

1 **Energy User Property Tax Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor:

LONG TITLE**General Description:**

This bill modifies property tax distribution for energy users.

Highlighted Provisions:

This bill:

- ▶ provides for distribution of property tax revenue collected from a property that has a cumulative electricity demand of 100 megawatts or greater within five years (large load customer) to taxing entities across the state;
- ▶ prohibits a taxing entity from awarding property tax increment to a project area that has a large load customer within the project area;
- ▶ provides the circumstances under which a large load customer shall notify the county auditor and county treasurer of the large load customer's address; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:**AMENDS:**

- 17-69-301 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 13
- 17D-4-204 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 347
- 54-26-301 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 318
- 54-26-301.5 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 318
- 59-2-924 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15
- 59-2-1301.5 (Effective 05/06/26) (Applies beginning 01/01/26)**, as enacted by Laws of Utah 2018, Chapter 197

31 **59-2-1365 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
32 of Utah 2018, Chapter 197

33 ENACTS:

34 **10-8-96 (Effective 05/06/26)**, Utah Code Annotated 1953

35 **17-63-711 (Effective 05/06/26)**, Utah Code Annotated 1953

36 **17B-1-122 (Effective 05/06/26)**, Utah Code Annotated 1953

37 **53F-8-204 (Effective 05/06/26)**, Utah Code Annotated 1953

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

39 Section 1. Section **10-8-96** is enacted to read:

40 **10-8-96 (Effective 05/06/26). Tax increment prohibition.**

41 (1) As used in this section:

42 (a) "Large load customer" means the same as that term is defined in Section 54-26-101.

43 (b) "Project area" means the same as that term is defined in Section 59-2-924.

44 (c) "Tax increment" means the same as that term is defined in Section 59-2-924.

45 (2) A municipality may not agree to provide tax increment to an entity that has a large load
46 customer located within the entity's project area unless the agreement was made before
47 May 6, 2026.

48 Section 2. Section **17-63-711** is enacted to read:

49 **17-63-711 (Effective 05/06/26). Tax increment prohibition.**

50 (1) As used in this section:

51 (a) "Large load customer" means the same as that term is defined in Section 54-26-101.

52 (b) "Project area" means the same as that term is defined in Section 59-2-924.

53 (c) "Tax increment" means the same as that term is defined in Section 59-2-924.

54 (2) A county may not agree to provide tax increment to an entity that has a large load
55 customer located within the entity's project area unless the agreement was made before
56 May 6, 2026.

57 Section 3. Section **17-69-301** is amended to read:

58 **17-69-301 (Effective 05/06/26). Duties and services.**

59 (1) A county auditor shall[-perform]:

60 (a) perform in accordance with Section 17-69-304, an accounting duty or service
61 described in this chapter;

62 (b) perform an auditing duty or service described in this chapter;[-and]

63 (c) after the county auditor receives a notice required by Section 54-26-301 or

65 54-26-301.5, notify the municipalities, school districts, special districts, and public
66 infrastructure districts within which a large load customer, as that term is defined in
67 Section 54-26-101, is located; and

68 (d) perform other duties as may be required by law.

69 (2) A county auditor shall provide to the county legislative body a statement of county debt
70 in accordance with Section 17-63-702.

71 (3) A county auditor may conduct, in relation to any county officer or county office,
72 department, division, court, or entity, as the county auditor considers necessary, the
73 following duties and services:

74 (a) financial audits;

75 (b) attestation-level examinations, reviews, and agreed-upon procedures, engagements,
76 or reviews of financial statements;

77 (c) subject to Section 17-69-303, performance audits;

78 (d) subject to Section 17-69-304, accounting services; and

79 (e) other duties as required by law.

80 (4) In a county of the first class, the county auditor shall conduct the services under
81 Subsections (3)(a) through (c) in accordance with generally accepted government
82 auditing standards.

83 (5) A county legislative body may change the title of county auditor to county controller for
84 a county auditor's office that predominantly performs accounting services.

85 (6) The county auditor may not conduct the services described in Subsections (3)(a)
86 through (c) with respect to the auditor's own office, accounts, or financial records.

87 (7) Nothing in this chapter limits a county legislative body's authority under Section
88 17-64-404 or a county executive's authority under Section 17-65-304.

89 Section 4. Section **17B-1-122** is enacted to read:

90 **17B-1-122 (Effective 05/06/26). Tax increment prohibition.**

91 (1) As used in this section:

92 (a) "Large load customer" means the same as that term is defined in Section 54-26-101.

93 (b) "Project area" means the same as that term is defined in Section 59-2-924.

94 (c) "Tax increment" means the same as that term is defined in Section 59-2-924.

95 (2) A special district may not agree to provide tax increment to an entity that has a large
96 load customer located within the entity's project area unless the agreement was made
97 before May 6, 2026.

98 Section 5. Section **17D-4-204** is amended to read:

99 **17D-4-204 (Effective 05/06/26). Relation to other local entities.**

100 (1) Notwithstanding the creation of a public infrastructure district, the creating entity and
101 any other public entity, as applicable, retains all of the entity's authority over all zoning,
102 planning, design specifications and approvals, and permitting within the public
103 infrastructure district.

104 (2) The inclusion of property within the boundaries of a public infrastructure district does
105 not preclude the inclusion of the property within any other special district.

106 (3)(a) All infrastructure that is connected to another public entity's system:
107 (i) belongs to that public entity, regardless of inclusion within the boundaries of a
108 public infrastructure district, unless the public infrastructure district and the public
109 entity otherwise agree; and
110 (ii) shall comply with the design, inspection requirements, and other standards of the
111 public entity.

112 (b) A public infrastructure district shall convey or transfer the infrastructure described in
113 Subsection (3)(a) free of liens or financial encumbrances to the public entity at no
114 cost to the public entity.

115 (4)(a)(i) No public entity or private person shall receive funds from any portion of a
116 public infrastructure district's property tax revenue without a resolution of the
117 public infrastructure district's board authorizing the public entity or private person
118 to receive the funds.
119 (ii) A public infrastructure district may not agree to provide tax increment, as that
120 term is defined in Section 59-2-924, to an entity that has a large load customer, as
121 that term is defined in Section 54-26-101, within the entity's project area, as that
122 term is defined in Section 59-2-924, unless the agreement was made before May
123 6, 2026.

124 (b) Subsection (4)(a) does not apply to the county's expenses related to collecting
125 property tax in accordance with Title 59, Chapter 2, [Part 12, Property Tax Act] Part
126 13, Collection of Taxes.

127 (c) Subsection (4)(a) applies notwithstanding any provision in:
128 (i) Title 17C, Limited Purpose Local Government Entities - Community
129 Reinvestment Agency Act;
130 (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
131 (iii) a statute governing a development authority created under Utah Constitution,
132 Article XI; or

133 (iv) a provision of code related to the collection, distribution, or sharing of tax
134 increment revenue, incremental property tax increases, or actions related to the
135 collection, distribution, or sharing of tax increment revenue or incremental
136 property tax increases.

137 Section 6. Section **53F-8-204** is enacted to read:

138 **53F-8-204 (Effective 05/06/26). Tax increment prohibition.**

139 (1) As used in this section:

140 (a) "Large load customer" means the same as that term is defined in Section 54-26-101.
141 (b) "Project area" means the same as that term is defined in Section 59-2-924.
142 (c) "Tax increment" means the same as that term is defined in Section 59-2-924.

143 (2) A school district may not agree to provide tax increment to an entity that has a large
144 load customer located within the entity's project area unless the agreement was made
145 before May 6, 2026.

146 Section 7. Section **54-26-301** is amended to read:

147 **54-26-301 (Effective 05/06/26). Large load contract requirements -- Notification**
148 **to the county.**

149 (1) Electric service for a large-scale service request shall be provided only under one or
150 more large load contracts with:

151 (a) a qualified electric utility;
152 (b) a large-scale generation provider; or
153 (c) any combination of Subsections (1)(a) and (1)(b).

154 (2) A large load customer shall:

155 (a) contract for all of the customer's projected electrical requirements under the
156 large-scale service request;[-and]
157 (b) maintain contracts with resources or load shedding capabilities sufficient to meet the
158 customer's actual electrical requirements at all times[.] ; and
159 (c) within 30 days after the day on which the commission approves the large load
160 contract, notify the county auditor and the county treasurer for the county in which
161 the customer will use the electric service for which the large load customer contracts
162 under the large-scale service request of the large load customer's address.

163 (3) A large load contract with a qualified electric utility shall:

164 (a) ensure that all large load incremental costs are allocated to and paid by the large load
165 customer;
166 (b) comply with all system requirements;

167 (c) require the large load customer to maintain financial security sufficient to cover the
168 large load customer's obligations;

169 (d) specify:
170 (i) points of interconnection;
171 (ii) power delivery points;
172 (iii) the amount of electrical capacity contracted for;
173 (iv) the term of service; and
174 (v) any arrangements for backup power supply;

175 (e) provide curtailment provisions if the large load customer's demand exceeds the
176 amount of contractually supported demand;

177 (f) identify the incremental generation resources that the qualified electric utility will use
178 to serve the large load customer; and

179 (g) include provisions addressing the allocation and payment of long-term operation and
180 maintenance costs for large load facilities.

181 (4) A large load contract with a large-scale generation provider that provides service
182 through a connected electrical system shall:
183 (a) ensure that all large load incremental costs are allocated to and paid by the large load
184 customer;
185 (b) comply with all system requirements;
186 (c) specify:
187 (i) points of interconnection;
188 (ii) power delivery points;
189 (iii) the amount of electrical capacity contracted for;
190 (iv) the term of service; and
191 (v) any arrangements for backup power supply; and

192 (d) provide curtailment provisions if the large load customer's demand exceeds the
193 real-time dispatch of the large-scale generation provider's resources under the large
194 load contract, net of transmission losses.

195 (5) A qualified electric utility:
196 (a) has no duty to serve a large load customer except as explicitly provided in a large
197 load contract; and
198 (b) is not required to provide backup power to a large load customer except as explicitly
199 provided in a large load contract.

200 (6) A qualified electric utility may not be required to commence design and construction of

201 large load facilities until after:

202 (a) executing a large load construction contract; and

203 (b) obtaining commission approval in accordance with Section 54-26-302.

204 (7) A qualified electric utility or large-scale generation provider shall:

205 (a) obtain commission approval in accordance with Section 54-26-302 before providing
206 electric service under a large load contract; and

207 (b) negotiate the terms of a large load contract with a large load customer on a
208 case-by-case basis.

209 (8) Within 15 business days after executing a large load contract, a person executing the
210 contract shall submit an application for approval to the commission for review under
211 Section 54-26-302.

212 Section 8. Section **54-26-301.5** is amended to read:

213 **54-26-301.5 (Effective 05/06/26). Private generation contracts -- Notification to
214 county.**

215 A large load customer seeking to receive electric service through a closed private
216 generation system:

217 (1) may negotiate directly with a large-scale generation provider;[and]

218 (2) is not required to submit a large-scale service request to a qualified electric utility[.] ; and

219 (3) is required, within 30 days after the day on which the large load customer and
220 large-scale generation provider reach an agreement, to notify the county auditor and the
221 county treasurer for the county in which the large load customer will use the electric
222 service that the large load customer has negotiated to receive through a closed private
223 generation system of the large load customer's address.

224 Section 9. Section **59-2-924** is amended to read:

225 **59-2-924 (Effective 05/06/26) (Applies beginning 01/01/26). Definitions -- Report
226 of valuation of property to county auditor and commission -- Transmittal by auditor to
227 governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption
228 of tentative budget -- Notice provided by the commission.**

229 (1) As used in this section:

230 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
231 this chapter minus revenue the taxing entity receives in accordance with
232 Subsection 59-2-1365(4).

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

234 (A) interest;

235 (B) penalties;

236 (C) collections from redemptions; or

237 (D) revenue received by a taxing entity from personal property that is

238 semiconductor manufacturing equipment assessed by a county assessor in

239 accordance with Part 3, County Assessment.

240 (b) "Adjusted tax increment" means the same as that term is defined in Section

241 17C-1-102.

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

243 (A) the aggregate taxable value of all real property a county assessor assesses in

244 accordance with Part 3, County Assessment, for the current year;

245 (B) the aggregate taxable value of all real and personal property the commission

246 assesses in accordance with Part 2, Assessment of Property, for the current

247 year; and

248 (C) the aggregate year end taxable value of all personal property a county assessor

249 assesses in accordance with Part 3, County Assessment, contained on the prior

250 year's tax rolls of the taxing entity.

251 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate

252 year end taxable value of personal property that is:

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

254 accordance with Part 3, County Assessment; and

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

256 (d) "Base taxable value" means:

257 (i) for an authority created under Section 11-58-201, the same as that term is defined

258 in Section 11-58-102;

259 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,

260 the same as that term is defined in Section [11-59-207] 11-59-208;

261 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section

262 11-70-201, the same as that term is defined in Section 11-70-101;

263 (iv) for an agency created under Section 17C-1-201.5, the same as that term is

264 defined in Section 17C-1-102;

265 (v) for an authority created under Section 63H-1-201, the same as that term is defined

266 in Section 63H-1-102;

267 (vi) for a host local government, the same as that term is defined in Section

268 63N-2-502;

269 (vii) for a housing and transit reinvestment zone or convention center reinvestment
270 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
271 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
272 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
273 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
274 5, Home Ownership Promotion Zone, a property's taxable value as shown upon
275 the assessment roll last equalized during the base year, as that term is defined in
276 Section 10-21-101 or Section 17-80-101;
277 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
278 First Home Investment Zone Act, a property's taxable value as shown upon the
279 assessment roll last equalized during the base year, as that term is defined in
280 Section 63N-3-1601;
281 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,
282 Major Sporting Event Venue Zone Act, a property's taxable value as shown upon
283 the assessment roll last equalized during the property tax base year, as that term is
284 defined in Section 63N-3-1701; or
285 (xi) for an electrical energy development zone [created] designated under Section
286 79-6-1104, the value of the property within an electrical energy development
287 zone, as shown on the assessment roll last equalized before the [creation]
288 designation of the electrical energy development zone, as that term is defined in
289 Section 79-6-1104.

290 (e) "Centrally assessed benchmark value" means an amount equal to the average year
291 end taxable value of real and personal property the commission assesses in
292 accordance with Part 2, Assessment of Property, for the previous three calendar
293 years, adjusted for taxable value attributable to:
294 (i) an annexation to a taxing entity;
295 (ii) an incorrect allocation of taxable value of real or personal property the
296 commission assesses in accordance with Part 2, Assessment of Property; or
297 (iii) a change in value as a result of a change in the method of apportioning the value
298 prescribed by the Legislature, a court, or the commission in an administrative rule
299 or administrative order.

300 (f) "Centrally assessed industry" means the following industry classes the commission
301 assesses in accordance with Part 2, Assessment of Property:
302 (i) air carrier;

- 303 (ii) coal;
- 304 (iii) coal load out property;
- 305 (iv) electric generation;
- 306 (v) electric rural;
- 307 (vi) electric utility;
- 308 (vii) gas utility;
- 309 (viii) ground access property;
- 310 (ix) land only property;
- 311 (x) liquid pipeline;
- 312 (xi) metalliferous mining;
- 313 (xii) nonmetalliferous mining;
- 314 (xiii) oil and gas gathering;
- 315 (xiv) oil and gas production;
- 316 (xv) oil and gas water disposal;
- 317 (xvi) railroad;
- 318 (xvii) sand and gravel; and
- 319 (xviii) uranium.

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

- 321 (A) for each centrally assessed industry, zero; or
- 322 (B) the amount calculated by subtracting the centrally assessed benchmark value
323 for each centrally assessed industry, adjusted for prior year end incremental
324 value, from the taxable value of real and personal property the commission
325 assesses in accordance with Part 2, Assessment of Property, for each centrally
326 assessed industry for the current year, adjusted for current year incremental
327 value.

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

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

334 (i) "Community reinvestment agency" means the same as that term is defined in Section
335 17C-1-102.

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

337 (i) zero; or

338 (ii) the sum of:

339 (A) locally assessed new growth;

340 (B) centrally assessed new growth; and

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

342 (k) "Host local government" means the same as that term is defined in Section

343 63N-2-502.

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

345 (m) "Hotel property new growth" means an amount equal to the incremental value that is

346 no longer provided to a host local government as incremental property tax revenue.

347 (n) "Incremental property tax revenue" means the same as that term is defined in Section

348 63N-2-502.

349 (o) "Incremental value" means:

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

351 multiplying:

352 (A) the difference between the taxable value and the base taxable value of the

353 property that is located within a project area and on which property tax

354 differential is collected; and

355 (B) the number that represents the percentage of the property tax differential that

356 is paid to the authority;

357 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,

358 an amount calculated by multiplying:

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

360 taxable value; and

361 (B) the number that represents the percentage of the property tax augmentation, as

362 defined in Section [11-59-207] 11-59-208, that is paid to the Point of the

363 Mountain State Land Authority;

364 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section

365 11-70-201, the amount calculated by multiplying:

366 (A) the difference between the taxable value for the current year and the base

367 taxable value of the property that is located within a project area; and

368 (B) the number that represents the percentage of enhanced property tax revenue,

369 as defined in Section 11-70-101;

370 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by

371 multiplying:

372 (A) the difference between the taxable value and the base taxable value of the
373 property located within a project area and on which tax increment is collected;
374 and

375 (B) the number that represents the adjusted tax increment from that project area
376 that is paid to the agency;

377 (v) for an authority created under Section 63H-1-201, the amount calculated by
378 multiplying:

379 (A) the difference between the taxable value and the base taxable value of the
380 property located within a project area and on which property tax allocation is
381 collected; and

382 (B) the number that represents the percentage of the property tax allocation from
383 that project area that is paid to the authority;

384 (vi) for a housing and transit reinvestment zone or convention center reinvestment
385 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
386 Reinvestment Zone Act, an amount calculated by multiplying:

387 (A) the difference between the taxable value and the base taxable value of the
388 property that is located within a housing and transit reinvestment zone or
389 convention center reinvestment zone and on which tax increment is collected;
390 and

391 (B) the number that represents the percentage of the tax increment that is paid to
392 the housing and transit reinvestment zone or convention center reinvestment
393 zone;

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

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

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

399 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
400 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
401 5, Home Ownership Promotion Zone, an amount calculated by multiplying:

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

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

407 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
408 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
409 (A) the difference between the taxable value and the base taxable value of the
410 property that is located within a first home investment zone and on which tax
411 increment is collected; and
412 (B) the number that represents the percentage of the tax increment that is paid to
413 the first home investment zone;

414 (x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3,
415 Part 17, Major Sporting Event Venue Zone Act, an amount calculated by
416 multiplying:
417 (A) the difference between the taxable value and the base taxable value of the
418 property located within a qualified development zone for a major sporting
419 event venue zone and upon which property tax increment is collected; and
420 (B) the number that represents the percentage of tax increment that is paid to the
421 major sporting event venue zone, as approved by a major sporting event venue
422 zone committee described in Section 63N-1a-1706; or
423 (xi) for an electrical energy development zone [created] designated under Section
424 79-6-1104, the amount calculated by multiplying:
425 (A) the difference between the taxable value and the base taxable value of the
426 property that is located within the electrical energy developmental zone; and
427 (B) the number that represents the percentage of the tax increment that is paid to a
428 community reinvestment agency and the Electrical Energy Development
429 Investment Fund created in Section 79-6-1105.

430 (p)(i) "Locally assessed new growth" means the greater of:
431 (A) zero; or
432 (B) the amount calculated by subtracting the year end taxable value of real
433 property the county assessor assesses in accordance with Part 3, County
434 Assessment, for the previous year, adjusted for prior year end incremental
435 value from the taxable value of real property the county assessor assesses in
436 accordance with Part 3, County Assessment, for the current year, adjusted for
437 current year incremental value.

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

439 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
440 or another adjustment;

441 (B) assessed value based on whether a property is allowed a residential exemption
442 for a primary residence under Section 59-2-103;

443 (C) assessed value based on whether a property is assessed under Part 5, Farmland
444 Assessment Act; or

445 (D) assessed value based on whether a property is assessed under Part 17, Urban
446 Farming Assessment Act.

447 (q) "Project area" means:

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

450 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
451 11-70-201, the same as that term is defined in Section 11-70-101;

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

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

456 (v)(A) for a housing and transit reinvestment zone [or convention center
457 reinvestment zone] created under Title 63N, Chapter 3, Part 6, Housing and
458 Transit Reinvestment Zone Act, the same as [that term] the term "housing and
459 transit reinvestment zone" is defined in Section 63N-3-602; or
460 (B) for a convention center reinvestment zone created under Title 63N, Chapter 3,
461 Part 6, Housing and Transit Reinvestment Zone Act, the same as the term
462 "convention center reinvestment zone" is defined in Section 63N-3-602;

463 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
464 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
465 5, Home Ownership Promotion Zone, the same as [that term] the term "home
466 ownership promotion zone" is defined in Section 10-21-101 or Section 17-80-101;

467 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
468 First Home Investment Zone Act, the same as that term is defined in Section
469 63N-3-1601; or

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

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

474 (i) for an authority created under Section 11-58-201, an amount equal to the
475 incremental value that is no longer provided to an authority as property tax
476 differential;

477 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
478 an amount equal to the incremental value that is no longer provided to the Point of
479 the Mountain State Land Authority as property tax augmentation, as defined in
480 Section [11-59-207] 11-59-208;

481 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
482 11-70-201, an amount equal to the incremental value that is no longer provided to
483 the Utah Fairpark Area Investment and Restoration District;

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

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

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

494 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
495 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
496 5, Home Ownership Promotion Zone, an amount equal to the incremental value
497 that is no longer provided to a home ownership promotion zone as tax increment;

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

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

505 (s) "Project area incremental revenue" means the same as that term is defined in Section
506 17C-1-1001.

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

508 (u) "Property tax differential" means the same as that term is defined in Sections
509 11-58-102 and 79-6-1104.

510 (v) "Subtraction" means the amount of revenue the taxing entity receives in the prior
511 year in accordance with Subsection 59-2-1365(4).

512 [(v)] (w) "Tax increment" means:

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

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

519 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
520 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
521 5, Home Ownership Promotion Zone, the same as that term is defined in Section
522 10-21-101 or Section 17-80-101;

523 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
524 First Home Investment Zone Act, the same as that term is defined in Section
525 63N-3-1601; or

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

529 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and
530 the commission the following statements:

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

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

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

539 (a) the statements described in Subsections (2)(a) and (b);
540 (b) an estimate of the revenue from personal property;

541 (c) the certified tax rate; and

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

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

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

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

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

551 (B) any adjustments for current year incremental value;

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

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

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

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

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

564 (A) multiplying the percentage of property taxes collected for the five calendar
565 years immediately preceding the current calendar year by eligible new growth;
566 and

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

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

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

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

574 (i) in a county of the first, second, or third class, the levy imposed for municipal-type

575 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services
576 to Unincorporated Areas; and

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

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

586 (d) for debt service voted on by the public, the certified tax rate is the actual levy
587 imposed by that section, except that a certified tax rate for the following levies shall
588 be calculated in accordance with Section 59-2-913 and this section:
589 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
590 (ii) a levy to pay for the costs of state legislative mandates or judicial or
591 administrative orders under Section 59-2-1602.

592 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or
593 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy
594 one or more eligible judgments.

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

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

599 (i) the taxable value of real property:

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

602 (B) contained on the assessment roll;

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

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

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

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

609 growth.

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

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

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

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

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

617 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through

618 electronic means on or before July 31, to a taxing entity and the Revenue and

619 Taxation Interim Committee if:

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

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

627 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
628 subtracting the taxable value of real and personal property the commission assesses
629 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
630 current year incremental value, from the year end taxable value of the real and
631 personal property the commission assesses in accordance with Part 2, Assessment of
632 Property, for the previous year, adjusted for prior year end incremental value.

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

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

641 Section 10. Section **59-2-1301.5** is amended to read:

642 **59-2-1301.5 (Effective 05/06/26) (Applies beginning 01/01/26). Definitions.**

643 As used in this part:

644 (1) "Large load customer" means the same as that term is defined in Section 54-26-101.

645 (2) "Tax notice charge" means an amount that:

646 (a) a property owner owes to a tax notice charge entity in relation to real property; and
647 (b) the county treasurer lists on the property tax notice in accordance with Section
648 59-2-1317 or another statutory authorization allowing the item's inclusion on the
649 property tax notice.

650 [(2)] (3) "Tax notice charge entity" means the entity that certifies to the county treasurer an
651 outstanding amount that:

652 (a) a property owner owes to the entity in relation to the property; and
653 (b) the county treasurer lists on the property tax notice as a tax notice charge.

654 Section 11. Section **59-2-1365** is amended to read:

655 **59-2-1365 (Effective 05/06/26) (Applies beginning 01/01/26). Payment to taxing**
656 **entities by county treasurer -- Investment of proceeds -- Transfer and receipt of money**
657 **between taxing entities.**

658 (1) Except as provided in Subsections (3)[and (4)], (4), and (5), the county treasurer shall
659 pay to the treasurer of each taxing entity and each tax notice charge entity in the county
660 on or before the tenth day of each month:

661 (a) all money that the county treasurer received during the preceding month that is due
662 to the taxing entity or tax notice charge entity; and
663 (b) each taxing entity's and each tax notice charge entity's proportionate share of money
664 the county treasurer received during the preceding month for:
665 (i) delinquent taxes and tax notice charges;
666 (ii) interest;
667 (iii) penalties; and
668 (iv) costs on all tax sales and redemptions.

669 (2) Except as provided in Subsections (3) and (4), the county treasurer shall:

670 (a) adopt an appropriate procedure to account for the transfer and receipt of money
671 between taxing entities and tax notice charge entities;
672 (b) make a final annual settlement on March 31 with each taxing entity and tax notice
673 charge entity, including providing the entity a written statement for the most recent
674 calendar year of the amount of:
675 (i) total taxes and tax notice charges charged;
676 (ii) current taxes and tax notice charges collected;

- (iii) treasurer's relief;
- (iv) redemptions;
- (v) penalties;
- (vi) interest;
- (vii) in lieu fee collections on motor vehicles; and
- (viii) miscellaneous collections;

(c) invest the money [it] the county treasurer receives under Subsection (1); and

(d) pay annually to each taxing entity and tax notice charge entity in the county the interest earned on the invested money under Subsection (2)(c):

- (i) on or before March 31; and
- (ii) apportioned according to the proportion that the:
 - (A) taxing entity's tax receipts bear to the total tax receipts received by the county treasurer; and
 - (B) tax notice charge entity's tax notice charge receipts bear to the total tax notice charge receipts that the county treasurer receives.

[Notwithstanding Subseetions (1) and (2), a] A county may:

- (a) negotiate with a taxing entity or tax notice charge entity a procedure other than the procedure provided in Subsection (2)(a) to account for the transfer and receipt of money between the county and the taxing entity or tax notice charge entity; and
- (b) establish a date other than the tenth day of each month for the county treasurer to make payments required under Subsection (1).

(a) A county treasurer shall:

- (i) distribute revenue from the property tax collected from a large load customer to each taxing entity within the county in accordance with Subsection (4)(b); and
- (ii) remit the remaining revenue from the property tax collected from a large load customer to the state treasurer for distribution to the remaining taxing entities in the state in accordance with Subsection (4)(b).

(b) The commission shall determine each taxing entity's proportion of property tax revenue a county collects from a large load customer by:

- (i) calculating the amount of revenue due to each county on the basis of the percentage that the population of the county bears to the total population of all counties using the population figures described in Section 59-12-205; and
- (ii) calculating how much of a county's share of the revenue is due to each taxing entity within the county in the same proportion as the revenue collected from real

711 property tax is distributed.

712 (5) This section does not invalidate an existing contract between a county and a taxing
713 entity or tax notice charge entity relating to the apportionment and payment of money or
714 interest.

715 **Section 12. Effective Date.**

716 This bill takes effect on May 6, 2026.

717 **Section 13. Retrospective operation.**

718 The following sections have retrospective operation to January 1, 2026:

719 (1) Section 59-2-924 (Effective 05/06/26) (Applies beginning 01/01/26);
720 (2) Section 59-2-1301.5 (Effective 05/06/26) (Applies beginning 01/01/26); and
721 (3) Section 59-2-1365 (Effective 05/06/26) (Applies beginning 01/01/26).