

Daniel McCay proposes the following substitute bill:

Tax Revenue Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor:

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, 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 in 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:

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **10-6-116 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 52

35 **17-63-204 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 13

36 **59-2-103 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 234

37 **59-2-103.5 (Effective 01/01/27)**, as last amended by Laws of Utah 2025, Chapter 234

38 **59-2-917 (Effective 05/06/26)**, as last amended by Laws of Utah 1988, Chapter 3

39 **59-2-919 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

40 **59-2-924 (Effective 06/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

44

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

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

47 **10-6-116 (Effective 05/06/26). Accumulated fund balances -- Limitations --**

48 **Excess balances -- Unanticipated excess of revenues -- Reserves for capital improvements.**

49 (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:

50 (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;

51 (ii) to provide a resource to meet emergency expenditures under Section 10-6-129; and

52 (iii) to cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues.

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

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

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

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

67 (3) If the fund balance at the close of any fiscal period exceeds the amount permitted under
68 Subsection (2), the excess shall be appropriated in the manner provided in Section
69 10-6-117.

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

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

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

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

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

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

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

-- Disbursements.

88 (1)(a) A county may accumulate:

- 89 (i) retained earnings in any enterprise or internal service fund; and
- 90 (ii) a fund balance in any fund that is not an enterprise or internal service fund.

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

- 93 (i) to provide cash to finance expenditures from the beginning of the budget period
94 until general property taxes, sales taxes, or other revenues are collected;
- 95 (ii) to provide a fund or reserve to meet emergency expenditures; and
- 96 (iii) to cover unanticipated deficits for future years.

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

101 [((i)(A) for a county with a taxable value of \$750,000,000 or more and a
102 population of 100,000 or more, 25% of the total revenues of the county general
103 fund for the current fiscal period; or]
104 [(B) for any other county, 65% of the total revenues of the county general fund for
105 the current fiscal period; and]
106 [(ii) the estimated total revenues from property taxes for the current fiscal period.]

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

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

111 (4)(a) A county may appropriate funds from estimated revenue in any budget period to a
112 reserve for capital improvements within any capital improvements fund which has
113 been duly established by ordinance or resolution.
114 (b) Money in the reserves shall be allowed to accumulate from fiscal period to fiscal
115 period until the accumulated total is sufficient to permit economical expenditure for
116 the specified purposes.
117 (c) Disbursements from the reserves shall be made only by transfer to a revenue account
118 within a capital improvements fund in accordance with an appropriation for the fund.
119 (d) Expenditures from the capital improvement budget accounts shall conform to all
120 requirements of this chapter as it relates to the execution and control of budgets.

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

122 **59-2-103 (Effective 05/06/26). Rate of assessment of property -- Residential**
123 **property -- Rebuttable presumption.**

124 (1) As used in this section:

125 (a) "Business entity" means the same as that term is defined in Section 59-2-1332.5.
126 [(a)] (b)(i) "Household" means the association of individuals who live in the same
127 dwelling, sharing the dwelling's furnishings, facilities, accommodations, and
128 expenses.
129 (ii) "Household" includes married individuals, who are not legally separated, who
130 have established domiciles at separate locations within the state.

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

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

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

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

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

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

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

149 [({i}) ~~subjeet to Subseetion (6)(a), the primary residence of the owner;~~]

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

151 [({iii}) ~~subjeet to Subseetion 59-2-103.5(4), each residential property described in~~
152 ~~Subseetion 59-2-102(35)(b)(ii).~~]

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

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

156 **59-2-103.5 (Effective 01/01/27). Procedures to obtain an exemption for**
157 **residential property -- Procedure if property owner or property no longer qualifies to**
158 **receive a residential exemption.**

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

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

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

168 (b) an ownership interest in the residential property changes; or
169 (c) the county board of equalization determines that there is reason to believe that the
170 residential property no longer qualifies for the residential exemption.

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

172 (i) shall be on a form the commission provides by rule and makes available to the
173 counties;
174 (ii) shall be signed by the owner of the residential property; and
175 (iii) may not request the sales price of the residential property.

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

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

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

185 (i) subject to Subsection (6), file the application described in Subsection (2)(a) with
186 the county board of equalization; and
187 (ii) include as part of the application described in Subsection (2)(a) a statement that
188 certifies:
189 (A) the date the part-year residential property became residential property;
190 (B) that the part-year residential property will be used as residential property for
191 183 or more consecutive calendar days during the calendar year for which the
192 owner seeks to obtain the residential exemption; and
193 (C) that the owner, or a member of the owner's household, may not claim a
194 residential exemption for any property for the calendar year for which the
195 owner seeks to obtain the residential exemption, other than the part-year
196 residential property, or as allowed under Section 59-2-103 with respect to the
197 primary residence or household furnishings, furniture, and equipment of the
198 owner's tenant.

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

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

206 (a) states under penalty of perjury that, to the best of each owner's knowledge, upon
207 completion of construction or occupancy of the residential property, the residential
208 property will be used for residential purposes as a primary residence;
209 (b) is signed by each owner of the residential property; and
210 (c) is on a form approved by the commission.

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

214 (i) states under penalty of perjury that, to the best of each owner's knowledge, the
215 residential property will be used for residential purposes as a primary residence of
216 a tenant;
217 (ii) is signed by each owner of the residential property; and
218 (iii) is on a form approved by the commission.

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

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

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

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

229 (6)(a) Except as provided in Subsection (6)(b), the county board of equalization may not
230 accept from a property owner an application to receive a residential exemption
231 authorized under Section 59-2-103 for the property owner's primary residence that is
232 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

267 personal property.

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

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

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

282 [(i) notify the owner of the residential property that the owner is required to submit a
283 written declaration described in Subsection (11)(d) within 90 days after the day on
284 which the county assessor mails the notice under this Subsection (11)(a); and]
285 [(ii) provide the owner of the residential property with the form described in
286 Subsection (11)(e) to make the written declaration described in Subsection (11)(d).]

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

290 [(i) the mailing address of the residential property owner or the tenant of the
291 residential property;]
292 [(ii) the address listed on the:]

293 [(A) residential property owner's driver license; or]
294 [(B) tenant of the residential property's driver license; or]
295 [(iii) the address listed on the:]

296 [(A) residential property owner's voter registration; or]
297 [(B) tenant of the residential property's voter registration.]

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

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

301 the residential property is located; and]

302 [(ii) the residential property is located in a county of the fourth, fifth, or sixth class.]

303 [(d) An owner of residential property that receives a notice described in Subsection

304 (11)(a) shall submit a written declaration to the county assessor under penalty of

305 perjury certifying the information contained in the form described in Subsection

306 (11)(e).]

307 [(e) The written declaration required by Subsection (11)(d) shall be:]

308 [(i) signed by the owner of the residential property; and]

309 [(ii) in substantially the following form:

310 "Residential Property Declaration"

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

315 Residential Property Owner Information

316 Name(s): _____

317 Home Phone: _____

318 Work Phone: _____

319 Mailing Address: _____

320 Residential Property Information

321 Physical Address: _____

322 Certification

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

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

328 Yes No

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

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

333 Yes No

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

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

339 Signature

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

342 _____ (Owner signature) _____ Date (mm/dd/yyyy)
343 _____ (Owner printed name)]

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

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

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

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

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

355 [(A) except as provided in Subsection (11)(g)(iii), the property owner appeals the
356 redetermination to the board of equalization in accordance with Subsection
357 59-2-1004(2); or]

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

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

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

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

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

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

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

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

379 [(A) except as provided in Subsection (11)(h)(iii), the property owner appeals the
380 redetermination to the board of equalization in accordance with Subsection
381 59-2-1004(2); or]

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

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

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

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

388 [(iv) A property owner that is disqualified to receive the residential exemption under
389 Subsection (11)(h)(ii) may file an application described in Subsection (1) to
390 determine whether the owner is eligible to receive the residential exemption.]

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

393 Section 5. Section **59-2-917** is amended to read:

59-2-917 (Effective 05/06/26). Use of funds.

395 (1) The money raised by the levy imposed by Section 59-2-916 may be used for
396 development purposes as provided in Section 59-2-916 or the governing body of any
397 taxing entity may make contributions to the extent of the fund raised by the tax, to any
398 state or government agency which has been organized for that public purpose and is
399 engaged in the development.

400 (2) Notwithstanding any other provision of law, beginning May 6, 2026, a taxing entity
401 may not deposit property tax revenue into a reserve fund for capital improvement
402 projects.

403 Section 6. Section **59-2-919** is amended to read:

404 **59-2-919 (Effective 07/01/26). Notice and public hearing requirements for**
405 **certain tax increases -- Exceptions -- Audit.**

406 (1) As used in this section:

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

410 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including
411 revenue from:
412 (i) eligible new growth; or
413 (ii) personal property that is:
414 (A) assessed by a county assessor in accordance with Part 3, County Assessment;
415 and
416 (B) semiconductor manufacturing equipment.

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

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

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

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

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

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

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

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

434 (k) "Last year's property tax budgeted revenue" does not include:
435 (i) revenue received by a taxing entity from a debt service levy voted on by the public;
436 (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.
- (1) "Truth-in-taxation exemption period" means a six-year period that begins with the base year.
- 2) Except as provided in Subsection (11), a taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax rate unless the taxing entity meets:
 - (a) the requirements of this section that apply to the taxing entity; and
 - (b) all other requirements as may be required by law.
- 3)(a) Subject to Subsection (3)(b) and except as provided in [Subseetion] Subsections (5) and (12), a calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax rate if the calendar year taxing entity:
 - (i) 14 or more days before the date of the regular general election or municipal general election held in the current calendar year, states at a public meeting:
 - (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate;
 - (B) the dollar amount of and purpose for additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate; and
 - (C) the approximate percentage increase in ad valorem tax revenue for the taxing entity based on the proposed increase described in Subsection (3)(a)(i)(B);
 - (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a separate item on the meeting agenda that notifies the public that the calendar year taxing entity intends to make the statement described in Subsection (3)(a)(i);
 - (iii) meets the advertisement requirements of Subsections (6) and (7) before the calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);
 - (iv) provides notice by mail:
 - (A) seven or more days before the regular general election or municipal general election held in the current calendar year; and
 - (B) as provided in Subsection (3)(c); and
 - (v) conducts a public hearing that is held:
 - (A) in accordance with Subsections (8) and (9); and
 - (B) in conjunction with the public hearing required by Section 17-63-304 or

471 (b)(i) For a county executive calendar year taxing entity, the statement described in
472 Subsection (3)(a)(i) shall be made by the:
473 (A) county council;
474 (B) county executive; or
475 (C) both the county council and county executive.

476 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
477 county council states a dollar amount of additional ad valorem tax revenue that is
478 greater than the amount of additional ad valorem tax revenue previously stated by
479 the county executive in accordance with Subsection (3)(a)(i), the county executive
480 calendar year taxing entity shall:
481 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before
482 the county executive calendar year taxing entity conducts the public hearing
483 under Subsection (3)(a)(v); and
484 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before
485 the county executive calendar year taxing entity conducts the public hearing
486 required by Subsection (3)(a)(v).

487 (c) The notice described in Subsection (3)(a)(iv):
488 (i) shall be mailed to each owner of property:
489 (A) within the calendar year taxing entity; and
490 (B) listed on the assessment roll;
491 (ii) shall be printed on a separate form that:
492 (A) is developed by the commission;
493 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
494 "NOTICE OF PROPOSED TAX INCREASE"; and
495 (C) may be mailed with the notice required by Section 59-2-1317;
496 (iii) shall contain for each property described in Subsection (3)(c)(i):
497 (A) the value of the property for the current calendar year;
498 (B) the tax on the property for the current calendar year; and
499 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
500 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing
501 entity's certified tax rate, the estimated tax on the property;
502 (iv) shall contain the following statement:
503 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
504 year]. This notice contains estimates of the tax on your property and the proposed tax increase

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

508 (v) shall state the dollar amount of additional ad valorem tax revenue that would be
509 generated each year by the proposed increase in the certified tax rate;
510 (vi) shall include a brief statement of the primary purpose for the proposed tax
511 increase, including the taxing entity's intended use of additional ad valorem tax
512 revenue described in Subsection (3)(c)(v);
513 (vii) shall state the date, time, and place of the public hearing described in Subsection
514 (3)(a)(v);
515 (viii) shall state the Internet address for the taxing entity's public website;
516 (ix) may contain other information approved by the commission; and
517 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
518 (A) notice that the taxpayer may request electronic notice as described in
519 Subsection 17-71-302(1)(m); and
520 (B) instructions describing how to elect to receive a notice as described in
521 Subsection 17-71-302(1)(m).

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

524 (i) data for the current calendar year; and
525 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
526 section.

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

530 (a) provides notice by meeting the advertisement requirements of Subsections (6) and (7)
531 before the fiscal year taxing entity conducts the public meeting at which the fiscal
532 year taxing entity's annual budget is adopted; and
533 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
534 fiscal year taxing entity's annual budget is adopted.

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

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

539 (4) if:

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

543 (ii) the taxing entity:

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

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

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

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

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

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

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

557 "NOTICE OF PROPOSED TAX INCREASE

558 (NAME OF TAXING ENTITY)

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

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

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

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

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

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

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

575 **PUBLIC HEARING**

576 Date/Time: (date) (time)

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

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

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

583 (7) The commission:

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

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

589 (i) the direct notice is different and separate from the notice required under Section
590 59-2-919.1; and

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

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

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

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

600 (A) open to the public;

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

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

through electronic means.

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

The county auditor shall resolve any conflict in public hearing dates and times after consultation with each affected taxing entity.

- i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or (4)(b) beginning at or after 6 p.m.
- (ii) If a taxing entity holds a public meeting for the purpose of addressing general business of the taxing entity on the same date as a public hearing described in Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business items shall conclude before the beginning of the public hearing described in Subsection (3)(a)(v) or (4)(b).

- i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as another public hearing of the taxing entity.
- (ii) A taxing entity may hold the following hearings on the same date as a public hearing described in Subsection (3)(a)(v) or (4)(b):

- (A) a budget hearing;
- (B) if the taxing entity is a special district or a special service district, a fee hearing described in Section 17B-1-643;
- (C) if the taxing entity is a town, an enterprise fund hearing described in Section 10-5-107.5; or
- (D) if the taxing entity is a city, an enterprise fund hearing described in Section 10-6-135.5.

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

- (i) announce at that public hearing the scheduled time and place of the next public meeting at which the taxing entity will consider budgeting the additional ad valorem tax revenue; and
- (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described in Subsection (9)(a)(i) before September 1.

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

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

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

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

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

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

(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

947 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17,
948 Chapter 80, Part 5, Home Ownership Promotion Zone, an amount equal to the
949 incremental value that is no longer provided to a home ownership promotion
950 zone as tax increment;

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

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

959 (ii) "Project area new growth" does not include, for any entity described in
960 Subsections (1)(r)(i)(A) through (I), tangible personal property.

961 (s) "Project area incremental revenue" means the same as that term is defined in Section
962 17C-1-1001.

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

964 (u) "Property tax differential" means the same as that term is defined in Sections
965 11-58-102 and 79-6-1104.

966 (v) "Tax increment" means:

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

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

973 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
974 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
975 5, Home Ownership Promotion Zone, the same as that term is defined in Section
976 10-21-101 or Section 17-80-101;

977 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
978 First Home Investment Zone Act, the same as that term is defined in Section
979 63N-3-1601; or

980 (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

1049 one or more eligible judgments.

1050 (b) The ad valorem property tax revenue generated by a judgment levy described in
1051 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
1052 certified tax rate.

1053 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1054 (i) the taxable value of real property:

1055 (A) the county assessor assesses in accordance with Part 3, County Assessment;
1056 and

1057 (B) contained on the assessment roll;

1058 (ii) the year end taxable value of personal property:

1059 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
1060 (B) contained on the prior year's assessment roll; and

1061 (iii) the taxable value of real and personal property the commission assesses in
1062 accordance with Part 2, Assessment of Property.

1063 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
1064 growth.

1065 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.

1066 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
1067 the county auditor of:

1068 (i) the taxing entity's intent to exceed the certified tax rate; and

1069 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

1070 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
1071 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1072 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
1073 electronic means on or before July 31, to a taxing entity and the Revenue and
1074 Taxation Interim Committee if:

1075 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
1076 taxable value of the real and personal property the commission assesses in
1077 accordance with Part 2, Assessment of Property, for the previous year, adjusted
1078 for prior year end incremental value; and

1079 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
1080 end taxable value of the real and personal property of a taxpayer the commission
1081 assesses in accordance with Part 2, Assessment of Property, for the previous year.

1082 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by

1083 subtracting the taxable value of real and personal property the commission assesses
1084 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
1085 current year incremental value, from the year end taxable value of the real and
1086 personal property the commission assesses in accordance with Part 2, Assessment of
1087 Property, for the previous year, adjusted for prior year end incremental value.

1088 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
1089 subtracting the total taxable value of real and personal property of a taxpayer the
1090 commission assesses in accordance with Part 2, Assessment of Property, for the
1091 current year, from the total year end taxable value of the real and personal property of
1092 a taxpayer the commission assesses in accordance with Part 2, Assessment of
1093 Property, for the previous year.

1094 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
1095 requirement under Subsection (9)(a)(ii).

1096 (10) For purposes of determining locally assessed new growth under this section, a taxing
1097 entity may not consider a change in value for real property as a result of physical
1098 improvements until completion of the physical improvements.

1099 **Section 8. Effective Date.**

1100 (1) Except as provided in Subsections (2) through (4), this bill takes effect on May 6, 2026.
1101 (2) The actions affecting Section 59-2-924 (Effective 06/01/26) take effect on June 1, 2026.
1102 (3) The actions affecting Section 59-2-919 (Effective 07/01/26) take effect on July 1, 2026.
1103 (4) The actions affecting Section 59-2-103.5 (Effective 01/01/27) take effect on January 1,
1104 2027.