

**Daniel McCay** proposes the following substitute bill:

**Tax Revenue Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

House Sponsor:

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to tax revenue.

**Highlighted Provisions:**

This bill:

- defines terms;
- limits the amount of surplus funds that may accumulate in a city or county general fund;
- limits the residential property tax exemption to one primary residence per household;
- establishes a rebuttable presumption that property owned by a business entity does not qualify for the residential exemption;
- requires residential property owners to apply to the county to receive a residential exemption if the property was ineligible for the residential exemption in the prior year, an ownership interest in the property changes, or the county has reason to believe the property no longer qualifies for the residential exemption;
- prohibits taxing entities from depositing property tax revenue into a reserve fund for capital improvement projects after a certain date;
- limits the total amount of additional property tax revenue a taxing entity may obtain through truth-in-taxation, with certain exceptions;
- 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;
- subtracts interest earned on investments from a taxing entity's certified tax rate calculation; 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:**

**10-6-116 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 52  
**17-63-204 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,  
First Special Session, Chapter 13  
**59-2-103 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 234  
**59-2-103.5 (Effective 01/01/27)**, as last amended by Laws of Utah 2025, Chapter 234  
**59-2-917 (Effective 05/06/26)**, as last amended by Laws of Utah 1988, Chapter 3  
**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

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

Section 1. Section **10-6-116** is amended to read:

**10-6-116 (Effective 05/06/26). Accumulated fund balances -- Limitations --  
Excess balances -- Unanticipated excess of revenues -- Reserves for capital improvements.**

(1)(a) A city may accumulate retained earnings or fund balances, as appropriate, in any  
fund. With respect to the city general fund only, any accumulated fund balance is  
restricted to the following purposes:

- (i) to provide working capital to finance expenditures from the beginning of the  
budget period until general property taxes, sales taxes, or other applicable  
revenues are collected, thereby reducing the amount the city must borrow during  
the period;
- (ii) to provide a resource to meet emergency expenditures under Section 10-6-129;  
and
- (iii) to cover a pending year-end excess of expenditures over revenues from an  
unavoidable shortfall in revenues.

(b) Notwithstanding Subsection (1)(a)(i), a city may not appropriate a fund balance for  
budgeting purposes except as provided in Subsection (4).

(c) Notwithstanding Subsection (1)(a)(iii), a city may not appropriate a fund balance to

avoid an operating deficit during any budget period except as provided under Subsection (4), or for emergency purposes under Section 10-6-129.

(2) The accumulation of a fund balance in the city general fund may not exceed [35%] 25% of the total revenue of the city general fund for the current fiscal period.

(3) If the fund balance at the close of any fiscal period exceeds the amount permitted under Subsection (2), the excess shall be appropriated in the manner provided in Section 10-6-117.

(4) Any fund balance in excess of 5% of the total revenues of the city general fund may be utilized for budget purposes.

(5)(a) Within a capital improvements fund, the governing body may, in any budget period, appropriate from estimated revenue or fund balance to a reserve for capital improvements for the purpose of financing future specific capital improvements, under a formal long-range capital plan adopted by the governing body.

(b) The reserves described in Subsection (5)(a) may accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) Disbursements from reserves described in Subsection (5)(a) shall be made only by transfer to a revenue or transfer account within the capital improvements fund, under a budget appropriation in a budget for the fund adopted in the manner provided by this chapter.

(d) Expenditures from the above appropriation budget accounts shall conform to all requirements of this chapter relating to execution and control of budgets.

Section 2. Section **17-63-204** is amended to read:

**17-63-204 (Effective 05/06/26). Retained earnings -- Accumulation -- Restrictions -- Disbursements.**

(1)(a) A county may accumulate:

(i) retained earnings in any enterprise or internal service fund; and

(ii) a fund balance in any fund that is not an enterprise or internal service fund.

(b) Notwithstanding Subsection (1)(a), use of the county general fund shall be restricted to the following purposes:

(i) to provide cash to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other revenues are collected;

(ii) to provide a fund or reserve to meet emergency expenditures; and

(iii) to cover unanticipated deficits for future years.

(2)(a) The maximum accumulated unappropriated surplus in the county general fund, as determined before adoption of the tentative budget, may not exceed ~~[an amount equal to the greater of:]~~ 25% of the total revenues of the county general fund for the current fiscal period.

~~[(i)(A) for a county with a taxable value of \$750,000,000 or more and a population of 100,000 or more, 25% of the total revenues of the county general fund for the current fiscal period; or]~~

~~[(B) for any other county, 65% of the total revenues of the county general fund for the current fiscal period; and]~~

~~[(ii) the estimated total revenues from property taxes for the current fiscal period.]~~

(b) Any surplus balance in excess of the above computed maximum shall be included in the estimated revenues of the county general fund budget for the next fiscal period.

(3) Any fund balance exceeding 5% of the total county general fund revenues may be used for budgetary purposes.

(4)(a) A county may appropriate funds from estimated revenue in any budget period to a reserve for capital improvements within any capital improvements fund which has been duly established by ordinance or resolution.

(b) Money in the reserves shall be allowed to accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) Disbursements from the reserves shall be made only by transfer to a revenue account within a capital improvements fund in accordance with an appropriation for the fund.

(d) Expenditures from the capital improvement budget accounts shall conform to all requirements of this chapter as it relates to the execution and control of budgets.

Section 3. Section **59-2-103** is amended to read:

**59-2-103 (Effective 05/06/26). Rate of assessment of property -- Residential property -- Rebuttable presumption.**

(1) As used in this section:

(a) "Business entity" means the same as that term is defined in Section 59-2-1332.5.

~~[(a)]~~ (b)(i) "Household" means the association of individuals who live in the same dwelling, sharing the dwelling's furnishings, facilities, accommodations, and expenses.

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

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

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

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

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

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

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

~~[(b) An owner of multiple primary residences located within the state is allowed a residential exemption under Subsection (3) for:]~~

~~[(i) subject to Subsection (6)(a), the primary residence of the owner;]~~

~~[(ii) each residential property that is the primary residence of a tenant; and]~~

~~[(iii) subject to Subsection 59-2-103.5(4), each residential property described in Subsection 59-2-102(35)(b)(ii).]~~

(7) There is a rebuttable presumption that property owned by a business entity does not qualify for the residential exemption described in Subsection (3).

Section 4. Section **59-2-103.5** is amended to read:

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

(1) Subject to Subsections (4), (5), and (6), [~~and (11),~~]for residential property other than part-year residential property, [~~a county legislative body may adopt an ordinance that requires~~]an owner [~~to~~] shall file an application with the county board of equalization before the county applies a residential exemption authorized under Section 59-2-103 to the value of the residential property if:

(a) the residential property was ineligible for the residential exemption during the

calendar year immediately preceding the calendar year for which the owner is seeking to have the residential exemption applied to the value of the residential property;

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) that the owner, or a member of the owner's household, may not claim a residential exemption for any property for the calendar year for which the owner seeks to obtain the residential exemption, other than the part-year residential property, or as allowed under Section 59-2-103 with respect to the primary residence or household furnishings, furniture, and equipment of the owner's tenant.

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

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

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

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

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

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

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

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

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

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

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

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

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

(6)(a) Except as provided in Subsection (6)(b), the county board of equalization may not accept from a property owner an application to receive a residential exemption authorized under Section 59-2-103 for the property owner's primary residence that is filed after the later of:

- 233 (i) September 15 of the calendar year for which the property owner seeks to receive  
234 the residential exemption; or
- 235 (ii) the last day of a 45-day period beginning on the day on which the county auditor  
236 provides the notice under Section 59-2-919.1.
- 237 (b)(i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
238 the commission may make rules providing for circumstances under which the  
239 county board of equalization is required to accept a property owner's application  
240 for a residential exemption authorized under Section 59-2-103 that is filed after  
241 the time period described in Subsection (6)(a).
- 242 (ii) The commission shall report to the Revenue and Taxation Interim Committee on  
243 any rules [~~promulgated~~] implemented under this Subsection (6)(b).
- 244 (7) Except as provided in Subsection (8), if a property owner no longer qualifies to receive  
245 a residential exemption authorized under Section 59-2-103 for the property owner's  
246 primary residence, the property owner shall:
- 247 (a) file a written statement with the county board of equalization of the county in which  
248 the property is located:
- 249 (i) on a form provided by the county board of equalization; and
- 250 (ii) notifying the county board of equalization that the property owner no longer  
251 qualifies to receive a residential exemption authorized under Section 59-2-103 for  
252 the property owner's primary residence; and
- 253 (b) declare on the property owner's individual income tax return under Chapter 10,  
254 Individual Income Tax Act, for the taxable year for which the property owner no  
255 longer qualifies to receive a residential exemption authorized under Section 59-2-103  
256 for the property owner's primary residence, that the property owner no longer  
257 qualifies to receive a residential exemption authorized under Section 59-2-103 for the  
258 property owner's primary residence.
- 259 (8) A property owner is not required to file a written statement or make the declaration  
260 described in Subsection (7) if the property owner:
- 261 (a) changes primary residences;
- 262 (b) qualified to receive a residential exemption authorized under Section 59-2-103 for  
263 the residence that was the property owner's former primary residence; and
- 264 (c) qualifies to receive a residential exemption authorized under Section 59-2-103 for the  
265 residence that is the property owner's current primary residence.
- 266 (9) Subsections (2) through (8) do not apply to qualifying exempt primary residential rental



personal property.

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

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

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

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

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

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

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

~~[(ii) the address listed on the:]~~

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

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

~~[(iii) the address listed on the:]~~

~~[(A) residential property owner's voter registration; or]~~

~~[(B) tenant of the residential property's voter registration.]~~

~~[(c) A county assessor is not required to provide a notice to an owner of residential property under Subsection (11)(a) if:]~~

~~[(i) the owner is using a post office box or rural route box located in the county where~~

- the residential property is located; and]
- [(ii) the residential property is located in a county of the fourth, fifth, or sixth class.]
- [(d) An owner of residential property that receives a notice described in Subsection (11)(a) shall submit a written declaration to the county assessor under penalty of perjury certifying the information contained in the form described in Subsection (11)(e).]
- [(e) The written declaration required by Subsection (11)(d) shall be:]
- [(i) signed by the owner of the residential property; and]
- [(ii) in substantially the following form:

**"Residential Property Declaration**

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

**Residential Property Owner Information**

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

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

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

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

**Residential Property Information**

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

**Certification**

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

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

Yes      No

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

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

Yes      No

If a property owner or a property owner's spouse claims a residential exemption under

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

Signature

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

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

\_\_\_\_\_(Owner printed name)]

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

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

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

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

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

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

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

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

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

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

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

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

- [~~(B) the property owner will no longer qualify to receive the residential exemption authorized under Section 59-2-103 for the property that is the subject of the written declaration if the property owner does not file the written declaration required by Subsection (11)(d) within 30 days after the day on which the county assessor mails the notice under this Subsection (11)(h)(i).]~~
- [~~(ii) If a property owner fails to file a written declaration required by Subsection (11)(d) after receiving the notice described in Subsection (11)(h)(i), the property owner no longer qualifies to receive the residential exemption authorized under Section 59-2-103 in the calendar year for the property that is the subject of the written declaration unless:~~
- [~~(A) except as provided in Subsection (11)(h)(iii), the property owner appeals the redetermination to the board of equalization in accordance with Subsection 59-2-1004(2); or]~~
- [~~(B) the county determines that the property is eligible to receive a primary residential exemption as part-year residential property.]~~
- [~~(iii) The board of equalization may not accept an appeal that is filed after the later of:~~
- [~~(A) September 15 of the current calendar year; or]~~
- [~~(B) the last day of the 45-day period beginning on the day on which the county auditor provides the notice under Section 59-2-919.1.]~~
- [~~(iv) A property owner that is disqualified to receive the residential exemption under Subsection (11)(h)(ii) may file an application described in Subsection (1) to determine whether the owner is eligible to receive the residential exemption.]~~
- [~~(i) The requirements of this Subsection (11) do not apply to a county assessor in a county that adopts and enforces an ordinance described in Subsection (1).]~~
- Section 5. Section **59-2-917** is amended to read:
- 59-2-917 (Effective 05/06/26). Use of funds.**
- (1) The money raised by the levy imposed by Section 59-2-916 may be used for development purposes as provided in Section 59-2-916 or the governing body of any taxing entity may make contributions to the extent of the fund raised by the tax, to any state or government agency which has been organized for that public purpose and is engaged in the development.
- (2) Notwithstanding any other provision of law, beginning May 6, 2026, a taxing entity may not deposit property tax revenue into a reserve fund for capital improvement projects.

Section 6. 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.

(b)(i) For a county executive calendar year taxing entity, the statement described in Subsection (3)(a)(i) shall be made by the:

- (A) county council;
- (B) county executive; or
- (C) both the county council and county executive.

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

- (A) make the statement described in Subsection (3)(a)(i) 14 or more days before the county executive calendar year taxing entity conducts the public hearing under Subsection (3)(a)(v); and
- (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the county executive calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v).

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

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

- (A) within the calendar year taxing entity; and
- (B) listed on the assessment roll;

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

- (A) is developed by the commission;
- (B) states at the top of the form, in bold upper-case type no smaller than 18 point "NOTICE OF PROPOSED TAX INCREASE"; and
- (C) may be mailed with the notice required by Section 59-2-1317;

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

- (A) the value of the property for the current calendar year;
- (B) the tax on the property for the current calendar year; and
- (C) subject to Subsection (3)(d), for the calendar year for which the calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate, the estimated tax on the property;

(iv) shall contain the following statement:

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

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

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

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

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

(viii) shall state the Internet 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

- 607 through electronic means.
- 608 (ii) The governing body of a taxing entity conducting a public hearing described in  
609 Subsection (3)(a)(v) or (4)(b) shall:
- 610 (A) state the dollar amount of additional ad valorem tax revenue that would be  
611 generated each year by the proposed increase in the certified tax rate;
- 612 (B) explain the reasons for the proposed tax increase, including the taxing entity's  
613 intended use of additional ad valorem tax revenue described in Subsection  
614 (8)(b)(ii)(A);
- 615 (C) if the county auditor compiles the list required by Section 59-2-919.2, present  
616 the list at the public hearing and make the list available on the taxing entity's  
617 public website; and
- 618 (D) provide an interested party desiring to be heard an opportunity to present oral  
619 testimony within reasonable time limits and without unreasonable restriction  
620 on the number of individuals allowed to make public comment.
- 621 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a  
622 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the  
623 public hearing of another overlapping taxing entity in the same county.
- 624 (ii) The taxing entities in which the power to set tax levies is vested in the same  
625 governing board or authority may consolidate the public hearings described in  
626 Subsection (3)(a)(v) or (4)(b) into one public hearing.
- 627 (d) The county auditor shall resolve any conflict in public hearing dates and times after  
628 consultation with each affected taxing entity.
- 629 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or  
630 (4)(b) beginning at or after 6 p.m.
- 631 (ii) If a taxing entity holds a public meeting for the purpose of addressing general  
632 business of the taxing entity on the same date as a public hearing described in  
633 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business  
634 items shall conclude before the beginning of the public hearing described in  
635 Subsection (3)(a)(v) or (4)(b).
- 636 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the  
637 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as  
638 another public hearing of the taxing entity.
- 639 (ii) A taxing entity may hold the following hearings on the same date as a public  
640 hearing described in Subsection (3)(a)(v) or (4)(b):

- 641 (A) a budget hearing;
- 642 (B) if the taxing entity is a special district or a special service district, a fee
- 643 hearing described in Section 17B-1-643;
- 644 (C) if the taxing entity is a town, an enterprise fund hearing described in Section
- 645 10-5-107.5; or
- 646 (D) if the taxing entity is a city, an enterprise fund hearing described in Section
- 647 10-6-135.5.
- 648 (9)(a) If a taxing entity does not make a final decision on budgeting additional ad
- 649 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b),
- 650 the taxing entity shall:
- 651 (i) announce at that public hearing the scheduled time and place of the next public
- 652 meeting at which the taxing entity will consider budgeting the additional ad
- 653 valorem tax revenue; and
- 654 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described
- 655 in Subsection (9)(a)(i) before September 1.
- 656 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of
- 657 additional ad valorem tax revenue that exceeds the largest amount of additional ad
- 658 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- 659 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
- 660 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's
- 661 proposed annual budget.
- 662 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance
- 663 with Subsection (8).
- 664 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to
- 665 meet the requirements of Subsection (8), the county auditor shall prepare and submit
- 666 a report of the auditor's findings to the commission.
- 667 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax
- 668 rate if, on or before September 15 of the year in which the taxing entity is required to
- 669 hold the public hearing described in Subsection (3)(a)(v) or (4)(b), the commission
- 670 determines that the taxing entity has failed to meet the requirements of Subsection (8).
- 671 (11) For a fiscal year within a truth-in-taxation exemption period, a taxing entity may adopt
- 672 a budget that is equal to or less than the base year budgeted revenue without complying
- 673 with this section.
- 674 (12)(a) Except as provided in Subsection (12)(b), a taxing entity may not adopt a final

675 budget that budgets an amount of additional ad valorem tax revenue that exceeds 5%  
676 of last year's property tax budgeted revenue, excluding eligible new growth.

677 (b) The prohibition in Subsection (12)(a) does not apply to a taxing entity that:

678 (i) is a school district; and

679 (ii) receives state support in accordance with Section 53F-2-601.

680 Section 7. Section **59-2-924** is amended to read:

681 **59-2-924 (Effective 06/01/26). Definitions -- Report of valuation of property to**  
682 **county auditor and commission -- Transmittal by auditor to governing bodies --**  
683 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget**  
684 **-- Notice provided by the commission.**

685 (1) As used in this section:

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

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

689 (A) interest;

690 (B) penalties;

691 (C) collections from redemptions; or

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

695 (b) "Adjusted tax increment" means the same as that term is defined in Section  
696 17C-1-102.

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

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

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

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

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

708 (A) semiconductor manufacturing equipment assessed by a county assessor in

- 709                   accordance with Part 3, County Assessment; and  
710                   (B) contained on the prior year's tax rolls of the taxing entity.
- 711       (d) "Base taxable value" means:
- 712           (i) for an authority created under Section 11-58-201, the same as that term is defined  
713               in Section 11-58-102;
- 714           (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
715               the same as that term is defined in Section 11-59-207;
- 716           (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
717               11-70-201, the same as that term is defined in Section 11-70-101;
- 718           (iv) for an agency created under Section 17C-1-201.5, the same as that term is  
719               defined in Section 17C-1-102;
- 720           (v) for an authority created under Section 63H-1-201, the same as that term is defined  
721               in Section 63H-1-102;
- 722           (vi) for a host local government, the same as that term is defined in Section  
723               63N-2-502;
- 724           (vii) for a housing and transit reinvestment zone or convention center reinvestment  
725               zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
726               Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 727           (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part  
728               5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,  
729               Part 5, Home Ownership Promotion Zone, a property's taxable value as shown  
730               upon the assessment roll last equalized during the base year, as that term is  
731               defined in Section 10-21-101 or Section 17-80-101;
- 732           (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,  
733               First Home Investment Zone Act, a property's taxable value as shown upon the  
734               assessment roll last equalized during the base year, as that term is defined in  
735               Section 63N-3-1601;
- 736           (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part  
737               17, Major Sporting Event Venue Zone Act, a property's taxable value as shown  
738               upon the assessment roll last equalized during the property tax base year, as that  
739               term is defined in Section 63N-3-1701; or
- 740           (xi) for an electrical energy development zone created under Section 79-6-1104, the  
741               value of the property within an electrical energy development zone, as shown on  
742               the assessment roll last equalized before the creation of the electrical development

- 743 zone, as that term is defined in Section 79-6-1104.
- 744 (e) "Centrally assessed benchmark value" means an amount equal to the average year  
745 end taxable value of real and personal property the commission assesses in  
746 accordance with Part 2, Assessment of Property, for the previous three calendar  
747 years, adjusted for taxable value attributable to:
- 748 (i) an annexation to a taxing entity;
  - 749 (ii) an incorrect allocation of taxable value of real or personal property the  
750 commission assesses in accordance with Part 2, Assessment of Property; or
  - 751 (iii) a change in value as a result of a change in the method of apportioning the value  
752 prescribed by the Legislature, a court, or the commission in an administrative rule  
753 or administrative order.
- 754 (f) "Centrally assessed industry" means the following industry classes the commission  
755 assesses in accordance with Part 2, Assessment of Property:
- 756 (i) air carrier;
  - 757 (ii) coal;
  - 758 (iii) coal load out property;
  - 759 (iv) electric generation;
  - 760 (v) electric rural;
  - 761 (vi) electric utility;
  - 762 (vii) gas utility;
  - 763 (viii) ground access property;
  - 764 (ix) land only property;
  - 765 (x) liquid pipeline;
  - 766 (xi) metalliferous mining;
  - 767 (xii) nonmetalliferous mining;
  - 768 (xiii) oil and gas gathering;
  - 769 (xiv) oil and gas production;
  - 770 (xv) oil and gas water disposal;
  - 771 (xvi) railroad;
  - 772 (xvii) sand and gravel; and
  - 773 (xviii) uranium.
- 774 (g)(i) "Centrally assessed new growth" means the greater of:
- 775 (A) for each centrally assessed industry, zero; or
  - 776 (B) the amount calculated by subtracting the centrally assessed benchmark value

- 777 for each centrally assessed industry, adjusted for prior year end incremental  
778 value, from the taxable value of real and personal property the commission  
779 assesses in accordance with Part 2, Assessment of Property, for each centrally  
780 assessed industry for the current year, adjusted for current year incremental  
781 value.
- 782 (ii) "Centrally assessed new growth" does not include a change in value for a  
783 centrally assessed industry as a result of a change in the method of apportioning  
784 the value prescribed by the Legislature, a court, or the commission in an  
785 administrative rule or administrative order.
- 786 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property  
787 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 788 (i) "Community reinvestment agency" means the same as that term is defined in Section  
789 17C-1-102.
- 790 (j) "Eligible new growth" means the greater of:  
791 (i) zero; or  
792 (ii) the sum of:  
793 (A) locally assessed new growth;  
794 (B) centrally assessed new growth; and  
795 (C) project area new growth or hotel property new growth.
- 796 (k) "Host local government" means the same as that term is defined in Section  
797 63N-2-502.
- 798 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 799 (m) "Hotel property new growth" means an amount equal to the incremental value that is  
800 no longer provided to a host local government as incremental property tax revenue.
- 801 (n) "Incremental property tax revenue" means the same as that term is defined in Section  
802 63N-2-502.
- 803 (o) "Incremental value" means:  
804 (i) for an authority created under Section 11-58-201, the amount calculated by  
805 multiplying:  
806 (A) the difference between the taxable value and the base taxable value of the  
807 property that is located within a project area and on which property tax  
808 differential is collected; and  
809 (B) the number that represents the percentage of the property tax differential that  
810 is paid to the authority;



- 811 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
812 an amount calculated by multiplying:
- 813 (A) the difference between the current assessed value of the property and the base  
814 taxable value; and
- 815 (B) the number that represents the percentage of the property tax augmentation, as  
816 defined in Section 11-59-207, that is paid to the Point of the Mountain State  
817 Land Authority;
- 818 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
819 11-70-201, the amount calculated by multiplying:
- 820 (A) the difference between the taxable value for the current year and the base  
821 taxable value of the property that is located within a project area; and
- 822 (B) the number that represents the percentage of enhanced property tax revenue,  
823 as defined in Section 11-70-101;
- 824 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by  
825 multiplying:
- 826 (A) the difference between the taxable value and the base taxable value of the  
827 property located within a project area and on which tax increment is collected;  
828 and
- 829 (B) the number that represents the adjusted tax increment from that project area  
830 that is paid to the agency;
- 831 (v) for an authority created under Section 63H-1-201, the amount calculated by  
832 multiplying:
- 833 (A) the difference between the taxable value and the base taxable value of the  
834 property located within a project area and on which property tax allocation is  
835 collected; and
- 836 (B) the number that represents the percentage of the property tax allocation from  
837 that project area that is paid to the authority;
- 838 (vi) for a housing and transit reinvestment zone or convention center reinvestment  
839 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit  
840 Reinvestment Zone Act, an amount calculated by multiplying:
- 841 (A) the difference between the taxable value and the base taxable value of the  
842 property that is located within a housing and transit reinvestment zone or  
843 convention center reinvestment zone and on which tax increment is collected;  
844 and

- 845 (B) the number that represents the percentage of the tax increment that is paid to  
846 the housing and transit reinvestment zone or convention center reinvestment  
847 zone;
- 848 (vii) for a host local government, an amount calculated by multiplying:
- 849 (A) the difference between the taxable value and the base taxable value of the  
850 hotel property on which incremental property tax revenue is collected; and
- 851 (B) the number that represents the percentage of the incremental property tax  
852 revenue from that hotel property that is paid to the host local government;
- 853 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part  
854 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,  
855 Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
- 856 (A) the difference between the taxable value and the base taxable value of the  
857 property that is located within a home ownership promotion zone and on which  
858 tax increment is collected; and
- 859 (B) the number that represents the percentage of the tax increment that is paid to  
860 the home ownership promotion zone;
- 861 (ix) for a first home investment zone created in accordance with Title 63N, Chapter  
862 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 863 (A) the difference between the taxable value and the base taxable value of the  
864 property that is located within a first home investment zone and on which tax  
865 increment is collected; and
- 866 (B) the number that represents the percentage of the tax increment that is paid to  
867 the first home investment zone;
- 868 (x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3,  
869 Part 17, Major Sporting Event Venue Zone Act, an amount calculated by  
870 multiplying:
- 871 (A) the difference between the taxable value and the base taxable value of the  
872 property located within a qualified development zone for a major sporting  
873 event venue zone and upon which property tax increment is collected; and
- 874 (B) the number that represents the percentage of tax increment that is paid to the  
875 major sporting event venue zone, as approved by a major sporting event venue  
876 zone committee described in Section 63N-1a-1706; or
- 877 (xi) for an electrical energy development zone created under Section 79-6-1104, the  
878 amount calculated by multiplying:

- 879 (A) the difference between the taxable value and the base taxable value of the  
880 property that is located within the electrical energy developmental zone; and  
881 (B) the number that represents the percentage of the tax increment that is paid to a  
882 community reinvestment agency and the Electrical Energy Development  
883 Investment Fund created in Section 79-6-1105.
- 884 (p)(i) "Locally assessed new growth" means the greater of:  
885 (A) zero; or  
886 (B) the amount calculated by subtracting the year end taxable value of real  
887 property the county assessor assesses in accordance with Part 3, County  
888 Assessment, for the previous year, adjusted for prior year end incremental  
889 value from the taxable value of real property the county assessor assesses in  
890 accordance with Part 3, County Assessment, for the current year, adjusted for  
891 current year incremental value, minus any change in value to real property, as a  
892 result of physical improvements, that is less than 200% higher than the taxable  
893 value of the real property for the previous year, subject to Subsection (10).
- 894 (ii) "Locally assessed new growth" does not include a change in:  
895 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,  
896 or another adjustment;  
897 (B) assessed value based on whether a property is allowed a residential exemption  
898 for a primary residence under Section 59-2-103;  
899 (C) assessed value based on whether a property is assessed under Part 5, Farmland  
900 Assessment Act; or  
901 (D) assessed value based on whether a property is assessed under Part 17, Urban  
902 Farming Assessment Act.
- 903 (q) "Project area" means:  
904 (i) for an authority created under Section 11-58-201, the same as that term is defined  
905 in Section 11-58-102;  
906 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section  
907 11-70-201, the same as that term is defined in Section 11-70-101;  
908 (iii) for an agency created under Section 17C-1-201.5, the same as that term is  
909 defined in Section 17C-1-102;  
910 (iv) for an authority created under Section 63H-1-201, the same as that term is  
911 defined in Section 63H-1-102;  
912 (v) for a housing and transit reinvestment zone or convention center reinvestment

- 913 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
 914 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 915 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,  
 916 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part  
 917 5, Home Ownership Promotion Zone, the same as that term is defined in Section  
 918 10-21-101 or Section 17-80-101;
- 919 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,  
 920 First Home Investment Zone Act, the same as that term is defined in Section  
 921 63N-3-1601; or
- 922 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3,  
 923 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,  
 924 as defined in Section 63N-3-1701.
- 925 (r)(i) "Project area new growth" means:
- 926 [(i)] (A) for an authority created under Section 11-58-201, an amount equal to the  
 927 incremental value that is no longer provided to an authority as property tax  
 928 differential;
- 929 [(ii)] (B) for the Point of the Mountain State Land Authority created in Section  
 930 11-59-201, an amount equal to the incremental value that is no longer provided  
 931 to the Point of the Mountain State Land Authority as property tax  
 932 augmentation, as defined in Section 11-59-207;
- 933 [(iii)] (C) for the Utah Fairpark Area Investment and Restoration District created in  
 934 Section 11-70-201, an amount equal to the incremental value that is no longer  
 935 provided to the Utah Fairpark Area Investment and Restoration District;
- 936 [(iv)] (D) for an agency created under Section 17C-1-201.5, an amount equal to the  
 937 incremental value that is no longer provided to an agency as tax increment;
- 938 [(v)] (E) for an authority created under Section 63H-1-201, an amount equal to the  
 939 incremental value that is no longer provided to an authority as property tax  
 940 allocation;
- 941 [(vi)] (F) for a housing and transit reinvestment zone or convention center  
 942 reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and  
 943 Transit Reinvestment Zone Act, an amount equal to the incremental value that  
 944 is no longer provided to a housing and transit reinvestment zone or convention  
 945 center reinvestment zone as tax increment;
- 946 [(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 zone as tax increment;
- ~~[(viii)]~~ (H) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount equal to the incremental value that is no longer provided to a first home investment zone as tax increment; or
- ~~[(ix)]~~ (I) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental value that is no longer provided to the creating entity of a major sporting event venue zone as property tax increment.
- (ii) "Project area new growth" does not include, for any entity described in Subsections (1)(r)(i)(A) through (I), tangible personal property.
- (s) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.
- (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- (u) "Property tax differential" means the same as that term is defined in Sections 11-58-102 and 79-6-1104.
- (v) "Tax increment" means:
- (i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
  - (ii) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as the term "property tax increment" is defined in Section 63N-3-602;
  - (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;
  - (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601; or
  - (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part

17, Major Sporting Event Venue Zone Act, property tax increment, as that term is defined in Section 63N-3-1701.

(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, minus any amount of interest the taxing entity earned or realized on an investment during the current 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

- 1015 (B) the percentage of property taxes collected for the five calendar years  
1016 immediately preceding the current calendar year; and  
1017 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an  
1018 amount determined by:  
1019 (A) multiplying the percentage of property taxes collected for the five calendar  
1020 years immediately preceding the current calendar year by eligible new growth;  
1021 and  
1022 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the  
1023 amount calculated under Subsection (4)(b)(iii).
- 1024 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated  
1025 as follows:  
1026 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified  
1027 tax rate is zero;  
1028 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:  
1029 (i) in a county of the first, second, or third class, the levy imposed for municipal-type  
1030 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services  
1031 to Unincorporated Areas; and  
1032 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
1033 purposes and such other levies imposed solely for the municipal-type services  
1034 identified in Section 17-78-501 and Subsection 17-63-101(23);  
1035 (c) for a community reinvestment agency that received all or a portion of a taxing  
1036 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,  
1037 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in  
1038 Subsection (4) except that the commission shall treat the total revenue transferred to  
1039 the community reinvestment agency as ad valorem property tax revenue that the  
1040 taxing entity budgeted for the prior year; and  
1041 (d) for debt service voted on by the public, the certified tax rate is the actual levy  
1042 imposed by that section, except that a certified tax rate for the following levies shall  
1043 be calculated in accordance with Section 59-2-913 and this section:  
1044 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and  
1045 (ii) a levy to pay for the costs of state legislative mandates or judicial or  
1046 administrative orders under Section 59-2-1602.
- 1047 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or  
1048 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:

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

(ii) the year end taxable value of personal property:

(A) a county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the prior year's assessment roll; and

(iii) the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property.

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

(8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.

(b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county auditor of:

(i) the taxing entity's intent to exceed the certified tax rate; and

(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

(9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:

(i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value; and

(ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by



subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.

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

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

(10) For purposes of determining locally assessed new growth under this section, a taxing entity may not consider a change in value for real property as a result of physical improvements until completion of the physical improvements.

#### Section 8. **Effective Date.**

(1) Except as provided in Subsections (2) through (4), this bill takes effect on May 6, 2026.

(2) The actions affecting Section 59-2-924 (Effective 06/01/26) take effect on June 1, 2026.

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

(4) The actions affecting Section 59-2-103.5 (Effective 01/01/27) take effect on January 1, 2027.