

**PROPERTY TAX CERTIFIED TAX RATE**

**ADJUSTMENTS - UNIFORM FEES**

2000 GENERAL SESSION

STATE OF UTAH

**Sponsor: Raymond W. Short**

AN ACT RELATING TO THE PROPERTY TAX ACT; REQUIRING THE STATE TAX COMMISSION TO ~~h~~ **[DECREASE]** **ADJUST** ~~h~~ A TAXING ENTITY'S CERTIFIED TAX RATE **h** AND CERTIFIED REVENUE LEVY **h** UNDER

CERTAIN CIRCUMSTANCES; REPEALING OBSOLETE LANGUAGE; MAKING TECHNICAL CHANGES; AND PROVIDING FOR RETROSPECTIVE OPERATION.

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

AMENDS:

**59-2-924**, as last amended by Chapter 353, Laws of Utah 1999

*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);

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

28 (iii) the certified tax rate; and

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

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

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

33 (A) collections from redemptions;

34 (B) interest; and

35 (C) penalties.

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

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

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

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

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

46 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
47 purposes and such other levies imposed solely for the municipal-type services identified in Section  
48 17-34-2 and Subsection 17-36-3(22);

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

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

54 (II) levies to pay for the costs of state legislative mandates or judicial or administrative  
55 orders under Section 59-2-906.3.

56 (v) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall be  
57 established at that rate which is sufficient to generate only the revenue required to satisfy the  
58 known, unpaid judgments. The ad valorem property tax revenue generated by the judgment levy

59 shall not be considered in establishing the taxing entity's aggregate certified tax rate.

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

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

64 (iii) "New growth" means:

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

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

69 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform  
70 fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of  
71 any county imposing a sales and use tax under Title 59, Chapter 12, Part 11, County Option Sales  
72 and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

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

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

77 (B) increased by the amount necessary to offset the county's reduction in revenue from  
78 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a  
79 result of the decrease in the certified tax rate under Subsection (2)(d)(i)(A).

80 (ii) The commission shall determine estimates of sales tax distributions for purposes of  
81 Subsection (2)(d)(i).

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

87 [(f)] (e) Beginning January 1, 1998, if a municipality has imposed an additional resort  
88 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be  
89 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated

90 revenue from the additional resort communities sales tax imposed under Section 59-12-402.

91 ~~[(g)]~~ (f) For the calendar year beginning on January 1, 1999, and ending on December 31,  
92 1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the  
93 adjustment in revenues from uniform fees on tangible personal property under Section 59-2-405.1  
94 as a result of the adjustment in uniform fees on tangible personal property under Section  
95 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

96 ~~h~~ ~~[(g)]~~ The commission shall:

97 ~~—— (i) on or before May 1, 2000, make the recalculation required under Subsection (2)(h); and~~

98 ~~—— (ii) for the calendar year beginning on January 1, 2000, and ending on December 31, 2000,~~  
99 ~~after making the recalculation required under Subsection (2)(h), decrease a taxing entity's certified~~  
100 ~~tax rate as provided in Subsection (2)(i) if a taxing entity actually collects for the calendar year~~  
101 ~~beginning on January 1, 1999, and ending on December 31, 1999, an amount of revenues:~~

102 ~~—— (A) under Section 59-2-405.1; and~~

103 ~~—— (B) that exceeds the amount of revenues the commission projected the taxing entity would~~  
104 ~~collect for that calendar year:~~

105 ~~—— (I) under Section 59-2-405.1;~~

106 ~~—— (II) after making the recalculation required under Subsection (2)(h); and~~

107 ~~—— (III) for purposes of making the adjustment under Subsection (2)(f).~~

108 ~~—— (h) (i) For purposes of Subsection (2)(g)(i), the commission shall recalculate the amount~~  
109 ~~of revenues the commission projected that each taxing entity would collect under Section~~  
110 ~~59-2-405.1 for the calendar year beginning on January 1, 1999, and ending on December 31, 1999;~~  
111 ~~by excluding for each taxing entity the revenues the commission included in its projections~~  
112 ~~attributable to the increase between the years specified in Subsection (2)(h)(ii) in the number of:~~

113 ~~—— (A) motor vehicles required to be registered with the state that weigh 12,000 pounds or~~  
114 ~~less; and~~

115 ~~—— (B) state-assessed commercial vehicles required to be registered with the state that weigh~~  
116 ~~12,000 pounds or less.~~

117 ~~—— (ii) For purposes of Subsection (2)(h)(i), the commission shall calculate the increase~~  
118 ~~between the following years:~~

119 ~~—— (A) the calendar year beginning on January 1, 1998, and ending on December 31, 1998;~~

120 ~~and] h~~

121 ~~h [(B) for the calendar year beginning on January 1, 1999, and ending on December 31, 1999;~~  
122 ~~—— (i) The amount of the decrease under Subsection (2)(g)(ii) is the amount necessary to offset~~  
123 ~~the difference between:~~  
124 ~~—— (i) the amount of revenues the taxing entity actually collected:~~  
125 ~~—— (A) for the calendar year beginning on January 1, 1999, and ending on December 31, 1999;~~  
126 ~~and~~  
127 ~~—— (B) under Section 59-2-405.1; and~~  
128 ~~—— (ii) the amount of revenues the commission projected that the taxing entity would collect:~~  
129 ~~—— (A) for the calendar year beginning on January 1, 1999, and ending on December 31, 1999;~~  
130 ~~—— (B) under Section 59-2-405.1;~~  
131 ~~—— (C) after making the recalculation required under Subsection (2)(h); and~~  
132 ~~—— (D) for purposes of making the adjustment under Subsection (2)(f).]~~  
132a ~~(g) FOR PURPOSES OF SUBSECTIONS (2)(h) AND (i):~~  
132b ~~(i) "1998 ACTUAL COLLECTIONS" MEANS THE AMOUNT OF REVENUES A TAXING ENTITY~~  
132c ~~ACTUALLY COLLECTED FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 1998, UNDER~~  
132d ~~SECTION 59-2-405 FOR:~~  
132e ~~(A) MOTOR VEHICLES REQUIRED TO BE REGISTERED WITH THE STATE THAT WEIGH~~  
132f ~~12,000~~  
132g ~~POUNDS OR LESS; AND~~  
132h ~~(B) STATE-ASSESSED COMMERCIAL VEHICLES REQUIRED TO BE REGISTERED WITH THE~~  
132i ~~STATE THAT WEIGH 12,000 POUNDS OR LESS.~~  
132j ~~(ii) "1999 ACTUAL COLLECTIONS" MEANS THE AMOUNT OF REVENUES A TAXING ENTITY~~  
132k ~~ACTUALLY COLLECTED FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 1999, UNDER~~  
132l ~~SECTION 59-2-405.1.~~  
132m ~~(iii) "1999 UNIFORM FEE REVENUE DECREASE" MEANS THAT FOR THE CALENDAR YEAR~~  
132n ~~BEGINNING ON JANUARY 1, 1999, A TAXING ENTITY'S 1998 ACTUAL COLLECTIONS WERE~~  
132o ~~GREATER THAN THE SUM OF:~~  
132p ~~(A) THE TAXING ENTITY'S 1999 ACTUAL COLLECTIONS; AND~~  
132q ~~(B) ANY ADJUSTMENTS THE COMMISSION MADE UNDER SUBSECTION (2)(f).~~  
132r ~~(iv) "1999 UNIFORM FEE REVENUE INCREASE" MEANS THAT FOR THE CALENDAR YEAR~~  
132s ~~BEGINNING ON JANUARY 1, 1999, A TAXING ENTITY'S 1998 ACTUAL COLLECTIONS WERE LESS~~  
132t ~~THAN THE SUM OF:~~  
132u ~~(A) THE TAXING ENTITY'S 1999 ACTUAL COLLECTIONS; AND~~  
132v ~~(B) ANY ADJUSTMENTS THE COMMISSION MADE UNDER SUBSECTION (2)(f).~~  
132w ~~(h) FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 2000, IF A TAXING ENTITY HAD~~  
132x ~~A 1999 UNIFORM FEE REVENUE INCREASE OR A 1999 UNIFORM FEE REVENUE DECREASE, THE~~  
132y ~~COMMISSION SHALL MAKE THE FOLLOWING ADJUSTMENTS:~~  
132z ~~(i) FOR A TAXING ENTITY HAVING A 1999 UNIFORM FEE REVENUE INCREASE, THE~~  
~~COMMISSION SHALL DECREASE THE TAXING ENTITY'S CERTIFIED TAX RATE UNDER THIS~~

132aa

**SECTION AND THE TAXING ENTITY'S CERTIFIED REVENUE LEVY UNDER SECTION 59-2-906.1**

132ab **BY THE AMOUNT NECESSARY TO OFFSET THE AMOUNT BY WHICH THE TAXING ENTITY'S 1998**  
 132ac **ACTUAL COLLECTIONS ARE LESS THAN THE SUM OF:**

132ad **(A) THE TAXING ENTITY'S 1999 ACTUAL COLLECTIONS; AND**

132ae **(B) ANY ADJUSTMENTS THE COMMISSION MADE UNDER SUBSECTION (2)(f); AND**

132af **(ii) FOR A TAXING ENTITY HAVING A 1999 UNIFORM FEE REVENUE DECREASE, THE**

132ag **COMMISSION SHALL INCREASE THE TAXING ENTITY'S CERTIFIED TAX RATE UNDER THIS**

132ah **SECTION AND THE TAXING ENTITY'S CERTIFIED REVENUE LEVY UNDER SECTION 59-2-906.1 BY**

132ai **THE AMOUNT NECESSARY TO OFFSET THE AMOUNT BY WHICH THE TAXING ENTITY'S 1998**

132aj **ACTUAL COLLECTIONS EXCEED THE SUM OF:**

132ak **(A) THE TAXING ENTITY'S 1999 ACTUAL COLLECTIONS; AND**

132al **(B) ANY ADJUSTMENTS THE COMMISSION MADE UNDER SUBSECTION (2)(f). h**

133 **h [(f)] (i) h In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,**

133a **for**

134 **purposes of Subsections (2)(f) through h [(f)] (h) h , the commission may make rules establishing**

134a **the method**

135 **for determining h [the amount of revenues a taxing entity actually collected under Section 59-2-405.1**

136 **for the calendar year beginning on January 1, 1999, and ending on December 31, 1999] A TAXING**

136a **ENTITY'S 1998 ACTUAL COLLECTIONS AND 1999 ACTUAL COLLECTIONS h .**

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

138 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county

139 auditor of:

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

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

142 (c) The county auditor shall notify all property owners of any intent to exceed the certified

143 tax rate in accordance with Subsection 59-2-919(2).

144 (4) (a) The taxable value for the base year under Subsection 17A-2-1247(2)(a) or

145 17A-2-1202(2), as the case may be, shall be reduced for any year to the extent necessary to provide

146 a redevelopment agency established under Title 17A, Chapter 2, Part 12, Utah Neighborhood

147 Development Act, with approximately the same amount of money the agency would have received

148 without a reduction in the county's certified tax rate if:

149 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or

150 (2)(d)(i);

151 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the

152 previous year; and

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

155 (b) The taxable value of the base year under Subsection 17A-2-1247(2)(a) or  
156 17A-2-1202(2), as the case may be, shall be increased in any year to the extent necessary to  
157 provide a redevelopment agency with approximately the same amount of money as the agency  
158 would have received without an increase in the certified tax rate that year if:

159 (i) in that year the taxable value for the base year under Subsection 17A-2-1247(2) or  
160 17A-2-1202(2) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or  
161 (2)(d)(i); and

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

164 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i),  
165 the amount of money allocated and, when collected, paid each year to a redevelopment agency  
166 established under Title 17A, Chapter 2, Part 12, Utah Neighborhood Development Act, for the  
167 payment of bonds or other contract indebtedness, but not for administrative costs, may not be less  
168 than that amount would have been without a decrease in the certified tax rate under Subsection  
169 (2)(c) or (2)(d)(i).

170 ~~[(5) (a) Except as provided in Subsections (5)(d) through (f), for the calendar year  
171 beginning on January 1, 1998, and ending December 31, 1998, to impose a tax rate that exceeds  
172 the certified tax rate established in Subsection (2), a taxing entity shall obtain approval for the tax  
173 increase by a majority vote of the:]~~

174 ~~[(i) governing body; and]~~

175 ~~[(ii) people as provided in Subsection (5)(b).:]~~

176 ~~[(b) To obtain voter approval for a tax increase under Subsection (5)(a), a taxing entity  
177 shall:]~~

178 ~~[(i) hold an election on the fourth Tuesday in June; and]~~

179 ~~[(ii) conduct the election according to the procedures and requirements of Title 20A,  
180 Election Code, governing local elections.:]~~

181 ~~[(c) A tax rate imposed by a taxing entity under this Subsection (5) may not exceed the  
182 maximum levy permitted by law under Section 59-2-908.:]~~

183 ~~[(d) Notwithstanding Subsection (5)(a), a school district is not required to obtain voter~~  
184 ~~approval under this Subsection (5) to impose a tax rate that exceeds the certified tax rate:]~~

185 ~~[(i) under Section 53A-17a-135, if the Legislature increases the minimum basic tax rate~~  
186 ~~under Section 53A-17a-135;]~~

187 ~~[(ii) under Section 53A-21-103;]~~

188 ~~[(iii) under Section 53A-16-111;]~~

189 ~~[(iv) if, on or after January 1, 1997, but on or before December 31, 1997, the school~~  
190 ~~district obtained voter approval to impose the tax rate; or]~~

191 ~~[(v) if, on or after January 1, 1998, the school district obtains voter approval to impose the~~  
192 ~~tax rate under a statutory provision, other than the provisions of this section, requiring voter~~  
193 ~~approval to impose the tax rate:]~~

194 ~~[(e) Notwithstanding Subsection (5)(a), a municipality is not required to obtain voter~~  
195 ~~approval under this Subsection (5) to impose a tax rate that exceeds the certified tax rate if:]~~

196 ~~[(i) the municipality meets the requirements of Sections 59-2-918 and 59-2-919; and]~~

197 ~~[(ii) in adopting the resolution required under Section 59-2-919, the municipal legislative~~  
198 ~~body obtains approval to impose the tax rate by two-thirds of all members of the municipal~~  
199 ~~legislative body.]~~

200 ~~[(f) Notwithstanding Subsection (5)(a), a county or municipality is not required to obtain~~  
201 ~~voter approval under this Subsection (5) to impose a tax rate under Section 17A-2-1322 that~~  
202 ~~exceeds the certified tax rate calculated for a special service district established under Title 17A,~~  
203 ~~Chapter 2, Part 13, Utah Special Service District Act, if the county or municipality obtained voter~~  
204 ~~approval to impose a tax on property within the special service district:]~~

205 ~~[(i) under Section 17A-2-1322; and]~~

206 ~~[(ii) on or after June 1, 1996.]~~

207 **Section 2. Retrospective operation.**

208 This act has retrospective operation to January 1, 2000.

**Legislative Review Note**  
**as of 12-10-99 2:19 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**

**Committee Note**

The Revenue and Taxation Interim Committee recommended this bill.