, if:

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

374 (ii) removal of the item would:

375 (A) cause substantial damage to the item; or
376 (B) require substantial alteration or repair of a structure to which the item is
377 attached.

378 (b) "Improvement" includes:

379 (i) an accessory to an item described in Subsection [~~(19)(a)~~ (22)(a)] if the accessory is:
380 (A) essential to the operation of the item described in Subsection [~~(19)(a)~~ (22)(a)];
381 and
382 (B) installed solely to serve the operation of the item described in Subsection [
383 ~~(19)(a)~~ (22)(a)]; and
384 (ii) an item described in Subsection [~~(19)(a)~~ (22)(a)] that is temporarily detached from
385 the land for repairs and remains located on the land.

386 (c) "Improvement" does not include:

387 (i) an item ~~[considered to be personal property pursuant]~~ that, according to rules
388 made in accordance with Section 59-2-107, is personal property;
389 (ii) a moveable item that is attached to land for stability only or for an obvious
390 temporary purpose;
391 (iii)(A) manufacturing equipment and machinery; or
392 (B) essential accessories to manufacturing equipment and machinery;
393 (iv) an item attached to the land in a manner that facilitates removal without
394 substantial damage to the land or the item; or
395 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that
396 transportable factory-built housing unit is considered to be personal property
397 under Section 59-2-1503.

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

400 (21) "Inflation factor" means:

401 (a) the increase in the Consumer Price Index for all urban consumers, prepared by the
402 United States Bureau of Statistics, during the preceding calendar year; or
403 (b) if there is not an increase in the Consumer Price Index for all urban consumers,
404 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:

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

440 or

441 (b) the inflation adjusted budget increase.

442 [(23)] (26) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.

443 [(24)] (27) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
444 valuable mineral.

445 [(25)] (28) "Mining" means the process of producing, extracting, leaching, evaporating, or
446 otherwise removing a mineral from a mine.

447 [(26)] (29)(a) "Mobile flight equipment" means tangible personal property that is owned
448 or operated by an air charter service, air contract service, or airline and:

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

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

452 (A) during multiple flights;

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

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

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

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

460 [(27)] (30) "Nonmetalliferous minerals" includes[, but is not limited to,] oil, gas, coal, salts,
461 sand, rock, gravel, and all carboniferous materials.

462 [(28)] (31) "Part-year residential property" means property that is not residential property on
463 January 1 of a calendar year but becomes residential property after January 1 of the
464 calendar year.

465 [(29)] (32) "Personal property" includes:

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

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

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

472 (d) livestock; and

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

474 [(30)] (33)(a) "Property" means property that is subject to assessment and taxation
475 according to [its] the property's value.

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

477 [(31)] (34)(a) "Public utility" means:

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

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

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

489 [(32)] (35)(a) Subject to Subsection [(32)(b)] (35)(b), "qualifying exempt primary
490 residential rental personal property" means household furnishings, furniture, and
491 equipment that:

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

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

496 (iii) after applying the residential exemption described in Section 59-2-103, are
497 exempt from taxation under this chapter in accordance with Subsection
498 59-2-1115(2).

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

502 [(33)] (36) "Real estate" or "real property" includes:

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

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

507 (c) improvements.

508 [~~(34)~~] (37)(a) "Relationship with an owner of the property's land surface rights" means a
509 relationship described in Subsection 267(b), Internal Revenue Code, except that the
510 term 25% shall be substituted for the term 50% in Subsection 267(b), Internal
511 Revenue Code.

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

515 [~~(35)~~] (38)(a) "Residential property," for purposes of the reductions and adjustments
516 under this chapter, means ~~[any]~~ property used for residential purposes as a primary
517 residence.

518 (b) "Residential property" includes:

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

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

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

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

528 (A) property under construction; or

529 (B) unoccupied property.

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

531 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
532 commission may by rule define the term "dwelling unit" for purposes of Subsection [
533 ~~(32)~~] (35) and this Subsection [~~(35)~~] (38).

534 [~~(36)~~] (39) "Split estate mineral rights owner" means a person that:

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

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

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

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

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

541 the wellhead is located holds more than a 25% interest; and

542 (d) does not have a relationship with an owner of the land surface rights of the property
543 where the wellhead is located.

544 [(37)] (40)(a) "State-assessed commercial vehicle" means:

545 (i) [any] a commercial vehicle, trailer, or semitrailer that operates interstate or
546 intrastate to transport passengers, freight, merchandise, or other property for hire;
547 or
548 (ii) [any] a commercial vehicle, trailer, or semitrailer that operates interstate and
549 transports the vehicle owner's goods or property in furtherance of the owner's
550 commercial enterprise.

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

554 [(38)] (41) "Subdivided lot" means a lot, parcel, or other division of land, that is a division
555 of a base parcel.

556 [(39)] (42) "Tax area" means a geographic area created by the overlapping boundaries of
557 one or more taxing entities.

558 [(40)] (43) "Taxable value" means fair market value less any applicable reduction allowed
559 for residential property under Section 59-2-103.

560 [(41)] (44) "Taxing entity" means [any] a county, city, town, school district, special taxing
561 district, special district under Title 17B, Limited Purpose Local Government Entities -
562 Special Districts, or [other] another political subdivision of the state with the authority to
563 levy a tax on property.

564 [(42)] (45)(a) "Tax roll" means a permanent record of the taxes charged on property, as
565 extended on the assessment roll, and may be maintained on the same record or
566 records as the assessment roll or may be maintained on a separate record properly
567 indexed to the assessment roll.

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

569 [(43)] (46) "Telecommunications service provider" means the same as that term is defined in
570 Section 59-12-102.

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

572 **59-2-103 (Effective 01/01/27). Rate of assessment of property -- Residential**
573 **property.**

574 (1) As used in this section:

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

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

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

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

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

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

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

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

596 (b) An owner of multiple primary residences located within the state is allowed a
597 residential exemption under Subsection (3) for:
598 (i) subject to Subsection (6)(a), the primary residence of the owner;
599 (ii) each residential property that is the primary residence of a tenant; and
600 (iii) subject to Subsection 59-2-103.5(4), each residential property described in
601 Subsection [59-2-102(35)(b)(ii)] 59-2-102(38)(b)(ii).

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

603 **59-2-103.5 (Effective 01/01/27). Procedures to obtain an exemption for**
604 **residential property -- Procedure if property owner or property no longer qualifies to**
605 **receive a residential exemption.**

606 (1) Subject to Subsections (4), (5), (6), and (11), for residential property other than
607 part-year residential property, a county legislative body may adopt an ordinance that
608 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

the residence that was the property owner's former primary residence; and

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

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

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

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

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

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

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

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

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

(ii) the address listed on the:

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

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

(iii) the address listed on the:

(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.

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?

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

781 Yes No

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

787 Signature

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

790 _____(Owner signature) _____Date (mm/dd/yyyy)
791 _____(Owner printed name)."

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

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

798 (A) redetermine the property's qualification to receive a residential exemption; and
799 (B) notify the claimant of the redetermination and the county's reason for the
800 redetermination.

801 (ii) The redetermination provided in Subsection (11)(g)(i)(A) is final unless:
802 (A) except as provided in Subsection (11)(g)(iii), the property owner appeals the
803 redetermination to the board of equalization in accordance with Subsection
804 59-2-1004(2); or
805 (B) the county determines that the property is eligible to receive a primary
806 residential exemption as part-year residential property.

807 (iii) The board of equalization may not accept an appeal that is filed after the later of:
808 (A) September 15 of the current calendar year; or
809 (B) the last day of the 45-day period beginning on the day on which the county
810 auditor provides the notice under Section 59-2-919.1.

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

813 property a notice that:

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

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

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

826 (A) except as provided in Subsection (11)(h)(iii), the property owner appeals the
827 redetermination to the board of equalization in accordance with Subsection
828 59-2-1004(2); or

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

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

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

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

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

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

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

841 **59-2-804 (Effective 01/01/27). Interstate allocation of mobile flight equipment.**

842 (1) As used in this section:

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

845 (b) "Airline ground hours calculation" means an amount equal to the product of:
846 (i) the total number of hours aircraft owned or operated by an airline are on the

ground, calculated by aircraft type; and

(ii) the cost percentage.

(c) "Airline revenue ton miles" means, for an airline, the total revenue ton miles during the calendar year that immediately precedes the January 1 described in Section 59-2-103.

(d) "Cost percentage" means a fraction, calculated by aircraft type, the numerator of which is the airline's average cost of the aircraft type and the denominator of which is the airline's average cost of the aircraft type:

(i) owned or operated by the airline; and

(ii) that has the lowest average cost.

(e) "Ground hours factor" means the product of:

(i) a fraction, the numerator of which is the Utah ground hours calculation and the denominator of which is the airline ground hours calculation; and

(ii) .50.

(f)(i) [Except as provided in Subsektion (1)(f)(ii), "mobile] "Mobile flight equipment" is as defined in Section 59-2-102.

(ii) "Mobile flight equipment" does not include tangible personal property described in Subsection [59-2-102(26)] 59-2-102(29) owned by an:

(A) air charter service; or

(B) air contract service.

(g) "Mobile flight equipment allocation factor" means the sum of:

(i) the ground hours factor; and

(ii) the revenue ton miles factor.

(h) "Revenue ton miles" is determined in accordance with 14 C.F.R. Part 241.

(i) "Revenue ton miles factor" means the product of:

(i) a fraction, the numerator of which is the Utah revenue ton miles and the denominator of which is the airline revenue ton miles; and

(ii) .50.

(j) "Utah 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 ground in this state, calculated by aircraft type; and

(ii) the cost percentage.

(k) "Utah revenue ton miles" means, for an airline, the total revenue ton miles within the borders of this state:

881 (i) during the calendar year that immediately precedes the January 1 described in
882 Section 59-2-103; and
883 (ii) from flight stages that originate or terminate in this state.
884 (2) For purposes of the assessment of an airline's mobile flight equipment by the
885 commission, a portion of the value of the airline's mobile flight equipment shall be
886 allocated to the state by calculating the product of:
887 (a) the total value of the mobile flight equipment; and
888 (b) the mobile flight equipment allocation factor.

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

890 **59-2-913 (Effective 01/01/27). Definitions -- Statement of amount and purpose of**
891 **levy -- Contents of statement -- Filing with county auditor -- Transmittal to commission --**
892 **Calculations for establishing tax levies -- Format of statement.**

893 (1) As used in this section, ~~["budgeted property tax revenues]~~ "property tax budgeted
894 revenue" does not include property tax revenue received by a taxing entity from personal
895 property that is:
896 (a) assessed by a county assessor in accordance with Part 3, County Assessment; and
897 (b) semiconductor manufacturing equipment.
898 (2)(a) The legislative body of each taxing entity shall file a statement as provided in this
899 section with the county auditor of the county in which the taxing entity is located.
900 (b) The auditor shall annually transmit the statement to the commission:
901 (i) before June 22; or
902 (ii) with the commission's approval~~[of the commission, on a subsequent date prior to]~~
903 on a date that is later than June 22 but before the date required by Section
904 59-2-1317 for the county treasurer to provide the notice under Section 59-2-1317.
905 (c) The statement shall contain the amount and purpose of each levy fixed by the
906 legislative body of the taxing entity.
907 (3) For purposes of establishing the levy set for each of a taxing entity's applicable funds,
908 the legislative body of the taxing entity shall calculate an amount determined by
909 dividing the ~~["budgeted property tax revenues]~~ property tax budgeted revenue, specified
910 in a budget that has been adopted and approved ~~[prior to]~~ before setting the levy, by the
911 amount calculated under Subsections 59-2-924(4)(b)(i) through (iv).
912 (4) The format of the statement under this section shall:
913 (a) be determined by the commission; and
914 (b) cite any applicable statutory provisions that:

- (i) require a specific levy; or
- (ii) limit the property tax levy for any taxing entity.

(5) The commission may require certification that the information submitted on a statement under this section is true and correct.

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

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

(1) As used in this section:

- (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue generated by the portion of the tax rate that exceeds the taxing entity's certified tax rate.
- (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including [~~revenue from~~]:
 - (i) [eligible new growth] maximum new growth revenue; or
 - (ii) revenue from personal property that is:
 - (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (B) semiconductor manufacturing equipment.
- (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal year in which the taxing entity first adopted a budget below last year's property tax budgeted revenue.
- (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding eligible new growth, for the base year.
- (e) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year that begins on January 1 and ends on December 31.
- (f) "County executive calendar year taxing entity" means a calendar year taxing entity that operates under the county executive-council form of government described in Section 17-62-203.
- (g) "Current calendar year" means the calendar year immediately preceding the calendar year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate.
- (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.
- (i) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July 1 and ends on June 30.

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

950 [~~(k)~~] (j)(i) "Last year's property tax budgeted revenue" means the revenue a taxing
951 entity budgeted to be generated from a property tax levy for the previous fiscal
952 year.

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

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

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

958 [~~(iii)~~] (C) revenue generated by the charter school levy described in Section
959 53F-2-703.

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

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

963 (2) Except as provided in Subsection (11), a taxing entity may not levy a tax rate that
964 exceeds the taxing entity's certified tax rate unless the taxing entity meets:

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

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

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

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

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

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

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

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

983 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
984 calendar year taxing entity conducts the public hearing required by Subsection
985 (3)(a)(v);
986 (iv) provides notice by mail:
987 (A) seven or more days before the regular general election or municipal general
988 election held in the current calendar year; and
989 (B) as provided in Subsection (3)(c); and
990 (v) conducts a public hearing that is held:
991 (A) in accordance with Subsections (8) and (9); and
992 (B) in conjunction with the public hearing required by Section 17-63-304 or
993 17B-1-610.

994 (b)(i) For a county executive calendar year taxing entity, the statement described in
995 Subsection (3)(a)(i) shall be made by the:
996 (A) county council;
997 (B) county executive; or
998 (C) both the county council and county executive.
999 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
1000 county council states a dollar amount of additional ad valorem tax revenue that is
1001 greater than the amount of additional ad valorem tax revenue previously stated by
1002 the county executive in accordance with Subsection (3)(a)(i), the county executive
1003 calendar year taxing entity shall:
1004 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before
1005 the county executive calendar year taxing entity conducts the public hearing
1006 under Subsection (3)(a)(v); and
1007 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before
1008 the county executive calendar year taxing entity conducts the public hearing
1009 required by Subsection (3)(a)(v).
1010 (c) The notice described in Subsection (3)(a)(iv):
1011 (i) shall be mailed to each owner of property:
1012 (A) within the calendar year taxing entity; and
1013 (B) listed on the assessment roll;
1014 (ii) shall be printed on a separate form that:
1015 (A) is developed by the commission;
1016 (B) states at the top of the form, in bold upper-case type no smaller than 18 point

1017 "NOTICE OF PROPOSED TAX INCREASE"; and

1018 (C) may be mailed with the notice required by Section 59-2-1317;

1019 (iii) shall contain for each property described in Subsection (3)(c)(i):

1020 (A) the value of the property for the current calendar year;

1021 (B) the tax on the property for the current calendar year; and

1022 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year

1023 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing

1024 entity's certified tax rate, the estimated tax on the property;

1025 (iv) shall contain the following statement:

1026 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
1027 year]. This notice contains estimates of the tax on your property and the proposed tax increase
1028 on your property as a result of this tax increase. These estimates are calculated on the basis of
1029 [insert previous applicable calendar year] data. The actual tax on your property and proposed
1030 tax increase on your property may vary from this estimate.";

1031 (v) shall state the dollar amount of additional ad valorem tax revenue that would be
1032 generated each year by the proposed increase in the certified tax rate;

1033 (vi) shall include a brief statement of the primary purpose for the proposed tax
1034 increase, including the taxing entity's intended use of additional ad valorem tax
1035 revenue described in Subsection (3)(c)(v);

1036 (vii) shall state the date, time, and place of the public hearing described in Subsection
1037 (3)(a)(v);

1038 (viii) shall state the [Internet] internet address for the taxing entity's public website;

1039 (ix) may contain other information approved by the commission; and

1040 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:

1041 (A) notice that the taxpayer may request electronic notice as described in
1042 Subsection 17-71-302(1)(m); and

1043 (B) instructions describing how to elect to receive a notice as described in
1044 Subsection 17-71-302(1)(m).

1045 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate
1046 the estimated tax on property on the basis of:

1047 (i) data for the current calendar year; and

1048 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
1049 section.

1050 (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.

1085 • The (name of the taxing entity) tax on a (insert the value of a business having the
1086 same value as the average value of a residence in the taxing entity) business would increase
1087 from \$_____ to \$_____, which is \$____ per year.

1088 • If the proposed budget is approved, (name of the taxing entity) would receive an
1089 additional \$_____ in property tax revenue per year as a result of the tax increase.

1090 • If the proposed budget is approved, (name of the taxing entity) would increase its
1091 property tax budgeted revenue by ____% above last year's property tax budgeted revenue
1092 excluding [eligible] maximum new growth revenue.

1093 The (name of the taxing entity) invites all concerned citizens to a public hearing for the
1094 purpose of hearing comments regarding the proposed tax increase and to explain the reasons
1095 for the proposed tax increase. You have the option to attend or participate in the public hearing
1096 in person or online.

PUBLIC HEARING

1098 Date/Time: (date) (time)

1099 Location: (name of meeting place and address of meeting place)

1100 Virtual Meeting Link: (Internet address for remote participation and live streaming
1101 options)

1102 To obtain more information regarding the tax increase, citizens may contact the (name
1103 of the taxing entity) at (phone number of taxing entity) or visit (Internet address for the taxing
1104 entity's public website)."

1105 (7) The commission:

1106 (a) shall adopt rules in accordance with Title 63G, Chapter 3, Utah Administrative
1107 Rulemaking Act, governing the joint use of one advertisement described in
1108 Subsection (6) by two or more taxing entities; and

1109 (b) subject to Section 45-1-101, may authorize a taxing entity's use of a
1110 commission-approved direct notice to each taxpayer if:

1111 (i) the direct notice is different and separate from the notice required under Section
1112 59-2-919.1; and

1113 (ii) the taxing entity petitions the commission for the use of a commission-approved
1114 direct notice.

1115 (8)(a)(i) On or before June 1, a fiscal year taxing entity shall notify the commission
1116 and the county auditor of the date, time, and place of the public hearing described
1117 in Subsection (4)(b).

1118 (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

1187 meet the requirements of Subsection (8), the county auditor shall prepare and submit
1188 a report of the auditor's findings to the commission.

1189 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax
1190 rate if, on or before September 15 of the year in which the taxing entity is required to
1191 hold the public hearing described in Subsection (3)(a)(v) or (4)(b), the commission
1192 determines that the taxing entity has failed to meet the requirements of Subsection (8).

1193 (11) For a fiscal year within a truth-in-taxation exemption period, a taxing entity may adopt
1194 a budget that is equal to or less than the base year budgeted revenue without complying
1195 with this section.

1196 Section 9. Section **59-2-924** is amended to read:

1197 **59-2-924 (Effective 01/01/27). Definitions -- Report of valuation of property to**
1198 **county auditor and commission -- Transmittal by auditor to governing bodies --**
1199 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget**
1200 **-- Notice provided by the commission.**

1201 (1) As used in this section:

1202 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
1203 this chapter.

1204 (ii) "Ad valorem property tax revenue" does not include:

1205 (A) interest;
1206 (B) penalties;
1207 (C) collections from redemptions; or
1208 (D) revenue received by a taxing entity from personal property that is
1209 semiconductor manufacturing equipment assessed by a county assessor in
1210 accordance with Part 3, County Assessment.

1211 (b) "Adjusted tax increment" means the same as that term is defined in Section
1212 17C-1-102.

1213 (c)(i) "Aggregate taxable value of all property taxed" means:

1214 (A) the aggregate taxable value of all real property a county assessor assesses in
1215 accordance with Part 3, County Assessment, for the current year;
1216 (B) the aggregate taxable value of all real and personal property the commission
1217 assesses in accordance with Part 2, Assessment of Property, for the current
1218 year; and
1219 (C) the aggregate year end taxable value of all personal property a county assessor
1220 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

1255 defined in Section 63N-3-1701; or

1256 (xi) for an electrical energy development zone created under Section 79-6-1104, the
1257 value of the property within an electrical energy development zone, as shown on
1258 the assessment roll last equalized before the creation of the electrical development
1259 zone, as that term is defined in Section 79-6-1104.

1260 (e) "Centrally assessed benchmark value" means an amount equal to the average year
1261 end taxable value of real and personal property the commission assesses in
1262 accordance with Part 2, Assessment of Property, for the previous three calendar
1263 years, adjusted for taxable value attributable to:

1264 (i) an annexation to a taxing entity;
1265 (ii) an incorrect allocation of taxable value of real or personal property the
1266 commission assesses in accordance with Part 2, Assessment of Property; or
1267 (iii) a change in value as a result of a change in the method of apportioning the value
1268 prescribed by the Legislature, a court, or the commission in an administrative rule
1269 or administrative order.

1270 (f) "Centrally assessed industry" means the following industry classes the commission
1271 assesses in accordance with Part 2, Assessment of Property:

1272 (i) air carrier;
1273 (ii) coal;
1274 (iii) coal load out property;
1275 (iv) electric generation;
1276 (v) electric rural;
1277 (vi) electric utility;
1278 (vii) gas utility;
1279 (viii) ground access property;
1280 (ix) land only property;
1281 (x) liquid pipeline;
1282 (xi) metalliferous mining;
1283 (xii) nonmetalliferous mining;
1284 (xiii) oil and gas gathering;
1285 (xiv) oil and gas production;
1286 (xv) oil and gas water disposal;
1287 (xvi) railroad;
1288 (xvii) sand and gravel; and

1289 (xviii) uranium.

1290 (g)(i) "Centrally assessed new growth" means the greater of:

1291 (A) for each centrally assessed industry, zero; or
1292 (B) the amount calculated by subtracting the centrally assessed benchmark value
1293 for each centrally assessed industry, adjusted for prior year end incremental
1294 value, from the taxable value of real and personal property the commission
1295 assesses in accordance with Part 2, Assessment of Property, for each centrally
1296 assessed industry for the current year, adjusted for current year incremental
1297 value.

1298 (ii) "Centrally assessed new growth" does not include a change in value for a
1299 centrally assessed industry as a result of a change in the method of apportioning
1300 the value prescribed by the Legislature, a court, or the commission in an
1301 administrative rule or administrative order.

1302 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property
1303 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

1304 (i) "Community reinvestment agency" means the same as that term is defined in Section
1305 17C-1-102.

1306 (j) "Eligible new growth" means the greater of:

1307 (i) zero; or

1308 (ii) the sum of:

1309 (A) locally assessed new growth;
1310 (B) centrally assessed new growth; and
1311 (C) project area new growth or hotel property new growth.

1312 (k) "Host local government" means the same as that term is defined in Section
1313 63N-2-502.

1314 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.

1315 (m) "Hotel property new growth" means an amount equal to the incremental value that is
1316 no longer provided to a host local government as incremental property tax revenue.

1317 (n) "Incremental property tax revenue" means the same as that term is defined in Section
1318 63N-2-502.

1319 (o) "Incremental value" means:

1320 (i) for an authority created under Section 11-58-201, the amount calculated by
1321 multiplying:

1322 (A) the difference between the taxable value and the base taxable value of the

1323 property that is located within a project area and on which property tax
1324 differential is collected; and

1325 (B) the number that represents the percentage of the property tax differential that
1326 is paid to the authority;

1327 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
1328 an amount calculated by multiplying:

1329 (A) the difference between the current assessed value of the property and the base
1330 taxable value; and

1331 (B) the number that represents the percentage of the property tax augmentation, as
1332 defined in Section 11-59-207, that is paid to the Point of the Mountain State
1333 Land Authority;

1334 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
1335 11-70-201, the amount calculated by multiplying:

1336 (A) the difference between the taxable value for the current year and the base
1337 taxable value of the property that is located within a project area; and

1338 (B) the number that represents the percentage of enhanced property tax revenue,
1339 as defined in Section 11-70-101;

1340 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
1341 multiplying:

1342 (A) the difference between the taxable value and the base taxable value of the
1343 property located within a project area and on which tax increment is collected;
1344 and

1345 (B) the number that represents the adjusted tax increment from that project area
1346 that is paid to the agency;

1347 (v) for an authority created under Section 63H-1-201, the amount calculated by
1348 multiplying:

1349 (A) the difference between the taxable value and the base taxable value of the
1350 property located within a project area and on which property tax allocation is
1351 collected; and

1352 (B) the number that represents the percentage of the property tax allocation from
1353 that project area that is paid to the authority;

1354 (vi) for a housing and transit reinvestment zone or convention center reinvestment
1355 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
1356 Reinvestment Zone Act, an amount calculated by multiplying:

1357 (A) the difference between the taxable value and the base taxable value of the
1358 property that is located within a housing and transit reinvestment zone or
1359 convention center reinvestment zone and on which tax increment is collected;
1360 and

1361 (B) the number that represents the percentage of the tax increment that is paid to
1362 the housing and transit reinvestment zone or convention center reinvestment
1363 zone;

1364 (vii) for a host local government, an amount calculated by multiplying:
1365 (A) the difference between the taxable value and the base taxable value of the
1366 hotel property on which incremental property tax revenue is collected; and
1367 (B) the number that represents the percentage of the incremental property tax
1368 revenue from that hotel property that is paid to the host local government;

1369 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
1370 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
1371 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
1372 (A) the difference between the taxable value and the base taxable value of the
1373 property that is located within a home ownership promotion zone and on which
1374 tax increment is collected; and
1375 (B) the number that represents the percentage of the tax increment that is paid to
1376 the home ownership promotion zone;

1377 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
1378 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
1379 (A) the difference between the taxable value and the base taxable value of the
1380 property that is located within a first home investment zone and on which tax
1381 increment is collected; and
1382 (B) the number that represents the percentage of the tax increment that is paid to
1383 the first home investment zone;

1384 (x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3,
1385 Part 17, Major Sporting Event Venue Zone Act, an amount calculated by
1386 multiplying:
1387 (A) the difference between the taxable value and the base taxable value of the
1388 property located within a qualified development zone for a major sporting
1389 event venue zone and upon which property tax increment is collected; and
1390 (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

1459 reinvestment zone as tax increment;

1460 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
1461 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
1462 5, Home Ownership Promotion Zone, an amount equal to the incremental value
1463 that is no longer provided to a home ownership promotion zone as tax increment;
1464 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
1465 First Home Investment Zone Act, an amount equal to the incremental value that is
1466 no longer provided to a first home investment zone as tax increment; or
1467 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,
1468 Major Sporting Event Venue Zone Act, an amount equal to the incremental value
1469 that is no longer provided to the creating entity of a major sporting event venue
1470 zone as property tax increment.

1471 (s) "Project area incremental revenue" means the same as that term is defined in Section
1472 17C-1-1001.

1473 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.

1474 (u) "Property tax differential" means the same as that term is defined in Sections
1475 11-58-102 and 79-6-1104.

1476 (v) "Tax increment" means:

1477 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
1478 in Section 17C-1-102;

1479 (ii) for a housing and transit reinvestment zone or convention center reinvestment
1480 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
1481 Reinvestment Zone Act, the same as the term "property tax increment" is defined
1482 in Section 63N-3-602;

1483 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
1484 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
1485 5, Home Ownership Promotion Zone, the same as that term is defined in Section
1486 10-21-101 or Section 17-80-101;

1487 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
1488 First Home Investment Zone Act, the same as that term is defined in Section
1489 63N-3-1601; or

1490 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,
1491 Major Sporting Event Venue Zone Act, property tax increment, as that term is
1492 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

1595 personal property the commission assesses in accordance with Part 2, Assessment of
1596 Property, for the previous year, adjusted for prior year end incremental value.

1597 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
1598 subtracting the total taxable value of real and personal property of a taxpayer the
1599 commission assesses in accordance with Part 2, Assessment of Property, for the
1600 current year, from the total year end taxable value of the real and personal property of
1601 a taxpayer the commission assesses in accordance with Part 2, Assessment of
1602 Property, for the previous year.

1603 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
1604 requirement under Subsection (9)(a)(ii).

1605 Section 10. Section **59-2-926** is amended to read:

1606 **59-2-926 [Effective 07/01/26] (Effective 01/01/27). Proposed tax increase by state**

1607 **-- Notice -- Contents -- Dates.**

1608 If the state authorizes a tax rate that exceeds the minimum basic tax rate described in
1609 Section 53F-2-301, or authorizes a levy pursuant to Section 59-2-1602 that exceeds the
1610 certified revenue levy[as defined in Section 59-2-102], the state shall publish a notice no later
1611 than 10 days after the last day of the annual legislative general session that meets the following
1612 requirements:

1613 (1)(a) The Office of the Legislative Fiscal Analyst shall advertise that the state
1614 authorized a levy that generates revenue in excess of the previous year's ad valorem
1615 tax revenue, plus [eligible new growth as defined in Section 59-2-924] maximum new
1616 growth revenue, but exclusive of revenue from collections from redemptions,
1617 interest, and penalties:

1618 (i) in a newspaper of general circulation in the state; and
1619 (ii) as required in Section 45-1-101.

1620 (b) Except an advertisement published on a website, the advertisement described in
1621 Subsection (1)(a):

1622 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18
1623 point, and surrounded by a 1/4-inch border;
1624 (ii) may not be placed in that portion of the newspaper where legal notices and
1625 classified advertisements appear; and
1626 (iii) shall be run once.

1627 (2) The form and content of the notice shall be substantially as follows:

1628 "NOTICE OF TAX INCREASE

1629 The state has budgeted an increase in its property tax revenue from \$_____ to
1630 \$_____ or ____%. The increase in property tax [revenues] revenue will come from the
1631 following sources (include all of the following provisions):
1632 (a) \$_____ of the increase will come from (provide an explanation of the cause of
1633 adjustment or increased [revenues] revenue, such as reappraisals or factoring orders);
1634 (b) \$_____ of the increase will come from natural increases in the value of the tax
1635 base due to (explain cause of [eligible new growth] maximum new growth revenue,
1636 such as new building activity, annexation, etc.); and
1637 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for
1638 the basic state-supported school program, applicable tax rate for the Property Tax
1639 Valuation Fund, or both) paid \$_____ in property taxes would pay the
1640 following:
1641 (i) \$_____ if the state of Utah did not budget an increase in property tax
1642 revenue exclusive of [eligible-] maximum new growth revenue; and
1643 (ii) \$_____ under the increased property tax [revenues exclusive of eligible
1644 new growth] revenue exclusive of maximum new growth revenue budgeted by the
1645 state of Utah."

1646 **Section 11. Effective Date.**

1647 This bill takes effect on January 1, 2027.