

**Property Tax Rate Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

House Sponsor:

---

**LONG TITLE****Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 10 voting for 4 voting against 4 absent

**General Description:**

This bill addresses property tax rates.

**Highlighted Provisions:**

This bill:

- defines terms;
- limits the total amount of additional property tax revenue a taxing entity may obtain through truth-in-taxation;
- excludes certain valuation increases resulting from physical improvements to property from the calculation of locally assessed new growth;
- excludes increases to the value of tangible personal property from the calculation of project area new growth; and
- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-2-919 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

**59-2-924 (Effective 06/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

---

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

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

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

(1) As used in this section:

- (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue generated by the portion of the tax rate that exceeds the taxing entity's certified tax rate.
- (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including revenue from:
  - (i) eligible new growth; or
  - (ii) personal property that is:
    - (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
    - (B) semiconductor manufacturing equipment.
- (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal year in which the taxing entity first adopted a budget below last year's property tax budgeted revenue.
- (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding eligible new growth, for the base year.
- (e) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year that begins on January 1 and ends on December 31.
- (f) "County executive calendar year taxing entity" means a calendar year taxing entity that operates under the county executive-council form of government described in Section 17-62-203.
- (g) "Current calendar year" means the calendar year immediately preceding the calendar year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate.
- (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.
- (i) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July 1 and ends on June 30.
- (j) "Meeting" means the same as that term is defined in Section 52-4-103.
- (k) "Last year's property tax budgeted revenue" does not include:
  - (i) revenue received by a taxing entity from a debt service levy voted on by the public;
  - (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or

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

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

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

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

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

(3)(a) Subject to Subsection (3)(b) and except as provided in ~~[Subsection]~~ 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 17B-1-610.

- 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

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

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

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

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

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

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

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

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

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

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

(i) data for the current calendar year; and

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

(4) Except as provided in ~~[Subsection]~~ Subsections (5) and (12), a fiscal year taxing entity may levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:

(a) provides notice by meeting the advertisement requirements of Subsections (6) and (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year taxing entity's annual budget is adopted; and

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

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

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

(4) if:

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

(ii) the taxing entity:

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

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

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

(i) electronically in accordance with Section 45-1-101; and

(ii) as a class A notice under Section 63G-30-102.

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

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

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

"NOTICE OF PROPOSED TAX INCREASE

(NAME OF TAXING ENTITY)

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

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

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

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

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

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

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

#### PUBLIC HEARING

Date/Time: (date) (time)

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

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

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

(7) The commission:

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

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

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

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

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

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

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

(A) open to the public;

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

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

- 235 through electronic means.
- 236 (ii) The governing body of a taxing entity conducting a public hearing described in  
237 Subsection (3)(a)(v) or (4)(b) shall:
- 238 (A) state the dollar amount of additional ad valorem tax revenue that would be  
239 generated each year by the proposed increase in the certified tax rate;
- 240 (B) explain the reasons for the proposed tax increase, including the taxing entity's  
241 intended use of additional ad valorem tax revenue described in Subsection  
242 (8)(b)(ii)(A);
- 243 (C) if the county auditor compiles the list required by Section 59-2-919.2, present  
244 the list at the public hearing and make the list available on the taxing entity's  
245 public website; and
- 246 (D) provide an interested party desiring to be heard an opportunity to present oral  
247 testimony within reasonable time limits and without unreasonable restriction  
248 on the number of individuals allowed to make public comment.
- 249 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a  
250 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the  
251 public hearing of another overlapping taxing entity in the same county.
- 252 (ii) The taxing entities in which the power to set tax levies is vested in the same  
253 governing board or authority may consolidate the public hearings described in  
254 Subsection (3)(a)(v) or (4)(b) into one public hearing.
- 255 (d) The county auditor shall resolve any conflict in public hearing dates and times after  
256 consultation with each affected taxing entity.
- 257 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or  
258 (4)(b) beginning at or after 6 p.m.
- 259 (ii) If a taxing entity holds a public meeting for the purpose of addressing general  
260 business of the taxing entity on the same date as a public hearing described in  
261 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business  
262 items shall conclude before the beginning of the public hearing described in  
263 Subsection (3)(a)(v) or (4)(b).
- 264 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the  
265 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as  
266 another public hearing of the taxing entity.
- 267 (ii) A taxing entity may hold the following hearings on the same date as a public  
268 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

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

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

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

(1) As used in this section:

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

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

(A) interest;

(B) penalties;

(C) collections from redemptions; or

(D) revenue received by a taxing entity from personal property that is  
semiconductor manufacturing equipment assessed by a county assessor in  
accordance with Part 3, County Assessment.

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

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

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

(B) the aggregate taxable value of all real and personal property the commission  
assesses in accordance with Part 2, Assessment of Property, for the current  
year; and

(C) the aggregate year end taxable value of all personal property a county assessor  
assesses in accordance with Part 3, County Assessment, contained on the prior  
year's tax rolls of the taxing entity.

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

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

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

(d) "Base taxable value" means:

- (i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;
- (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section 11-59-207;
- (iii) 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;
- (iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- (v) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;
- (vi) for a host local government, the same as that term is defined in Section 63N-2-502;
- (vii) 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;
- (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 10-21-101 or Section 17-80-101;
- (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-1601;
- (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the property tax base year, as that term is defined in Section 63N-3-1701; or
- (xi) for an electrical energy development zone created under Section 79-6-1104, the value of the property within an electrical energy development zone, as shown on the assessment roll last equalized before the creation of the electrical development zone, as that term is defined in Section 79-6-1104.
- (e) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value of real and personal property the commission assesses in

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

- 405                   assessed industry for the current year, adjusted for current year incremental  
406                   value.
- 407           (ii) "Centrally assessed new growth" does not include a change in value for a  
408                   centrally assessed industry as a result of a change in the method of apportioning  
409                   the value prescribed by the Legislature, a court, or the commission in an  
410                   administrative rule or administrative order.
- 411   (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property  
412           tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 413   (i) "Community reinvestment agency" means the same as that term is defined in Section  
414           17C-1-102.
- 415   (j) "Eligible new growth" means the greater of:  
416           (i) zero; or  
417           (ii) the sum of:  
418                   (A) locally assessed new growth;  
419                   (B) centrally assessed new growth; and  
420                   (C) project area new growth or hotel property new growth.
- 421   (k) "Host local government" means the same as that term is defined in Section  
422           63N-2-502.
- 423   (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 424   (m) "Hotel property new growth" means an amount equal to the incremental value that is  
425           no longer provided to a host local government as incremental property tax revenue.
- 426   (n) "Incremental property tax revenue" means the same as that term is defined in Section  
427           63N-2-502.
- 428   (o) "Incremental value" means:  
429           (i) for an authority created under Section 11-58-201, the amount calculated by  
430                   multiplying:  
431                   (A) the difference between the taxable value and the base taxable value of the  
432                   property that is located within a project area and on which property tax  
433                   differential is collected; and  
434                   (B) the number that represents the percentage of the property tax differential that  
435                   is paid to the authority;
- 436           (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
437                   an amount calculated by multiplying:  
438                   (A) the difference between the current assessed value of the property and the base

- 439 taxable value; and
- 440 (B) the number that represents the percentage of the property tax augmentation, as
- 441 defined in Section 11-59-207, that is paid to the Point of the Mountain State
- 442 Land Authority;
- 443 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 444 11-70-201, the amount calculated by multiplying:
- 445 (A) the difference between the taxable value for the current year and the base
- 446 taxable value of the property that is located within a project area; and
- 447 (B) the number that represents the percentage of enhanced property tax revenue,
- 448 as defined in Section 11-70-101;
- 449 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
- 450 multiplying:
- 451 (A) the difference between the taxable value and the base taxable value of the
- 452 property located within a project area and on which tax increment is collected;
- 453 and
- 454 (B) the number that represents the adjusted tax increment from that project area
- 455 that is paid to the agency;
- 456 (v) for an authority created under Section 63H-1-201, the amount calculated by
- 457 multiplying:
- 458 (A) the difference between the taxable value and the base taxable value of the
- 459 property located within a project area and on which property tax allocation is
- 460 collected; and
- 461 (B) the number that represents the percentage of the property tax allocation from
- 462 that project area that is paid to the authority;
- 463 (vi) for a housing and transit reinvestment zone or convention center reinvestment
- 464 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
- 465 Reinvestment Zone Act, an amount calculated by multiplying:
- 466 (A) the difference between the taxable value and the base taxable value of the
- 467 property that is located within a housing and transit reinvestment zone or
- 468 convention center reinvestment zone and on which tax increment is collected;
- 469 and
- 470 (B) the number that represents the percentage of the tax increment that is paid to
- 471 the housing and transit reinvestment zone or convention center reinvestment
- 472 zone;

- (vii) for a host local government, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the hotel property on which incremental property tax revenue is collected; and
  - (B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government;
- (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within a home ownership promotion zone and on which tax increment is collected; and
  - (B) the number that represents the percentage of the tax increment that is paid to the home ownership promotion zone;
- (ix) for a first home investment zone created in accordance with Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within a first home investment zone and on which tax increment is collected; and
  - (B) the number that represents the percentage of the tax increment that is paid to the first home investment zone;
- (x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property located within a qualified development zone for a major sporting event venue zone and upon which property tax increment is collected; and
  - (B) the number that represents the percentage of tax increment that is paid to the major sporting event venue zone, as approved by a major sporting event venue zone committee described in Section 63N-1a-1706; or
- (xi) for an electrical energy development zone created under Section 79-6-1104, the amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within the electrical energy developmental zone; and
  - (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:

~~[(i)]~~ (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

the commission the following statements:

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

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

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

(a) the statements described in Subsections (2)(a) and (b);

(b) an estimate of the revenue from personal property;

(c) the certified tax rate; and

(d) all forms necessary to submit a tax levy request.

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

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

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

(A) the aggregate taxable value of all property taxed; and

(B) any adjustments for current year incremental value;

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

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

(A) the amount calculated under Subsection (4)(b)(ii); and

(B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and

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

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

- 643                   years immediately preceding the current calendar year by eligible new growth;  
644                   and
- 645                   (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the  
646                   amount calculated under Subsection (4)(b)(iii).
- 647       (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated  
648       as follows:
- 649           (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified  
650           tax rate is zero;
- 651           (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 652               (i) in a county of the first, second, or third class, the levy imposed for municipal-type  
653               services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services  
654               to Unincorporated Areas; and
- 655               (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
656               purposes and such other levies imposed solely for the municipal-type services  
657               identified in Section 17-78-501 and Subsection 17-63-101(23);
- 658           (c) for a community reinvestment agency that received all or a portion of a taxing  
659           entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,  
660           Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in  
661           Subsection (4) except that the commission shall treat the total revenue transferred to  
662           the community reinvestment agency as ad valorem property tax revenue that the  
663           taxing entity budgeted for the prior year; and
- 664           (d) for debt service voted on by the public, the certified tax rate is the actual levy  
665           imposed by that section, except that a certified tax rate for the following levies shall  
666           be calculated in accordance with Section 59-2-913 and this section:
- 667               (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and  
668               (ii) a levy to pay for the costs of state legislative mandates or judicial or  
669               administrative orders under Section 59-2-1602.
- 670       (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or  
671       59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy  
672       one or more eligible judgments.
- 673           (b) The ad valorem property tax revenue generated by a judgment levy described in  
674           Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate  
675           certified tax rate.
- 676       (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.