

TRUTH IN TAXATION HEARINGS

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Raymond W. Short

A. Lamont Tyler

AN ACT RELATING TO THE PROPERTY TAX ACT; REQUIRING A TAXING ENTITY TO HOLD TRUTH IN TAXATION HEARINGS BEGINNING AT OR AFTER 6 P.M.; MAKING TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**59-2-918**, as last amended by Chapter 292, Laws of Utah 1997

**59-2-919**, as last amended by Chapter 292, Laws of Utah 1997

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

Section 1. Section **59-2-918** is amended to read:

**59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

(1) A taxing entity may not budget an increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined in Subsection 59-2-924(2) unless it advertises its intention to do so at the same time that it advertises its intention to fix its budget for the forthcoming fiscal year.

(2) (a) For taxing entities operating under a July 1 through June 30 fiscal year, the advertisement required by this section may be combined with the advertisement required by Section 59-2-919.

(b) For taxing entities operating under a January 1 through December 31 fiscal year, the advertisement shall meet the size, type, placement, and frequency requirements established under Section 59-2-919.

(3) The form of the advertisement shall meet the size, type, placement, and frequency requirements established under Section 59-2-919 and shall be substantially as follows:

"NOTICE OF PROPOSED TAX INCREASE

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

result of the proposed increase, the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence will be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity will be\_\_\_\_\_. Without the proposed increase the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity would be\_\_\_\_\_. The (name of the taxing entity) is proposing to increase its property tax revenue from \$\_\_\_\_\_ collected last year to \$\_\_\_\_\_ proposed this year, an increase of \_\_\_\_\_%.

All concerned citizens are invited to a public hearing on the tax increase to be held on (date and time) at (meeting place)."

(4) If a final decision regarding the budgeting of an increased amount of ad valorem tax revenue is not made at the public hearing, the taxing entity shall announce at the public hearing the scheduled time and place for consideration and adoption of the proposed budget increase.

(5) (a) Each taxing entity operating under the January 1 through December 31 fiscal year shall by March 1 notify the county of the date, time, and place of the public hearing at which the budget for the following fiscal year will be considered.

(b) The county shall include [that] the information described in Subsection (5)(a) with the tax notice.

(6) A taxing entity shall hold a public hearing under this section beginning at or after 6 p.m.

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

**59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of personal mailed notice -- Hearing -- Dates.**

A tax rate in excess of the certified tax rate may not be levied until a resolution has been approved by the taxing entity in accordance with the following procedure:

(1) (a) The taxing entity shall advertise its intent to exceed the certified tax rate in a newspaper or combination of newspapers of general circulation in the taxing entity.

(b) The advertisement shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border.

(c) The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(d) It is legislative intent that, whenever possible, the advertisement appear in a newspaper that is published at least one day per week.

(e) It is further the intent of the Legislature that the newspaper or combination of newspapers selected be of general interest and readership in the taxing entity, and not of limited subject matter.

(f) The advertisement shall be run once each week for the two weeks preceding the adoption of the final budget.

(g) The advertisement shall state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be not less than seven days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase.

(h) The meeting on the proposed increase may coincide with the hearing on the proposed budget of the taxing entity.

(2) The form and content of the notice shall be substantially as follows:

**"NOTICE OF PROPOSED TAX INCREASE**

The (name of the taxing entity) is proposing to increase its property tax revenue. As a result of the proposed increase, the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence will be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity will be \$\_\_\_\_\_. Without the proposed increase the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity would be \$\_\_\_\_\_. The (name of the taxing entity) is proposing to increase its property tax revenue from \$\_\_\_\_\_ collected last year to \$\_\_\_\_\_ proposed this year, an increase of \_\_\_\_\_%.

The (insert year) proposed tax rate is \_\_\_\_\_. Without the proposed increase the rate

would be \_\_\_\_\_.

All concerned citizens are invited to a public hearing on the tax increase to be held on (date and time) at (meeting place)."

(3) The commission shall adopt rules governing the joint use of one advertisement under this section or Section 59-2-918 by two or more taxing entities and may, upon petition by any taxing entity, authorize either:

(a) the use of weekly newspapers in counties having both daily and weekly newspapers where the weekly newspaper would provide equal or greater notice to the taxpayer; or

(b) the use of a commission-approved direct notice to each taxpayer if the cost of the advertisement would cause undue hardship and the direct notice is different and separate from that provided for in Subsection (4).

(4) In addition to providing the notice required by Subsections (1) and (2), the county auditor, on or before July 22 of each year, shall notify, by mail, each owner of real estate as defined in Section 59-2-102 who is listed on the assessment roll. The notice shall:

(a) be sent to all owners of real property by mail not less than ten days before the day on which:

(i) the county board of equalization meets; and

(ii) the taxing entity holds a public hearing on the proposed increase in the certified tax rate;

(b) the notice shall be printed on a form that is:

(i) approved by the commission; and

(ii) uniform in content in all counties in the state;

(c) contain for each property:

(i) the value of the property;

(ii) the date the county board of equalization will meet to hear complaints on the valuation;

(iii) itemized tax information for all taxing entities, including a separate statement for the minimum school levy under Section 53A-17a-135 stating:

(A) the dollar amount the taxpayer would have paid based on last year's rate; and

(B) the amount of the taxpayer's liability under the current rate;

- (iv) the tax impact on the property;
- (v) the time and place of the required public hearing for each entity;
- (vi) property tax information pertaining to taxpayer relief, options for payment of taxes, and collection procedures;
- (vii) other information specifically authorized to be included on the notice under Title 59, Chapter 2, Property Tax Act; and
- (viii) other property tax information approved by the commission.

(5) (a) The taxing entity, after ~~[the]~~ holding a hearing ~~[has been held in accordance with the above procedures]~~ as provided in this section, may adopt a resolution levying a tax rate in excess of the certified tax rate.

(b) If ~~[the]~~ a resolution adopting ~~[the]~~ a tax rate is not adopted on the day of the public hearing, the scheduled time and place for consideration and adoption of the resolution shall be announced at the public hearing.

(c) If ~~[the]~~ a resolution adopting a tax rate is to be considered at a day and time that is more than two weeks after the public hearing described in Subsection (4)(c)(v), the taxing entity shall advertise the date of the proposed adoption of the resolution in the same manner as provided under Subsections (1) and (2).

(6) (a) All hearings shall be open to the public.

(b) The governing body of ~~[the]~~ a taxing entity conducting ~~[the]~~ a hearing shall permit all interested parties desiring to be heard an opportunity to present oral testimony within reasonable time limits.

(7) (a) Each taxing entity shall notify the county legislative body by March 1 of each year of the date, time, and place of its public hearing.

(b) A taxing entity may not schedule its hearing at the same time as another overlapping taxing entity in the same county, but all taxing entities in which the power to set tax levies is vested in the same governing board or authority may consolidate the required hearings into one hearing.

(c) The county legislative body shall resolve any conflicts in hearing dates and times after consultation with each affected taxing entity.

(8) A taxing entity shall hold a public hearing under this section beginning at or after 6 p.m.

Section 3. **Effective date.**

This act takes effect on January 1, 1999.