

Senator Howard A. Stephenson proposes to substitute the following bill:

WATER CONSERVANCY DISTRICTS

TAXING AMENDMENTS

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Howard A. Stephenson

AN ACT RELATING TO REVENUE AND TAXATION; FIXING THE CERTIFIED TAX RATE FOR CERTAIN WATER CONSERVANCY DISTRICTS; AND PROVIDING A REPEAL DATE.

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

AMENDS:

59-2-924, as last amended by Chapters 2 and 2, Laws of Utah 1997, Second Special Session

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

Section 1. Section **59-2-924** is amended to read:

59-2-924. Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Certified tax rate -- Adoption of tentative budget.

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

(i) a statement containing the aggregate valuation of all taxable property in each taxing entity; and

(ii) a statement containing the taxable value of any additional personal property estimated by the county assessor to be subject to taxation in the current year.

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

(i) the statements described in Subsections (1)(a)(i) and (ii);

- 1 (ii) an estimate of the revenue from personal property;
- 2 (iii) the certified tax rate; and
- 3 (iv) all forms necessary to submit a tax levy request.

4 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad valorem
5 property tax revenues for a taxing entity as were collected by that taxing entity for the prior year.

6 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not include:

- 7 (A) collections from redemptions;
- 8 (B) interest; and
- 9 (C) penalties.

10 (iii) Except as provided in Subsection (2)(a)(iv), the certified tax rate shall be calculated
11 by dividing the ad valorem property tax revenues collected for the prior year by the taxing entity
12 by the taxable value established in accordance with Section 59-2-913.

13 (iv) The certified tax rates for the taxing entities described in this Subsection (2)(a)(iv)
14 shall be calculated as follows:

15 (A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified tax
16 rate is zero;

17 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

18 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
19 services under Sections 17-34-1 and 17-36-9; and

20 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
21 purposes and such other levies imposed solely for the municipal-type services identified in Section
22 17-34-2 and Subsection 17-36-3(22);

23 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy
24 imposed by that section, except that the certified tax rates for the following levies shall be
25 calculated in accordance with Section 59-2-913 and this section:

26 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
27 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

28 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
29 orders under Section 59-2-906.3[-]; and

30 (D) the certified tax rate on January 1, 1998, for each water conservancy district under
31 Title 17A, Chapter 2, Part 14, Water Conservancy Districts, that increased its tax rate during 1997

1 shall be that district's certified tax rate before the 1997 increase, until the district changes its tax
2 rate pursuant to Sections 59-2-918 and 59-2-919, if:

3 (I) the water conservancy district based the 1997 increase on language in the district's
4 master bond resolution that was interpreted to require the district to increase its tax rate to the
5 maximum allowed by statute;

6 (II) at a hearing under Section 59-2-918 or 59-2-919 held during 1997, the district
7 informed the public that the basis of the tax increase was the language in the master bond
8 resolution; and

9 (III) the language of the master bond resolution does not require the district to impose the
10 maximum levy allowed by statute.

11 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use the
12 taxable value of property on the assessment roll.

13 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the assessment
14 roll does not include new growth as defined in Subsection (2)(b)(iii).

15 (iii) "New growth" means:

16 (A) the difference between the increase in taxable value of the taxing entity from the
17 previous calendar year to the current year; minus

18 (B) the amount of increase to locally assessed real property taxable values resulting from
19 factoring, reappraisal, or any other adjustments.

20 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform
21 fees on tangible personal property under Section 59-2-404 or 59-2-405 as a result of any county
22 imposing a sales and use tax under Title 59, Chapter 12, Part 11, County Option Sales and Use
23 Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

24 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under Title 59,
25 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

26 (A) decreased on a one-time basis by the amount of the estimated sales tax revenue to be
27 distributed to the county under Subsection 59-12-1102(3); and

28 (B) increased by the amount necessary to offset the county's reduction in revenue from
29 uniform fees on tangible personal property under Section 59-2-404 or 59-2-405 as a result of the
30 decrease in the certified tax rate under Subsection (2)(d)(i)(A).

31 (ii) The commission shall determine estimates of sales tax distributions for purposes of

1 Subsection (2)(d)(i).

2 (e) For the calendar year beginning on January 1, 1998, and ending December 31, 1998,
3 a taxing entity's certified tax rate shall be increased by the amount necessary to offset the decrease
4 in revenues from uniform fees on tangible personal property under Section 59-2-405 as a result
5 of the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by
6 the Legislature during the 1997 Annual General Session.

7 (f) Beginning January 1, 1998, if a municipality has imposed an additional resort
8 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
9 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated
10 revenue from the additional resort communities sales tax imposed under Section 59-12-402.

11 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

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

14 (i) its intent to exceed the certified tax rate; and

15 (ii) the amount by which it proposes to exceed the certified tax rate.

16 (c) The county auditor shall notify all property owners of any intent to exceed the certified
17 tax rate in accordance with Subsection 59-2-919(2).

18 (4) (a) The taxable value for the base year under Subsection 17A-2-1247(2)(a) or
19 17A-2-1202(2), as the case may be, shall be reduced for any year to the extent necessary to provide
20 a redevelopment agency established under Title 17A, Chapter 2, Part 12, Neighborhood
21 Redevelopment Agencies, with approximately the same amount of money the agency would have
22 received without a reduction in the county's certified tax rate if:

23 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
24 (2)(d)(i);

25 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
26 previous year; and

27 (iii) the decrease results in a reduction of the amount to be paid to the agency under
28 Section 17A-2-1247 or 17A-2-1247.5.

29 (b) The taxable value of the base year under Subsection 17A-2-1247(2)(a) or
30 17A-2-1202(2), as the case may be, shall be increased in any year to the extent necessary to
31 provide a redevelopment agency with approximately the same amount of money as the agency

1 would have received without an increase in the certified tax rate that year if:

2 (i) in that year the taxable value for the base year under Subsection 17A-2-1247(2) or
3 17A-2-1202(2) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or
4 (2)(d)(i); and

5 (ii) The certified tax rate of a city, school district, or special district increases independent
6 of the adjustment to the taxable value of the base year.

7 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i),
8 the amount of money allocated and, when collected, paid each year to a redevelopment agency
9 established under Title 17A, Chapter 2, Part 12, Neighborhood Redevelopment Agencies, for the
10 payment of bonds or other contract indebtedness, but not for administrative costs, may not be less
11 than that amount would have been without a decrease in the certified tax rate under Subsection
12 (2)(c) or (2)(d)(i).

13 Section 2. **Repeal date.**

14 This act is repealed January 1, 1999.