

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

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

ENACTS:

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

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

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

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

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

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

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

(1) As used in this section:

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

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

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

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

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

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

(1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) financial audits;

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

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

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

(e) other duties as required by law.

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

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

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

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

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

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

(1) As used in this section:

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

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

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

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

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

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

- (1) Notwithstanding the creation of a public infrastructure district, the creating entity and any other public entity, as applicable, retains all of the entity's authority over all zoning, planning, design specifications and approvals, and permitting within the public infrastructure district.
- (2) The inclusion of property within the boundaries of a public infrastructure district does not preclude the inclusion of the property within any other special district.
- (3)(a) All infrastructure that is connected to another public entity's system:
- (i) belongs to that public entity, regardless of inclusion within the boundaries of a public infrastructure district, unless the public infrastructure district and the public entity otherwise agree; and
 - (ii) shall comply with the design, inspection requirements, and other standards of the public entity.
- (b) A public infrastructure district shall convey or transfer the infrastructure described in Subsection (3)(a) free of liens or financial encumbrances to the public entity at no cost to the public entity.
- (4)(a)(i) No public entity or private person shall receive funds from any portion of a public infrastructure district's property tax revenue without a resolution of the public infrastructure district's board authorizing the public entity or private person to receive the funds.
- (ii) A public infrastructure district may not agree to provide tax increment, as that term is defined in Section 59-2-924, to an entity that has a large load customer, as that term is defined in Section 54-26-101, within the entity's project area, as that term is defined in Section 59-2-924, unless the agreement was made before May 6, 2026.
- (b) Subsection (4)(a) does not apply to the county's expenses related to collecting property tax in accordance with Title 59, Chapter 2, [~~Part 12, Property Tax Act~~] Part 13, Collection of Taxes.
- (c) Subsection (4)(a) applies notwithstanding any provision in:
- (i) Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act;
 - (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
 - (iii) a statute governing a development authority created under Utah Constitution, Article XI; or

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

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

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

(1) As used in this section:

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

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

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

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

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

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

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

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

(2) A large load customer shall:

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

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

- (a) ensure that all large load incremental costs are allocated to and paid by the large load customer;
- (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

large load facilities until after:

(a) executing a large load construction contract; and

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) As used in this section:

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

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

(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;

- (vii) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 10-21-101 or Section 17-80-101;
- (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-1601;
- (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the property tax base year, as that term is defined in Section 63N-3-1701; or
- (xi) for an electrical energy development zone [created] designated under Section 79-6-1104, the value of the property within an electrical energy development zone, as shown on the assessment roll last equalized before the [creation] designation of the electrical energy development zone, as that term is defined in Section 79-6-1104.
- (e) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous three calendar years, adjusted for taxable value attributable to:
- (i) an annexation to a taxing entity;
 - (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or
 - (iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.
- (f) "Centrally assessed industry" means the following industry classes the commission assesses in accordance with Part 2, Assessment of Property:
- (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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) the certified tax rate; and

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

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

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

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

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

(B) any adjustments for current year incremental value;

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

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

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

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

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

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

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

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

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

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

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

- 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.**

As used in this part:

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

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

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

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

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

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

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

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

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

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

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

- 677 (iii) treasurer's relief;
- 678 (iv) redemptions;
- 679 (v) penalties;
- 680 (vi) interest;
- 681 (vii) in lieu fee collections on motor vehicles; and
- 682 (viii) miscellaneous collections;
- 683 (c) invest the money ~~[it]~~ the county treasurer receives under Subsection (1); and
- 684 (d) pay annually to each taxing entity and tax notice charge entity in the county the
- 685 interest earned on the invested money under Subsection (2)(c):
- 686 (i) on or before March 31; and
- 687 (ii) apportioned according to the proportion that the:
 - 688 (A) taxing entity's tax receipts bear to the total tax receipts received by the county
 - 689 treasurer; and
 - 690 (B) tax notice charge entity's tax notice charge receipts bear to the total tax notice
 - 691 charge receipts that the county treasurer receives.
- 692 (3) ~~[Notwithstanding Subsections (1) and (2), a]~~ A county may:
 - 693 (a) negotiate with a taxing entity or tax notice charge entity a procedure other than the
 - 694 procedure provided in Subsection (2)(a) to account for the transfer and receipt of
 - 695 money between the county and the taxing entity or tax notice charge entity; and
 - 696 (b) establish a date other than the tenth day of each month for the county treasurer to
 - 697 make payments required under Subsection (1).
- 698 (4)(a) A county treasurer shall:
 - 699 (i) distribute revenue from the property tax collected from a large load customer to
 - 700 each taxing entity within the county in accordance with Subsection (4)(b); and
 - 701 (ii) remit the remaining revenue from the property tax collected from a large load
 - 702 customer to the state treasurer for distribution to the remaining taxing entities in
 - 703 the state in accordance with Subsection (4)(b).
- 704 (b) The commission shall determine each taxing entity's proportion of property tax
- 705 revenue a county collects from a large load customer by:
 - 706 (i) calculating the amount of revenue due to each county on the basis of the
 - 707 percentage that the population of the county bears to the total population of all
 - 708 counties using the population figures described in Section 59-12-205; and
 - 709 (ii) calculating how much of a county's share of the revenue is due to each taxing
 - 710 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).