

PROPERTY TAX INCREASE - NOTICE

REQUIREMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Glenn L. Way

This act modifies the Property Tax Act, the State System of Public Education, the Utah Municipal Code, and the County Code to provide that the Legislature may not pass legislation increasing certain property tax levies for education or property tax assessing or collecting unless the Office of the Legislative Fiscal Analyst first publishes notice of the increases on or before the 37th day of a general session. The act makes technical changes.

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

AMENDS:

10-6-105, as last amended by Chapter 300, Laws of Utah 1999

17-36-3.5, as enacted by Chapter 300, Laws of Utah 1999

53A-17a-135, as last amended by Chapter 264, Laws of Utah 2000

59-2-906.1, as last amended by Chapters 19 and 322, Laws of Utah 1998

59-2-926, as enacted by Chapter 271, Laws of Utah 1995

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

Section 1. Section **10-6-105** is amended to read:

10-6-105. Fiscal period -- Annual or biennial.

(1) Except as provided in Subsection (2), the fiscal period for each city shall be an annual period beginning July 1 of each year and ending June 30 of the following year.

(2) (a) Notwithstanding Subsection (1), the legislative body of a city may, by ordinance, adopt for the city a fiscal period that is a biennial period beginning July 1 and ending June 30 of the second following calendar year.

(b) Each city adopting an ordinance under Subsection (2)(a) shall separately specify in its budget the amount of ad valorem property tax it intends to levy and collect during both the first



28 half and the second half of the budget period.

29 (c) Each city that adopts a fiscal period that is a biennial period under Subsection (2)(a)
30 shall:

31 (i) comply with Sections 59-2-912 through [~~59-2-926~~] 59-2-924 as if it had adopted a
32 fiscal period that is an annual period; and

33 (ii) allocate budgeted revenues and expenditures to each of the two annual periods in the
34 biennial budget.

35 (d) The legislative body of each city that adopts a fiscal period that is a biennial period
36 under Subsection (2)(a) shall, within ten days after the adoption of the ordinance adopting the
37 biennial period, deliver a copy of the ordinance to the state auditor.

38 Section 2. Section **17-36-3.5** is amended to read:

39 **17-36-3.5. Fiscal period -- Annual or biennial.**

40 (1) Except as provided in Subsection (2), the fiscal period for each county shall be an
41 annual period beginning on January 1 of each year and ending December 31 of the same calendar
42 year.

43 (2) (a) Notwithstanding Subsection (1), the legislative body of a county may, by ordinance,
44 adopt for the county a fiscal period that is a biennial period beginning January 1 and ending
45 December 31 of the following calendar year.

46 (b) Each county adopting an ordinance under Subsection (2)(a) shall separately specify in
47 its budget the amount of ad valorem property tax it intends to levy and collect during both the first
48 half and the second half of the budget period.

49 (c) Each county that adopts a fiscal period that is a biennial period under Subsection (2)(a)
50 shall:

51 (i) comply with Sections 59-2-912 through [~~59-2-926~~] 59-2-924 as if it had adopted a
52 fiscal period that is an annual period; and

53 (ii) allocate budgeted revenues and expenditures to each of the two annual periods in the
54 biennial budget.

55 (d) The legislative body of each county that adopts a fiscal period that is a biennial period
56 under Subsection (2)(a) shall, within ten days after the adoption of the ordinance adopting the
57 biennial period, deliver a copy of the ordinance to the state auditor.

58 Section 3. Section **53A-17a-135** is amended to read:

59 **53A-17a-135. Certified revenue levy.**

60 (1) (a) In order to qualify for receipt of the state contribution toward the basic program and
61 as its contribution toward its costs of the basic program, each school district shall impose a
62 minimum basic tax rate per dollar of taxable value that generates \$189,329,826 in revenues
63 statewide.

64 (b) The preliminary estimate for the 2000-01 tax rate is .001845.

65 (c) The State Tax Commission shall certify on or before June 22 the rate that generates
66 \$189,329,826 in revenues statewide.

67 ~~[(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in Section~~
68 ~~59-2-102, the state is subject to the notice requirements of Section 59-2-926.]~~

69 ~~[(e) For the calendar year beginning on January 1, 1998, and ending December 31, 1998,~~
70 ~~the certified revenue levy shall be increased by the amount necessary to offset the decrease in~~
71 ~~revenues from uniform fees on tangible personal property under Section 59-2-405 as a result of~~
72 ~~the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by the~~
73 ~~Legislature during the 1997 Annual General Session.]~~

74 ~~[(f) For the calendar year beginning on January 1, 1999, and ending on December 31,~~
75 ~~1999, the certified revenue levy shall be adjusted by the amount necessary to offset the adjustment~~
76 ~~in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result~~
77 ~~of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted~~
78 ~~by the Legislature during the 1998 Annual General Session.]~~

79 (d) The Legislature may not pass legislation authorizing the imposition of a levy under this
80 section that exceeds the certified revenue levy unless the requirements of Section 59-2-926 have
81 been met.

82 (2) (a) The state shall contribute to each district toward the cost of the basic program in
83 the district that portion which exceeds the proceeds of the levy authorized under Subsection (1).

84 (b) In accord with the state strategic plan for public education and to fulfill its
85 responsibility for the development and implementation of that plan, the Legislature instructs the
86 State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each of the
87 coming five years to develop budgets that will fully fund student enrollment growth.

88 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the cost
89 of the basic program in a school district, no state contribution shall be made to the basic program.

90 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of the
91 basic program shall be paid into the Uniform School Fund as provided by law.

92 Section 4. Section **59-2-906.1** is amended to read:

93 **59-2-906.1. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
94 **Additional county levy permitted.**

95 (1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by a
96 multicounty assessing and collecting levy not to exceed .0003 as provided in Subsection (2).

97 (b) The multicounty assessing and collecting levy under Subsection (1)(a) shall be imposed
98 annually by each county in the state.

99 (c) The purpose of the multicounty assessing and collecting levy created under Subsection
100 (1)(a) and the disbursement formulas established in Section 59-2-906.2 is to promote the accurate
101 valuation of property, the establishment and maintenance of uniform assessment levels within and
102 among counties, and the efficient administration of the property tax system, including the costs of
103 assessment, collection, and distribution of property taxes.

104 (d) Income derived from the investment of money in the fund created in this Subsection
105 (1) shall be deposited in and become part of the fund.

106 (2) (a) Except as authorized in Subsection (2)(b), beginning in fiscal year 1996-97 to fund
107 the Property Tax Valuation Agency Fund the Legislature shall authorize the amount of the
108 multicounty assessing and collecting levy, except that the multicounty assessing and collecting
109 levy may not exceed the certified revenue levy as defined in Section 53A-17a-103.

110 ~~[(b) If the Legislature authorizes a multicounty assessing and collecting levy that exceeds~~
111 ~~the certified revenue levy, it is subject to the notice requirements of Section 59-2-926.]~~

112 ~~[(c) For the calendar year beginning on January 1, 1998, and ending December 31, 1998,~~
113 ~~the certified revenue levy shall be increased by the amount necessary to offset the decrease in~~
114 ~~revenues from uniform fees on tangible personal property under Section 59-2-405 as a result of~~
115 ~~the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by the~~
116 ~~Legislature during the 1997 Annual General Session.]~~

117 ~~[(d) For the calendar year beginning on January 1, 1999, and ending on December 31,~~
118 ~~1999, the certified revenue levy shall be adjusted by the amount necessary to offset the adjustment~~
119 ~~in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result~~
120 ~~of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted~~

121 ~~by the Legislature during the 1998 Annual General Session.]~~

122 (b) The Legislature may not pass legislation authorizing the imposition of a levy under this
123 section unless the requirements of Section 59-2-926 have been met.

124 (3) (a) The multicounty assessing and collecting levy authorized by the Legislature under
125 Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and collecting
126 levy.

127 (b) The multicounty assessing and collecting levy authorized by the Legislature under
128 Subsection (2) is:

129 (i) exempt from the redevelopment provisions of Sections 17A-2-1247 and 17A-2-1247.5;

130 (ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908;

131 and

132 (iii) exempt from the notice requirements of Sections 59-2-918 and 59-2-919.

133 (c) Each county shall transmit quarterly to the state treasurer the portion of the .0003
134 multicounty assessing and collecting levy which is above the amount to which that county is
135 entitled to under Section 59-2-906.2.

136 (i) The revenue shall be transmitted no later than the tenth day of the month following the
137 end of the quarter in which the revenue is collected.

138 (ii) If revenue is transmitted after the tenth day of the month following the end of the
139 quarter in which the revenue is collected, the county shall pay an interest penalty at the rate of 10%
140 each year until the revenue is transmitted.

141 (d) The state treasurer shall deposit the revenue from the multicounty assessing and
142 collecting levy, any interest accrued from that levy, and any penalties received under Subsection
143 (3)(c) in the Property Tax Valuation Agency Fund.

144 (4) Each county may levy an additional property tax up to .0002 per dollar of taxable value
145 of taxable property as reported by each county. This levy shall be stated on the tax notice as a
146 county assessing and collecting levy.

147 (a) The purpose of the levy established in this Subsection (4) is to promote the accurate
148 valuation of property, the establishment and maintenance of uniform assessment levels within and
149 among counties, and the efficient administration of the property tax system, including the costs of
150 assessment, collection, and distribution of property taxes.

151 (b) Any levy established in Subsection (4)(a) is:

- 152 (i) exempt from the redevelopment provisions of Sections 17A-2-1247 and 17A-2-1247.5;
- 153 (ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908;
- 154 and
- 155 (iii) is subject to the notice requirements of Sections 59-2-918 and 59-2-919.

156 Section 5. Section **59-2-926** is amended to read:

157 **59-2-926. Proposed tax increase authorized by Legislature -- Notice -- Contents --**
158 **Dates.**

159 [~~If the state authorizes~~]

160 (1) Beginning with the 2002 General Session, the Legislature may not pass legislation
161 authorizing the imposition of a levy [pursuant to] under Section 53A-17a-135 or 59-2-906.1 that
162 exceeds the certified revenue levy[~~, the state~~] unless the requirements of this section are met.

163 (2) Beginning with the 2002 General Session, if the Executive Appropriations Committee
164 of the Legislature recommends proposing a levy under Section 53A-17a-135 or 59-2-906.1 that
165 exceeds the certified revenue levy, the Executive Appropriations Committee shall, on or before
166 the 30th day of the general session, direct the Office of the Legislative Fiscal Analyst to publish
167 a notice [no later than ten days after the last day of the annual legislative general session] that
168 meets the [following] requirements[~~:-~~] of this section.

169 [~~(+)~~] (3) (a) The Office of the Legislative Fiscal Analyst shall [advertise that the state
170 authorized a levy that generates revenue in excess of the previous year's ad valorem tax revenue,
171 plus new growth, but exclusive of revenue from collections from redemptions, interest, and
172 penalties] publish the notice described in this section no later than seven days after the Executive
173 Appropriations Committee directs the Office of the Legislative Fiscal Analyst to publish the
174 notice.

175 (b) The notice described in this section:

176 (i) shall be published in a newspaper of general circulation in the state[~~:-The~~
177 advertisement shall be no];

178 (ii) may not be less than 1/4 page in size [and the type used shall be no smaller than];

179 (iii) shall be printed in 18 point[~~, and~~] font or larger;

180 (iv) shall be surrounded by a border that is 1/4-inch [border. The advertisement] or more;

181 (v) may not be placed in that portion of the newspaper where legal notices and classified
182 advertisements appear[~~:-The advertisement~~];

183 (vi) shall be ~~[run once.]~~ published one or more times;
 184 (vii) shall have a heading that reads "Notice of Proposed Tax Increase"; and
 185 (viii) shall contain a cost estimate that anticipates direct expenditures by any Utah resident,
 186 and the cost to the overall impacted Utah resident population.

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

188 [~~"NOTICE OF TAX INCREASE~~]

189 ~~[The state has budgeted an increase in its property tax revenue from \$_____ to~~
 190 ~~\$_____ or ____%.]~~

191 ~~[The increase in property tax revenues will come from the following sources (include all~~
 192 ~~of the following provisions):]~~

193 ~~[(a) \$_____ of the increase will come from (provide an explanation of the cause of~~
 194 ~~adjustment or increased revenues, such as reappraisals or factoring orders);]~~

195 ~~[(b) \$_____ of the increase will come from natural increases in the value of the tax~~
 196 ~~base due to (explain cause of new growth, such as new building activity, annexation, etc.);]~~

197 ~~[(c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for the~~
 198 ~~basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or both)~~
 199 ~~paid \$_____ in property taxes would pay the following:]~~

200 ~~[(i) \$_____ if the state of Utah did not budget an increase in property tax revenue~~
 201 ~~exclusive of new growth; and]~~

202 ~~[(ii) \$_____ under the increased property tax revenues exclusive of new growth~~
 203 ~~budgeted by the state of Utah.]~~

Legislative Review Note
as of 2-12-01 6:49 AM

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

Office of Legislative Research and General Counsel