

1 **Property Tax Rate Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor:

2 **LONG TITLE**3 **Committee Note:**

4 The Revenue and Taxation Interim Committee recommended this bill.

5 Legislative Vote: 10 voting for 4 voting against 4 absent

6 **General Description:**

7 This bill addresses property tax rates.

8 **Highlighted Provisions:**

9 This bill:

10 ▶ defines terms;

11 ▶ limits the total amount of additional property tax revenue a taxing entity may obtain
12 through truth-in-taxation;13 ▶ excludes certain valuation increases resulting from physical improvements to property
14 from the calculation of locally assessed new growth;15 ▶ excludes increases to the value of tangible personal property from the calculation of
16 project area new growth; and

17 ▶ makes technical changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 This bill provides a special effective date.

22 **Utah Code Sections Affected:**23 **AMENDS:**24 **59-2-919 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
25 Session, Chapter 1726 **59-2-924 (Effective 06/01/26)**, as last amended by Laws of Utah 2025, First Special
27 Session, Chapter 1528

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

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

32 **59-2-919 (Effective 07/01/26). Notice and public hearing requirements for**
33 **certain tax increases -- Exceptions -- Audit.**

34 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

- (iii) revenue generated by the charter school levy described in Section 53F-2-703.
- (l) "Truth-in-taxation exemption period" means a six-year period that begins with the base year.
- 2) Except as provided in Subsection (11), a taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax rate unless the taxing entity meets:
 - (a) the requirements of this section that apply to the taxing entity; and
 - (b) all other requirements as may be required by law.
- 3)(a) Subject to Subsection (3)(b) and except as provided in [Subseetion] Subsections (5) and (12), a calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax rate if the calendar year taxing entity:
 - (i) 14 or more days before the date of the regular general election or municipal general election held in the current calendar year, states at a public meeting:
 - (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate;
 - (B) the dollar amount of and purpose for additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate; and
 - (C) the approximate percentage increase in ad valorem tax revenue for the taxing entity based on the proposed increase described in Subsection (3)(a)(i)(B);
 - (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a separate item on the meeting agenda that notifies the public that the calendar year taxing entity intends to make the statement described in Subsection (3)(a)(i);
 - (iii) meets the advertisement requirements of Subsections (6) and (7) before the calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);
 - (iv) provides notice by mail:
 - (A) seven or more days before the regular general election or municipal general election held in the current calendar year; and
 - (B) as provided in Subsection (3)(c); and
 - (v) conducts a public hearing that is held:
 - (A) in accordance with Subsections (8) and (9); and
 - (B) in conjunction with the public hearing required by Section 17-63-304 or

99 (b)(i) For a county executive calendar year taxing entity, the statement described in

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

101 (A) county council;

102 (B) county executive; or

103 (C) both the county council and county executive.

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

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

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

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

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

117 (A) within the calendar year taxing entity; and

118 (B) listed on the assessment roll;

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

120 (A) is developed by the commission;

121 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
122 "NOTICE OF PROPOSED TAX INCREASE"; and

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

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

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

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

127 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
128 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing
129 entity's certified tax rate, the estimated tax on the property;

130 (iv) shall contain the following statement:

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

133 on your property as a result of this tax increase. These estimates are calculated on the basis of
134 [insert previous applicable calendar year] data. The actual tax on your property and proposed
135 tax increase on your property may vary from this estimate.";

136 (v) shall state the dollar amount of additional ad valorem tax revenue that would be
137 generated each year by the proposed increase in the certified tax rate;
138 (vi) shall include a brief statement of the primary purpose for the proposed tax
139 increase, including the taxing entity's intended use of additional ad valorem tax
140 revenue described in Subsection (3)(c)(v);
141 (vii) shall state the date, time, and place of the public hearing described in Subsection
142 (3)(a)(v);
143 (viii) shall state the Internet address for the taxing entity's public website;
144 (ix) may contain other information approved by the commission; and
145 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
146 (A) notice that the taxpayer may request electronic notice as described in
147 Subsection 17-71-302(1)(m); and
148 (B) instructions describing how to elect to receive a notice as described in
149 Subsection 17-71-302(1)(m).

150 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate
151 the estimated tax on property on the basis of:
152 (i) data for the current calendar year; and
153 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
154 section.

155 (4) Except as provided in [Subsektion] Subsections (5) and (12), a fiscal year taxing entity
156 may levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate if the
157 fiscal year taxing entity:
158 (a) provides notice by meeting the advertisement requirements of Subsections (6) and (7)
159 before the fiscal year taxing entity conducts the public meeting at which the fiscal
160 year taxing entity's annual budget is adopted; and
161 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
162 fiscal year taxing entity's annual budget is adopted.

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

(4) if:

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

(ii) the taxing entity:

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

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

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

- (i) electronically in accordance with Section 45-1-101; and
- (ii) as a class A notice under Section 63G-30-102.

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

- (i) be published for at least 14 days before the day on which the taxing entity conducts the public hearing described in Subsection (3)(a)(v) or (4)(b); and

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

"NOTICE OF PROPOSED TAX INCREASE

(NAME OF TAXING ENTITY)

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

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

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

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

- If the proposed budget is approved, (name of the taxing entity) would increase its property tax budgeted revenue by ___% above last year's property tax budgeted revenue excluding eligible new growth.

The (name of the taxing entity) invites all concerned citizens to a public hearing for the purpose of hearing comments regarding the proposed tax increase and to explain the reasons

201 for the proposed tax increase. You have the option to attend or participate in the public hearing
202 in person or online.

203 PUBLIC HEARING

204 Date/Time: (date) (time)

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

206 Virtual Meeting Link: (Internet address for remote participation and live streaming
207 options)

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

211 (7) The commission:

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

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

217 (i) the direct notice is different and separate from the notice required under Section
218 59-2-919.1; and

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

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

224 (ii) On or before October 1 of the current calendar year, a calendar year taxing entity
225 shall notify the commission and the county auditor of the date, time, and place of
226 the public hearing described in Subsection (3)(a)(v).

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

228 (A) open to the public;

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

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

through electronic means.

- (ii) The governing body of a taxing entity conducting a public hearing described in Subsection (3)(a)(v) or (4)(b) shall:
 - (A) state the dollar amount of additional ad valorem tax revenue that would be generated each year by the proposed increase in the certified tax rate;
 - (B) explain the reasons for the proposed tax increase, including the taxing entity's intended use of additional ad valorem tax revenue described in Subsection (8)(b)(ii)(A);
 - (C) if the county auditor compiles the list required by Section 59-2-919.2, present the list at the public hearing and make the list available on the taxing entity's public website; and
 - (D) provide an interested party desiring to be heard an opportunity to present oral testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment.
- i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing of another overlapping taxing entity in the same county.
 - (ii) The taxing entities in which the power to set tax levies is vested in the same governing board or authority may consolidate the public hearings described in Subsection (3)(a)(v) or (4)(b) into one public hearing.
- The county auditor shall resolve any conflict in public hearing dates and times after consultation with each affected taxing entity.
- i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or (4)(b) beginning at or after 6 p.m.
- (ii) If a taxing entity holds a public meeting for the purpose of addressing general business of the taxing entity on the same date as a public hearing described in Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business items shall conclude before the beginning of the public hearing described in Subsection (3)(a)(v) or (4)(b).
- i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as another public hearing of the taxing entity.
- (ii) A taxing entity may hold the following hearings on the same date as a public hearing described in Subsection (3)(a)(v) or (4)(b):

269 (A) a budget hearing;

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

272 (C) if the taxing entity is a town, an enterprise fund hearing described in Section
273 10-5-107.5; or

274 (D) if the taxing entity is a city, an enterprise fund hearing described in Section
275 10-6-135.5.

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

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

282 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described
283 in Subsection (9)(a)(i) before September 1.

284 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of
285 additional ad valorem tax revenue that exceeds the largest amount of additional ad
286 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).

287 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
288 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's
289 proposed annual budget.

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

292 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to
293 meet the requirements of Subsection (8), the county auditor shall prepare and submit
294 a report of the auditor's findings to the commission.

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

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

302 (12) A taxing entity may not adopt a final budget that budgets an amount of additional ad

303 valorem tax revenue that exceeds 5% of last year's property tax budgeted revenue,
304 excluding eligible new growth.

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

306 **59-2-924 (Effective 06/01/26). Definitions -- Report of valuation of property to**
307 **county auditor and commission -- Transmittal by auditor to governing bodies --**
308 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget**
309 **-- Notice provided by the commission.**

310 (1) As used in this section:

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

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

- 314 (A) interest;
- 315 (B) penalties;
- 316 (C) collections from redemptions; or
- 317 (D) revenue received by a taxing entity from personal property that is
318 semiconductor manufacturing equipment assessed by a county assessor in
319 accordance with Part 3, County Assessment.

320 (b) "Adjusted tax increment" means the same as that term is defined in Section
321 17C-1-102.

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

- 323 (A) the aggregate taxable value of all real property a county assessor assesses in
324 accordance with Part 3, County Assessment, for the current year;
- 325 (B) the aggregate taxable value of all real and personal property the commission
326 assesses in accordance with Part 2, Assessment of Property, for the current
327 year; and
- 328 (C) the aggregate year end taxable value of all personal property a county assessor
329 assesses in accordance with Part 3, County Assessment, contained on the prior
330 year's tax rolls of the taxing entity.

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

- 333 (A) semiconductor manufacturing equipment assessed by a county assessor in
334 accordance with Part 3, County Assessment; and
- 335 (B) contained on the prior year's tax rolls of the taxing entity.

336 (d) "Base taxable value" means:

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

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

341 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
342 11-70-201, the same as that term is defined in Section 11-70-101;

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

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

347 (vi) for a host local government, the same as that term is defined in Section
348 63N-2-502;

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

352 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
353 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
354 5, Home Ownership Promotion Zone, a property's taxable value as shown upon
355 the assessment roll last equalized during the base year, as that term is defined in
356 Section 10-21-101 or Section 17-80-101;

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

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

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

369 (e) "Centrally assessed benchmark value" means an amount equal to the average year
370 end taxable value of real and personal property the commission assesses in

371 accordance with Part 2, Assessment of Property, for the previous three calendar
372 years, adjusted for taxable value attributable to:
373 (i) an annexation to a taxing entity;
374 (ii) an incorrect allocation of taxable value of real or personal property the
375 commission assesses in accordance with Part 2, Assessment of Property; or
376 (iii) a change in value as a result of a change in the method of apportioning the value
377 prescribed by the Legislature, a court, or the commission in an administrative rule
378 or administrative order.

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

- 381 (i) air carrier;
- 382 (ii) coal;
- 383 (iii) coal load out property;
- 384 (iv) electric generation;
- 385 (v) electric rural;
- 386 (vi) electric utility;
- 387 (vii) gas utility;
- 388 (viii) ground access property;
- 389 (ix) land only property;
- 390 (x) liquid pipeline;
- 391 (xi) metalliferous mining;
- 392 (xii) nonmetalliferous mining;
- 393 (xiii) oil and gas gathering;
- 394 (xiv) oil and gas production;
- 395 (xv) oil and gas water disposal;
- 396 (xvi) railroad;
- 397 (xvii) sand and gravel; and
- 398 (xviii) uranium.

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

- 400 (A) for each centrally assessed industry, zero; or
- 401 (B) the amount calculated by subtracting the centrally assessed benchmark value
402 for each centrally assessed industry, adjusted for prior year end incremental
403 value, from the taxable value of real and personal property the commission
404 assesses in accordance with Part 2, Assessment of Property, for each centrally

assessed industry for the current year, adjusted for current year incremental value.

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

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

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

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

(i) zero; or

(ii) the sum of:

(A) locally assessed new growth;

(B) centrally assessed new growth; and

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

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

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

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

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

(o) "Incremental value" means:

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

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

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

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

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

taxable value; and

- (B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;
- (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:
 - (A) the difference between the taxable value for the current year and the base taxable value of the property that is located within a project area; and
 - (B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;
- (iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:
 - (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and
 - (B) the number that represents the adjusted tax increment from that project area that is paid to the agency;
- (v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:
 - (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which property tax allocation is collected; and
 - (B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;
- (vi) for a housing and transit reinvestment zone or convention center reinvestment zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by multiplying:
 - (A) the difference between the taxable value and the base taxable value of the property that is located within a housing and transit reinvestment zone or convention center reinvestment zone and on which tax increment is collected; and
 - (B) the number that represents the percentage of the tax increment that is paid to the housing and transit reinvestment zone or convention center reinvestment zone;

473 (vii) for a host local government, an amount calculated by multiplying:

474 (A) the difference between the taxable value and the base taxable value of the
475 hotel property on which incremental property tax revenue is collected; and

476 (B) the number that represents the percentage of the incremental property tax
477 revenue from that hotel property that is paid to the host local government;

478 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
479 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
480 5, Home Ownership Promotion Zone, an amount calculated by multiplying:

481 (A) the difference between the taxable value and the base taxable value of the
482 property that is located within a home ownership promotion zone and on which
483 tax increment is collected; and

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

486 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
487 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:

488 (A) the difference between the taxable value and the base taxable value of the
489 property that is located within a first home investment zone and on which tax
490 increment is collected; and

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

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

496 (A) the difference between the taxable value and the base taxable value of the
497 property located within a qualified development zone for a major sporting
498 event venue zone and upon which property tax increment is collected; and

499 (B) the number that represents the percentage of tax increment that is paid to the
500 major sporting event venue zone, as approved by a major sporting event venue
501 zone committee described in Section 63N-1a-1706; or

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

504 (A) the difference between the taxable value and the base taxable value of the
505 property that is located within the electrical energy developmental zone; and

506 (B) the number that represents the percentage of the tax increment that is paid to a

community reinvestment agency and the Electrical Energy Development Investment Fund created in Section 79-6-1105.

(p)(i) "Locally assessed new growth" means the greater of:

- (A) zero; or
- (B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value, minus any change in value to property, as a result of physical improvements, that is less than 100% higher than the taxable value of the property for the previous year.

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

- (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;
- (B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;
- (C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or
- (D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.

(q) "Project area" means:

- (i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;
- (ii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;
- (iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- (iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;
- (v) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,

Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;

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

(viii) for a major sporting event venue zone established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, the qualified development zone, as defined in Section 63N-3-1701.

(r)(i) "Project area new growth" means:

[**(f)**] **(A)** for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;

[**(ii)**] **(B)** for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

[**(iii)**] **(C)** for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah Fairpark Area Investment and Restoration District;

[**(iv)**] **(D)** for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment;

[**(v)**] **(E)** for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation;

[(vi)] (F) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone or convention center reinvestment zone as tax increment;

[**(vii)**] **(G)** for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, an amount equal to the incremental value that is no longer provided to a home ownership promotion

575 zone as tax increment;

576 [(viii)] (H) for a first home investment zone created under Title 63N, Chapter 3,
577 Part 16, First Home Investment Zone Act, an amount equal to the incremental
578 value that is no longer provided to a first home investment zone as tax
579 increment; or

580 [(ix)] (I) for a major sporting event venue zone created under Title 63N, Chapter 3,
581 Part 17, Major Sporting Event Venue Zone Act, an amount equal to the
582 incremental value that is no longer provided to the creating entity of a major
583 sporting event venue zone as property tax increment.

584 (ii) "Project area new growth" does not include, for any entity described in
585 Subsection (1)(r)(i), a change in value for tangible personal property.

586 (s) "Project area incremental revenue" means the same as that term is defined in Section
587 17C-1-1001.

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

589 (u) "Property tax differential" means the same as that term is defined in Sections
590 11-58-102 and 79-6-1104.

591 (v) "Tax increment" means:

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

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

598 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
599 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
600 5, Home Ownership Promotion Zone, the same as that term is defined in Section
601 10-21-101 or Section 17-80-101;

602 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
603 First Home Investment Zone Act, the same as that term is defined in Section
604 63N-3-1601; or

605 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,
606 Major Sporting Event Venue Zone Act, property tax increment, as that term is
607 defined in Section 63N-3-1701.

608 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and

609 the commission the following statements:

610 (a) a statement containing the aggregate valuation of all taxable real property a county
611 assessor assesses in accordance with Part 3, County Assessment, for each taxing
612 entity; and

613 (b) a statement containing the taxable value of all personal property a county assessor
614 assesses in accordance with Part 3, County Assessment, from the prior year end
615 values.

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

618 (a) the statements described in Subsections (2)(a) and (b);
619 (b) an estimate of the revenue from personal property;
620 (c) the certified tax rate; and
621 (d) all forms necessary to submit a tax levy request.

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

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

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

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

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

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

637 (A) the amount calculated under Subsection (4)(b)(ii); and
638 (B) the percentage of property taxes collected for the five calendar years
639 immediately preceding the current calendar year; and

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

642 (A) multiplying the percentage of property taxes collected for the five calendar

years immediately preceding the current calendar year by eligible new growth; and

(B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).

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

(a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;

(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

- (i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services to Unincorporated Areas; and

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-78-501 and Subsection 17-63-101(23);

(c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and

(d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

- (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
- (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:

677 (i) the taxable value of real property:
678 (A) the county assessor assesses in accordance with Part 3, County Assessment;
679 and
680 (B) contained on the assessment roll;

681 (ii) the year end taxable value of personal property:
682 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
683 (B) contained on the prior year's assessment roll; and
684 (iii) the taxable value of real and personal property the commission assesses in
685 accordance with Part 2, Assessment of Property.

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

688 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
689 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
690 the county auditor of:
691 (i) the taxing entity's intent to exceed the certified tax rate; and
692 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
693 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
694 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

695 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
696 electronic means on or before July 31, to a taxing entity and the Revenue and
697 Taxation Interim Committee if:
698 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
699 taxable value of the real and personal property the commission assesses in
700 accordance with Part 2, Assessment of Property, for the previous year, adjusted
701 for prior year end incremental value; and
702 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
703 end taxable value of the real and personal property of a taxpayer the commission
704 assesses in accordance with Part 2, Assessment of Property, for the previous year.
705 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
706 subtracting the taxable value of real and personal property the commission assesses
707 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
708 current year incremental value, from the year end taxable value of the real and
709 personal property the commission assesses in accordance with Part 2, Assessment of
710 Property, for the previous year, adjusted for prior year end incremental value.

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

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

719 **Section 3. Effective Date.**

720 (1) Except as provided in Subsection (2), this bill takes effect on June 1, 2026.

721 (2) The actions affecting Section 59-2-919 (Effective 07/01/26) take effect on July 1, 2026.