

Minimum Basic Tax Rate Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor:

LONG TITLE

General Description:

This bill amends provisions related to the minimum basic tax that school districts impose.

Highlighted Provisions:

This bill:

- ensures state funding in an amount that covers the total cost of the basic school program for a school district that imposes the minimum basic tax rate;
- requires school districts that impose the minimum basic tax to remit to the state the revenue the tax generates;
- creates a special revenue fund for the revenue that the minimum basic tax generates;
- requires a specific statement on the property tax notice;
- repeals provisions regarding state and local contributions toward the basic school program; 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:

11-13-302 (Effective 05/06/26), as last amended by Laws of Utah 2023, Chapter 7

53F-2-205 (Effective 05/06/26), as last amended by Laws of Utah 2023, Chapter 7

53F-2-301 (Effective 05/06/26) (Superseded 07/01/26), as last amended by Laws of Utah 2025, Chapter 6

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

53F-2-515 (Effective 05/06/26), as last amended by Laws of Utah 2023, Chapter 7

59-2-902 (Effective 05/06/26), as last amended by Laws of Utah 1993, Chapters 4, 227

59-2-904 (Effective 05/06/26), as last amended by Laws of Utah 2011, Chapter 371

31 **59-2-1317 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
32 Session, Chapter 17

33 ENACTS:

34 **51-9-1001 (Effective 05/06/26)**, Utah Code Annotated 1953

35 REPEALS:

36 **59-2-903 (Effective 05/06/26)**, as last amended by Laws of Utah 1988, Chapter 3

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

38 Section 1. Section **11-13-302** is amended to read:

39 **11-13-302 (Effective 05/06/26). Payment of fee in lieu of ad valorem property tax**
40 **by certain energy suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

41 (1)(a) Each project entity created under this chapter that owns a project and that sells any
42 capacity, service, or other benefit from it to an energy supplier or suppliers whose
43 tangible property is not exempted by Utah Constitution, Article XIII, Section 3, from
44 the payment of ad valorem property tax, shall pay an annual fee in lieu of ad valorem
45 property tax as provided in this section to each taxing jurisdiction within which the
46 project or any part of it is located.

47 (b) For purposes of this section, "annual fee" means the annual fee described in
48 Subsection (1)(a) that is in lieu of ad valorem property tax.

49 (c) The requirement to pay an annual fee shall commence:

50 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
51 impact alleviation payments under contracts or determination orders provided for
52 in Sections 11-13-305 and 11-13-306, with the fiscal year of the candidate
53 following the fiscal year of the candidate in which the date of commercial
54 operation of the last generating unit, other than any generating unit providing
55 additional project capacity, of the project occurs, or, in the case of any facilities
56 providing additional project capacity, with the fiscal year of the candidate
57 following the fiscal year of the candidate in which the date of commercial
58 operation of the generating unit providing the additional project capacity occurs;
59 and

60 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in
61 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which
62 construction of the project commences, or, in the case of facilities providing
63 additional project capacity, with the fiscal year of the taxing jurisdiction in which

65 construction of those facilities commences.

66 (d) The requirement to pay an annual fee shall continue for the period of the useful life
67 of the project or facilities.

68 (2)(a) The annual fees due a school district shall be as provided in Subsection (2)(b)
69 because the ad valorem property tax imposed by a school district and authorized by
70 the Legislature represents both:

71 (i) a levy mandated by the state as a condition of the school district receiving state
72 funding for the state minimum school program under Section 53F-2-301; and
73 (ii) local levies for capital outlay and other purposes under Sections 53F-8-303,
74 53F-8-301, and 53F-8-302.

75 (b) The annual fees due a school district shall be as follows:

76 (i) the project entity shall pay to the [school district] state an annual fee for the state
77 minimum school program at the rate imposed by the school district and authorized
78 by the Legislature under Section 53F-2-301; and
79 (ii) for all other local property tax levies authorized to be imposed by a school
80 district, the project entity shall pay to the school district either:
81 (A) an annual fee; or
82 (B) impact alleviation payments under contracts or determination orders provided
83 for in Sections 11-13-305 and 11-13-306.

84 (3)(a) An annual fee due a taxing jurisdiction for a particular year shall be calculated by
85 multiplying the tax rate or rates of the jurisdiction for that year by the product
86 obtained by multiplying the fee base or value determined in accordance with
87 Subsection (4) for that year of the portion of the project located within the
88 jurisdiction by the percentage of the project which is used to produce the capacity,
89 service, or other benefit sold to the energy supplier or suppliers.

90 (b) As used in this section, "tax rate," when applied in respect to a school district,
91 includes any assessment to be made by the school district under Subsection (2) or
92 Section 63M-5-302.

93 (c) There is to be credited against the annual fee due a taxing jurisdiction for each year,
94 an amount equal to the debt service, if any, payable in that year by the project entity
95 on bonds, the proceeds of which were used to provide public facilities and services
96 for impact alleviation in the taxing jurisdiction in accordance with Sections 11-13-305
97 and 11-13-306.

98 (d) The tax rate for the taxing jurisdiction for that year shall be computed so as to:

99 (i) take into account the fee base or value of the percentage of the project located
100 within the taxing jurisdiction determined in accordance with Subsection (4) used
101 to produce the capacity, service, or other benefit sold to the supplier or suppliers;
102 and

103 (ii) reflect any credit to be given in that year.

104 (4)(a) Except as otherwise provided in this section, the annual fees required by this
105 section shall be paid, collected, and distributed to the taxing jurisdiction as if:

106 (i) the annual fees were ad valorem property taxes; and

107 (ii) the project were assessed at the same rate and upon the same measure of value as
108 taxable property in the state.

109 (b)(i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by
110 this section, the fee base of a project may be determined in accordance with an
111 agreement among:

112 (A) the project entity; and

113 (B) any county that:

114 (I) is due an annual fee from the project entity; and

115 (II) agrees to have the fee base of the project determined in accordance with the
116 agreement described in this Subsection (4).

117 (ii) The agreement described in Subsection (4)(b)(i):

118 (A) shall specify each year for which the fee base determined by the agreement
119 shall be used for purposes of an annual fee; and

120 (B) may not modify any provision of this chapter except the method by which the
121 fee base of a project is determined for purposes of an annual fee.

122 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
123 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement
124 described in Subsection (4)(b)(i) shall be used for purposes of an annual fee
125 imposed by that taxing jurisdiction.

126 (iv)(A) If there is not agreement as to the fee base of a portion of a project for any
127 year, for purposes of an annual fee, the State Tax Commission shall determine
128 the value of that portion of the project for which there is not an agreement:

129 (I) for that year; and

130 (II) using the same measure of value as is used for taxable property in the state.

131 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State
132 Tax Commission in accordance with rules made by the State Tax Commission.

133 (c) Payments of the annual fees shall be made from:

134 (i) the proceeds of bonds issued for the project; and

135 (ii) revenues derived by the project entity from the project.

136 (d)(i) The contracts of the project entity with the purchasers of the capacity, service,

137 or other benefits of the project whose tangible property is not exempted by Utah

138 Constitution, Article XIII, Section 3, from the payment of ad valorem property tax

139 shall require each purchaser, whether or not located in the state, to pay, to the

140 extent not otherwise provided for, its share, determined in accordance with the

141 terms of the contract, of these fees.

142 (ii) It is the responsibility of the project entity to enforce the obligations of the

143 purchasers.

144 (5)(a) The responsibility of the project entity to make payment of the annual fees is

145 limited to the extent that there is legally available to the project entity, from bond

146 proceeds or revenues, money to make these payments, and the obligation to make

147 payments of the annual fees is not otherwise a general obligation or liability of the

148 project entity.

149 (b) No tax lien may attach upon any property or money of the project entity by virtue of

150 any failure to pay all or any part of an annual fee.

151 (c) The project entity or any purchaser may contest the validity of an annual fee to the

152 same extent as if the payment was a payment of the ad valorem property tax itself.

153 (d) The payments of an annual fee shall be reduced to the extent that any contest is

154 successful.

155 (6)(a) The annual fee described in Subsection (1):

156 (i) shall be paid by a public agency that:

157 (A) is not a project entity; and

158 (B) owns an interest in a facility providing additional project capacity if the

159 interest is otherwise exempt from taxation pursuant to Utah Constitution,

160 Article XIII, Section 3; and

161 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in

162 accordance with Subsection (6)(b).

163 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax

164 rate or rates of the applicable taxing jurisdiction multiplied by the product of the

165 following:

166 (i) the fee base or value of the facility providing additional project capacity located

167 within the jurisdiction;

168 (ii) the percentage of the ownership interest of the public agency in the facility; and
169 (iii) the portion, expressed as a percentage, of the public agency's ownership interest
170 that is attributable to the capacity, service, or other benefit from the facility that is
171 sold, including any subsequent sale, resale, or layoff, by the public agency to an
172 energy supplier or suppliers whose tangible property is not exempted by Utah
173 Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.

174 (c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the
175 obligations, credits, rights, and protections set forth in Subsections (1) through (5)
176 with respect to its ownership interest as though it were a project entity.

177 (d) On or before March 1 of each year, a project entity that owns a project and that
178 provides any capacity, service, or other benefit to an energy supplier or a public
179 agency shall file an electronic report with the State Tax Commission that identifies:

180 (i) each energy supplier and public agency to which the project entity delivers
181 capacity, service, or other benefit; and
182 (ii) the amount of capacity, service, or other benefit delivered to each energy supplier
183 and public agency.

184 Section 2. Section **51-9-1001** is enacted to read:

185 **51-9-1001 (Effective 05/06/26). Minimum Basic Tax Special Revenue Fund.**

186 (1) As used in this section, "fund" means the Minimum Basic Tax Special Revenue Fund
187 that this section creates.

188 (2) There is created a special revenue fund known as the "Minimum Basic Tax Special
189 Revenue Fund" that consists of:

190 (a) money deposited by the state treasurer in accordance with Section 53F-2-301; and
191 (b) interest earned on the money in the fund.

192 (3) Money in the fund may be used for statewide purposes consistent with the General Fund.

193 Section 3. Section **53F-2-205** is amended to read:

194 **53F-2-205 (Effective 05/06/26). Powers and duties of state board to adjust**
195 **Minimum School Program allocations -- Use of remaining funds at the end of a fiscal**
196 **year.**

197 (1) As used in this section:

198 (a) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.
199 Sec. 6301 et seq.

200 (b) "Program" means a program or allocation funded by a line item appropriation or

201 other appropriation designated as:

202 (i) Basic Program;
203 (ii) Related to Basic Programs;
204 (iii) Voted and Board Levy Programs; or
205 (iv) Minimum School Program.

206 (2) Except as provided in Subsection (3)[~~or (5)~~], if the number of weighted pupil units in
207 a program is underestimated, the state board shall reduce the value of the weighted pupil
208 unit in that program so that the total amount paid for the program does not exceed the
209 amount appropriated for the program.

210 (3) If the number of weighted pupil units in a program is overestimated, the state board
211 shall spend excess money appropriated for the following purposes giving priority to the
212 purpose described in Subsection (3)(a):

213 (a) to support the value of the weighted pupil unit in a program within the basic
214 state-supported school program in which the number of weighted pupil units is
215 underestimated;
216 (b) to support the state guaranteed local levy increments as defined in Section 53F-2-601,
217 if:
218 (i) local contributions to the voted local levy program or board local levy program are
219 overestimated; or
220 (ii) the number of weighted pupil units within school districts qualifying for a
221 guarantee is underestimated;
222 (c) to support the state supplement to local property taxes allocated to charter schools, if
223 the state supplement is less than the amount prescribed by Section 53F-2-704;
224 (d) to fund the cost of the salary supplements described in Section 53F-2-504; or
225 (e) to support a school district with a loss in student enrollment as provided in Section
226 53F-2-207.

227 [~~(4) If local contributions from the minimum basic tax rate imposed under Section
228 53F-2-301 are overestimated, the state board shall reduce the value of the weighted pupil
229 unit for all programs within the basic state-supported school program so the total state
230 contribution to the basic state-supported school program does not exceed the amount of
231 state funds appropriated.]~~

232 [~~(5) If local contributions from the minimum basic tax rate imposed under Section
233 53F-2-301 are underestimated, the state board shall:~~]

234 [(a) ~~spend the excess local contributions for the purposes specified in Subsection (3),~~

235 giving priority to supporting the value of the weighted pupil unit in programs within
236 the basic state-supported school program in which the number of weighted pupil
237 units is underestimated; and]

238 [(b) reduce the state contribution to the basic state-supported school program so the total
239 cost of the basic state-supported school program does not exceed the total state and
240 local funds appropriated to the basic state-supported school program plus the local
241 contributions necessary to support the value of the weighted pupil unit in programs
242 within the basic state-supported school program in which the number of weighted
243 pupil units is underestimated.]

244 [({6})] (4) Except as provided in Subsection (3)[or (5)], the state board shall reduce the state
245 guarantee per weighted pupil unit provided under the local levy state guarantee program
246 described in Section 53F-2-601, if:

247 (a) local contributions to the voted local levy program or board local levy program are
248 overestimated; or
249 (b) the number of weighted pupil units within school districts qualifying for a guarantee
250 is underestimated.

251 [({7})] (5) Money appropriated to the state board is nonlapsing, including appropriations to the
252 Minimum School Program and all agencies, line items, and programs under the
253 jurisdiction of the state board.

254 [({8})] (6) The state board shall report actions taken by the state board under this section to the
255 Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and
256 Budget.

257 Section 4. Section **53F-2-301** is amended to read:

258 **53F-2-301 (Effective 05/06/26) (Superseded 07/01/26). Minimum basic tax rate
259 for a fiscal year that begins after July 1, 2022.**

260 (1) As used in this section:

261 (a) "Basic levy increment rate" means a tax rate that will generate an amount of revenue
262 equal to \$75,000,000.
263 (b) "Combined basic rate" means a rate that is the sum of:
264 (i) the minimum basic tax rate; and
265 (ii) the WPU value rate.
266 (c) "Commission" means the State Tax Commission.
267 (d) "Minimum basic local amount" means an amount that is:
268 (i) equal to the sum of:

269 (A) the [school districts' contribution to the basic school program] minimum basic
270 tax rate revenue from within the school district in the previous fiscal year;
271 (B) the amount generated by the basic levy increment rate; and
272 (C) the eligible new growth, as defined in Section 59-2-924 and rules of the State
273 Tax Commission multiplied by the minimum basic rate; and
274 (ii) set annually by the Legislature in Subsection (2)(a).

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

279 (f) "Weighted pupil unit value" or "WPU value" means the amount established each year
280 in the enacted public education budget that is multiplied by the number of weighted
281 pupil units to yield the funding level for the basic school program.

282 (g) "WPU value amount" means an amount:
283 (i) that is equal to the product of:
284 (A) the WPU value increase limit; and
285 (B) the percentage share of local revenue to the cost of the basic school program
286 in the immediately preceding fiscal year; and
287 (ii) set annually by the Legislature in Subsection (3)(a).

288 (h) "WPU value increase limit" means the lesser of:
289 (i) the total cost to the basic school program to increase the WPU value over the
290 WPU value in the prior fiscal year; or
291 (ii) the total cost to the basic school program to increase the WPU value by 4% over
292 the WPU value in the prior fiscal year.

293 (i) "WPU value rate" means a tax rate certified by the commission that will generate an
294 amount of revenue equal to the WPU value amount described in Subsection (3)(a).

295 (2)(a) The minimum basic local amount for the fiscal year that begins on July 1, 2025, is
296 \$810,593,200 in revenue statewide.
297 (b) The preliminary estimate of the minimum basic tax rate for a fiscal year that begins
298 on July 1, 2025, is .001408.

299 (3)(a) The WPU value amount for the fiscal year that begins on July 1, 2025, is
300 \$31,508,600 in revenue statewide.
301 (b) The preliminary estimate of the WPU value rate for the fiscal year that begins on
302 July 1, 2025, is .000055.

303 (4)(a) On or before June 22, the commission, the Governor's Office of Planning and
304 Budget, and the Office of the Legislative Fiscal Analyst shall by consensus certify for
305 the year:
306 (i) the minimum basic tax rate; and
307 (ii) the WPU value rate.
308 (b) The estimate of the minimum basic tax rate provided in Subsection (2)(b) and the
309 estimate of the WPU value rate provided in Subsection (3)(b) are based on a forecast
310 for property values for the next calendar year.
311 (c) The certified minimum basic tax rate described in Subsection (4)(a)(i) and the
312 certified WPU value rate described in Subsection (4)(a)(ii) are based on property
313 values as of January 1 of the current calendar year, except personal property, which is
314 based on values from the previous calendar year.
315 (5)(a) To qualify for receipt of [the-]state [contribution toward] funding of the basic
316 school program [and as a school district's contribution toward the cost of the basic
317 school program] for the school district, [each] a local school board shall impose the
318 combined basic rate.
319 (b) For each local school board imposing the combined basic rate:
320 (i) the county treasurer for the county in which the school district is located shall:
321 (A) collect the combined basic rate revenue within the portion of the county
322 within which the school district is located; and
323 (B) remit the revenue to the state treasurer each month; and
324 (ii) the state treasurer shall:
325 (A) deposit the combined basic rate revenue the state treasurer receives from a
326 county treasurer into the Minimum Basic Tax Special Revenue Fund described
327 in Section 51-9-1001; and
328 (B) communicate the amount of the deposit to the state board.
329 (c) The state board shall distribute to the relevant school district, within 35 days after the
330 date of the deposit described in Subsection (5)(b)(ii), an amount equal to:
331 (i) except as provided in Subsection (5)(c)(ii), the amount the state treasurer
332 communicates under Subsection (5)(b)(ii); or
333 (ii) if the remaining unfunded cost of the school district's basic school program does
334 not exceed the amount the state treasurer communicates under Subsection (5)(b)(ii),
335 the remaining unfunded cost of the school district's basic school program.
336 [(b)] (d)(i) The state is not subject to the notice requirements of Section 59-2-926

337 before imposing the tax rates described in this Subsection (5).

338 (ii) The state is subject to the notice requirements of Section 59-2-926 if the state
339 authorizes a tax rate that exceeds the tax rates described in this Subsection (5).

340 (6)[(a)] The state shall [eontribute to] ensure that, for each school district [toward]
341 described in Subsection (5), the aggregate allocations from state funds under
342 Subsection (5)(c) are equivalent to the cost of the basic school program in the school
343 ~~district[an amount of money that is the difference between the cost of the school~~
344 ~~district's basic school program and the sum of revenue generated by the school~~
345 ~~district by the following:] .~~

346 [(i) the combined basic rate; and]

347 [(ii) the basic levy increment rate.]

348 [(b)(i) If the difference described in Subsection (6)(a) equals or exceeds the cost of
349 the basic school program in a school district, no state contribution shall be made
350 to the basic school program for the school district.]

351 [(ii) The proceeds of the difference described in Subsection (6)(a) that exceed the
352 cost of the basic school program shall be paid into the Uniform School Fund as
353 provided by law and by the close of the fiscal year in which the proceeds were
354 calculated.]

355 (7) Upon appropriation by the Legislature, the Division of Finance shall deposit an amount
356 equal to the proceeds generated statewide:

357 (a) by the basic levy increment rate into the Minimum Basic Growth Account created in
358 Section 53F-9-302; and
359 (b) by the WPU value rate into the Teacher and Student Success Account created in
360 Section 53F-9-306.

361 Section 5. Section **53F-2-301** is amended to read:

362 **53F-2-301 (Effective 07/01/26). Minimum basic tax rate for a fiscal year that
363 begins after July 1, 2022.**

364 (1) As used in this section:

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

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

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

369 (i) equal to the sum of:

370 (A) the [school districts' contribution to the basic school program] minimum basic

tax rate revenue from within the school district in the previous fiscal year;

- (B) the amount generated by the basic levy increment rate; and
- (C) the eligible new growth, as defined in Section 59-2-924 and rules of the State Tax Commission multiplied by the minimum basic rate; and

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

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

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

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

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

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

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

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

(b) For a local school board that imposes the minimum basic tax rate:

(i) the relevant county treasurer for the county in which the school district is located
shall:

(A) collect the minimum basic tax rate revenue within the portion of the county within which the school district is located; and

(B) remit the revenue to the state treasurer each month; and

(ii) the state treasurer shall:

(A) deposit the minimum basic tax rate revenue the state treasurer receives from a county treasurer into the Minimum Basic Tax Special Revenue Fund described

in Section 51-9-1001; and

(B) communicate the amount of the deposit to the state board.

(c) The state board shall distribute to the relevant school district, within 35 days after the date of the deposit described in Subsection (4)(b)(ii), an amount equal to:

(i) except as provided in Subsection (4)(c)(ii), the amount the state treasurer communicates under Subsection (4)(b)(ii); or

(ii) if the remaining unfunded cost of the school district's basic school program does not exceed the amount the state treasurer communicates under Subsection (4)(b)(ii), the remaining unfunded cost of the school district's basic school program.

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

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

(5)(a) The state shall [contribute to] ensure that, for each school district [toward]

described in Subsection (4), the aggregate allocations from state funds under Subsection (4)(c) are equivalent to the cost of the basic school program in the school district[an amount of money that is the difference between the cost of the school district's basic school program and the sum of revenue generated by the school district by the following:] .

[**(i)** the minimum basic tax rate; and]

[~~(ii) the basic levy increment rate.~~]

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

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

(6) Upon appropriation by the Legislature, the Division of Finance shall deposit an amount equal to the proceeds generated statewide by the basic levy increment rate into the Minimum Basic Growth Account created in Section 53F-9-302.

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

439 Section 6. Section **53F-2-515** is amended to read:

440 **53F-2-515 (Effective 05/06/26). Federal Impact Aid Program -- Offset for**
441 **underestimated allocations from the Federal Impact Aid Program.**

442 (1) In addition to [the revenues received from the levy imposed by a local school board and
443 authorized by the Legislature under Section 53F-2-301] funds the Legislature
444 appropriates to the basic school program, the Legislature shall provide an amount equal
445 to the difference between the school district's anticipated receipts under the entitlement
446 for the fiscal year from the Federal Impact Aid Program and the amount the school
447 district actually received from this source for the next preceding fiscal year.

448 (2) If at the end of a fiscal year the sum of the receipts of a school district from a
449 distribution from the Legislature pursuant to Subsection (1) plus the school district's
450 allocations from the Federal Impact Aid Program for that fiscal year exceeds the amount
451 allocated to the school district from the Federal Impact Aid Program for the next
452 preceding fiscal year, the excess funds are carried into the next succeeding fiscal year
453 and become in that year a part of the [school district's contribution to] state's funding of
454 the cost of the school district's basic program for operation and maintenance under [the
455 state minimum school finance law] Section 53F-2-301.

456 (3) During the next succeeding fiscal year described in Subsection (2), the school district's
457 required tax rate for the basic program shall be reduced so that the yield from the
458 reduced tax rate plus the carryover funds equal the school district's required contribution [
459 to] toward the cost of the school district's basic program.

460 (4) For the school district of a local school board that is required to reduce the school
461 district's basic tax rate under this section, the school district shall receive state minimum
462 school program funds as though the reduction in the tax rate had not been made.

463 Section 7. Section **59-2-902** is amended to read:

464 **59-2-902 (Effective 05/06/26). Minimum basic tax levy for school districts.**

465 (1) If any county fails to comply with Section 59-2-704, then this section determines the
466 adjustment of the basic school levy for school districts within the county.[-]
467 (2)(a) Before June 15, the commission shall ascertain from the State Board of Education
468 the number of weighted pupil units in each school district in the state for the school
469 year commencing July 1 of the current calendar year, estimated according to [the]
470 Title 53F, Chapter 2, State Funding -- Minimum School Program[-Aet], and the
471 money necessary for the cost of the operation and maintenance of the minimum
472 school program of the state for the school fiscal year beginning July 1 of the current

473 calendar year.[-]

474 (b) The commission shall then estimate the amounts of all surpluses in the Uniform
475 School Fund, as of July 1 of the current calendar year, available for the operation and
476 maintenance of the program, and shall estimate the anticipated income to the fund
477 available for those purposes for the current school year from all sources, including
478 revenues from taxes on income or from taxes on intangible property pursuant to Utah
479 Constitution, Article XIII, [See. 12, Utah Constitution] Section 12.

480 [({2})] (3)(a) The commission shall then determine for each school district the amount to
481 be raised by the minimum basic tax levy [as its contribution toward the cost] for the
482 school district to access state funding of the basic [state-supported] school program,
483 as required by [the] Title 53F, Chapter 2, State Funding -- Minimum School Program[
484 Aet].

485 [({3})] (4) Each county auditor shall be notified by the commission that the minimum basic
486 tax levy shall be imposed by the school district, to which shall be added an additional
487 amount, if any, due to local undervaluation as provided in this section.[-]

488 (a) The auditor shall inform the county legislative body as to the amount of the levy.[-]
489 (b) The county legislative body shall at the time and in the manner provided by law
490 make the levy upon the taxable property in the school district together with further
491 levies for school purposes as may be required by each school district to pay the costs
492 of programs in excess of the basic state-supported school program.

493 [({4})] (5) [If the levy applied under this section raises an amount in excess of the total basic
494 state-supported school program for a school district, the excess amount shall be remitted
495 by the school district to the State Board of Education to be credited to the Uniform
496 School Fund for allocation to school districts to support the basic state-supported school
497 program.] The availability of money shall be considered by the commission in fixing
498 the state property levy as provided in [the] Title 53F, Chapter 2, State Funding --
499 Minimum School Program[Aet].

500 [({5})] (6)(a) If the levy does not raise an amount in excess of an amount equal to the cost
501 of the total basic state-supported school program for a district, then the difference
502 between the amount which the local levy will raise within the district, and the total
503 cost of the basic state-supported school program within the district shall be computed. [
504 This difference, if any, shall be apportioned from the Uniform School Fund to each
505 school district as the contribution of the state to the basic state-supported school
506 program for the district, subject to the following conditions:]

507 [({a})] (b)(i) [Before the apportionment is made, the] The commission shall determine if
508 the local taxable valuation of any school district is undervalued according to law
509 and if so, the dollar amount of the undervaluation.[-]
510 (ii) The dollar amount of the undervaluation shall be multiplied by the district basic
511 uniform school levy at 98%.[-]
512 (iii) The resulting dollar amount shall be divided by the current year estimated yield
513 of .0002 per dollar of taxable value at 98% based on the district's taxable valuation
514 prior to adjusting for undervaluation.

515 [({b})] (c)(i) The resulting levy amount shall be added to the required district basic
516 uniform levy to determine the combined district basic school levy adjusted for
517 undervaluation.[-]
518 (ii) The combined rate of levy shall be certified to the county auditor and employed
519 by the auditor and the county legislative body in lieu of the required basic school
520 local levy.

521 Section 8. Section **59-2-904** is amended to read:

522 **59-2-904 (Effective 05/06/26). Participation by district in state's contributions to
523 state-supported levy program.**

524 (1) In addition to the funding of the basic [state contribution] school program provided in
525 Section 59-2-902, a school district may participate in the state's contributions to the
526 state-supported levy program by conforming to the requirements of [the] Title 53F,
527 Chapter 2, State Funding -- Minimum School Program[Aet], and by making the
528 required additional levy.

529 (2) A school district that participates in the state-supported levy program shall certify to the
530 State Board of Education the results of its determination and the amount of the board or
531 voted local levy that the district will impose.

532 Section 9. Section **59-2-1317** is amended to read:

533 **59-2-1317 (Effective 05/06/26). Tax notice -- Contents of notice -- Procedures
534 and requirements for providing notice.**

535 (1) As used in this section, "political subdivision lien" means the same as that term is
536 defined in Section 11-60-102.

537 (2) Subject to the other provisions of this section, the county treasurer shall:
538 (a) collect the taxes and tax notice charges; and
539 (b) provide a notice to each taxpayer that contains the following:
540 (i) the kind and value of property assessed to the taxpayer;

541 (ii) the street address of the property, if available to the county;

542 (iii) that the property may be subject to a detailed review in the next year under

543 Section 59-2-303.1;

544 (iv) the amount of taxes levied;

545 (v) regarding the minimum basic tax described in Section 53F-2-301, the following

546 statement:

547 "The minimum basic tax generates an amount that the district remits to the

548 state. The state remits an equivalent amount of state funds to the school district

549 and any additional state funds to ensure the full cost of the district's basic school

550 program.";

551 [(v)] (vi) a separate statement of the taxes levied only on a certain kind or class of

552 property for a special purpose;

553 [(vi)] (vii) instructions for payment of the taxes and tax notice charges applicable to

554 the property, including the taxpayer's payment options and collection procedures;

555 [(vii)] (viii) any tax notice charges applicable to the property, including:

556 (A) if applicable, a political subdivision lien for road damage that a railroad

557 company causes, as described in Section 10-7-30;

558 (B) if applicable, a political subdivision lien for municipal water distribution, as

559 described in Section 10-8-17, or a political subdivision lien for an increase in

560 supply from a municipal water distribution, as described in Section 10-8-19;

561 (C) if applicable, a political subdivision lien for unpaid abatement fees as

562 described in Section 10-11-4;

563 (D) if applicable, a political subdivision lien for the unpaid portion of an

564 assessment assessed in accordance with Title 11, Chapter 42, Assessment Area

565 Act, or Title 11, Chapter 42a, Commercial Property Assessed Clean Energy

566 Act, including unpaid costs, charges, and interest as of the date the local entity

567 certifies the unpaid amount to the county treasurer;

568 (E) if applicable, for a special district in accordance with Section 17B-1-902, a

569 political subdivision lien for an unpaid fee, administrative cost, or interest;

570 (F) if applicable, a political subdivision lien for an unpaid irrigation district use

571 charge as described in Section 17B-2a-506;

572 (G) if applicable, a political subdivision lien for a contract assessment under a

573 water contract, as described in Section 17B-2a-1007;

574 (H) if applicable, a property tax penalty that a public infrastructure district

575 imposes, as described in Section 17D-4-304; and

576 (I) if applicable, an annual payment to the Military Installation Development
577 Authority or an entity designated by the authority in accordance with Section
578 63H-1-501;

579 [~~(viii)~~] (ix) if a county's tax notice includes an assessment area charge, a statement
580 that, due to potentially ongoing assessment area charges, costs, penalties, and
581 interest, payment of a tax notice charge may not:

582 (A) pay off the full amount the property owner owes to the tax notice entity; or
583 (B) cause a release of the lien underlying the tax notice charge;

584 [~~(ix)~~] (x) if applicable, the annual payment described in Subsection 63H-1-501(4)(a);

585 [~~(x)~~] (xi) the date the taxes and tax notice charges are due;

586 [~~(xi)~~] (xii) the street address or website at which the taxes and tax notice charges may
587 be paid;

588 [~~(xii)~~] (xiii) the date on which the taxes and tax notice charges are delinquent;

589 [~~(xiii)~~] (xiv) the penalty imposed on delinquent taxes and tax notice charges;

590 [~~(xiv)~~] (xv) a statement that explains the taxpayer's right to direct allocation of a
591 partial payment in accordance with Subsection (9);

592 [~~(xv)~~] (xvi) other information specifically authorized to be included on the notice
593 under this chapter;

594 [~~(xvi)~~] (xvii) other property tax information approved by the commission; and

595 [~~(xvii)~~] (xviii) if sent in calendar year 2024, 2025, or 2026:

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

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

600 (3)(a) Unless expressly allowed under this section or another statutory provision, the
601 treasurer may not add an amount to be collected to the property tax notice.

602 (b) If the county treasurer adds an amount to be collected to the property tax notice
603 under this section or another statutory provision that expressly authorizes the item's
604 inclusion on the property tax notice:

605 (i) the amount constitutes a tax notice charge; and

606 (ii)(A) the tax notice charge has the same priority as property tax; and

607 (B) a delinquency of the tax notice charge triggers a tax sale, in accordance with
608 Section 59-2-1343.

609 (4) For any property for which property taxes or tax notice charges are delinquent, the
610 notice described in Subsection (2) shall state, "Prior taxes or tax notice charges are
611 delinquent on this parcel."

612 (5) Except as provided in Subsection (6), the county treasurer shall:
613 (a) mail the notice required by this section, postage prepaid; or
614 (b) leave the notice required by this section at the taxpayer's residence or usual place of
615 business, if known.

616 (6)(a) Subject to the other provisions of this Subsection (6), a county treasurer may, at
617 the county treasurer's discretion, provide the notice required by this section by
618 electronic mail if a taxpayer makes an election, according to procedures determined
619 by the county treasurer, to receive the notice by electronic mail.
620 (b) A taxpayer may revoke an election to receive the notice required by this section by
621 electronic mail if the taxpayer provides written notice to the treasurer on or before
622 October 1.
623 (c) A revocation of an election under this section does not relieve a taxpayer of the duty
624 to pay a tax or tax notice charge due under this chapter on or before the due date for
625 paying the tax or tax notice charge.
626 (d) A county treasurer shall provide the notice required by this section using a method
627 described in Subsection (5), until a taxpayer makes a new election in accordance with
628 this Subsection (6), if:
629 (i) the taxpayer revokes an election in accordance with Subsection (6)(b) to receive
630 the notice required by this section by electronic mail; or
631 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.
632 (e) A person is considered to be a taxpayer for purposes of this Subsection (6) regardless
633 of whether the property that is the subject of the notice required by this section is
634 exempt from taxation.

635 (7)(a) The county treasurer shall provide the notice required by this section to a taxpayer
636 on or before November 1.
637 (b) The county treasurer shall keep on file in the county treasurer's office the information
638 set forth in the notice.
639 (c) The county treasurer is not required to mail a tax receipt acknowledging payment.
640 (8) This section does not apply to property taxed under Section 59-2-1302 or 59-2-1307.
641 (9)(a) A taxpayer who pays less than the full amount due on the taxpayer's property tax
642 notice may, on a form provided by the county treasurer, direct how the county

643 treasurer allocates the partial payment between:

644 (i) the total amount due for property tax;

645 (ii) the amount due for assessments, past due special district fees, and other tax notice

646 charges; and

647 (iii) any other amounts due on the property tax notice.

648 (b) The county treasurer shall comply with a direction submitted to the county treasurer

649 in accordance with Subsection (9)(a).

650 (c) The provisions of this Subsection (9) do not:

651 (i) affect the right or ability of a local entity to pursue any available remedy for

652 non-payment of any item listed on a taxpayer's property tax notice; or

653 (ii) toll or otherwise change any time period related to a remedy described in

654 Subsection (9)(c)(i).

655 **Section 10. Repealer.**

656 This bill repeals:

657 **Section 59-2-903, Remittance to credit of Uniform School Fund of money in excess of**

658 **basic state-supported school program -- Manner.**

659 **Section 11. Effective Date.**

660 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

661 (2) The actions affecting Section 53F-2-301 (Effective 07/01/26) take effect on July 1, 2026.