

PROPERTY TAX - TRUTH IN TAXATION

AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Max W. Young

This act modifies the Property Tax Act by repealing the requirement that taxing entities publish an advertisement and hold a public hearing before budgeting an increased amount of property tax revenue, and making technical changes.

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

AMENDS:

17-34-3, as last amended by Chapter 199, Laws of Utah 2000

17A-1-412, as last amended by Chapter 145, Laws of Utah 1997

53A-19-105, as last amended by Chapter 309, Laws of Utah 1997

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

59-2-906.3, as last amended by Chapter 292, Laws of Utah 1997

59-2-911, as last amended by Chapter 292, Laws of Utah 1997

59-2-918, as last amended by Chapter 127, Laws of Utah 1999

59-2-918.5, as last amended by Chapter 61, Laws of Utah 2000

59-2-919, as last amended by Chapter 127, Laws of Utah 1999

59-2-921, as last amended by Chapter 2, Laws of Utah 1997, Second Special Session

59-2-924, as last amended by Chapters 22, 61, 141 and 199, Laws of Utah 2000

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

Section 1. Section **17-34-3** is amended to read:

17-34-3. Taxes or service charges.

(1) (a) If a county furnishes the municipal-type services and functions described in Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the entire cost of the services or functions so furnished shall be defrayed from funds that the county has derived



28 from [either]:

29 (i) taxes [which] that the county may lawfully levy or impose outside the limits of
30 incorporated towns or cities;

31 (ii) service charges or fees the county may impose upon the persons benefited in any way
32 by the services or functions; or

33 (iii) a combination of these sources.

34 (b) As the taxes or service charges or fees are levied and collected, they shall be placed in
35 a special revenue fund of the county and shall be disbursed only for the rendering of the services
36 or functions established in Section 17-34-1 within the unincorporated areas of the county.

37 (2) For the purpose of levying taxes, service charges, or fees provided in this section, the
38 county legislative body may establish a district or districts in the unincorporated areas of the
39 county.

40 (3) Nothing contained in this chapter may be construed to authorize counties to impose
41 or levy taxes not otherwise allowed by law.

42 (4) (a) A county required under Subsection 17-34-1(3) to provide advanced life support
43 and paramedic services to the unincorporated area of the county and that previously paid for those
44 services through a countywide levy may increase its levy under Subsection (1)(a)(i) to generate in
45 the unincorporated area of the county the same amount of revenue as the county loses from that
46 area due to the required decrease in the countywide certified tax rate under Subsection
47 59-2-924(2)(h)(i).

48 (b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and hearing
49 requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

50 Section 2. Section **17A-1-412** is amended to read:

51 **17A-1-412. Hearing to consider adoption.**

52 (1) At the meeting at which the tentative budget is adopted, the governing body shall
53 establish the time and place of a public hearing to consider its adoption and shall order that notice
54 of the hearing be published at least seven days prior to the hearing in at least one issue of a
55 newspaper of general circulation published in the county or counties in which the district is
56 located. If no newspaper is published, the notice required by this section may be posted in three
57 public places within the district.

58 (2) If the budget hearing is held in conjunction with a tax increase hearing, the notice shall

59 be published in accordance with [~~Sections 59-2-918 and~~] Section 59-2-919.

60 Section 3. Section **53A-19-105** is amended to read:

61 **53A-19-105. School district interfund transfers.**

62 (1) A school district shall spend revenues only within the fund for which they were
63 originally authorized, levied, collected, or appropriated.

64 (2) Except as otherwise provided in this section, school district interfund transfers of
65 residual equity are prohibited.

66 (3) The State Board of Education may authorize school district interfund transfers of
67 residual equity when a district states its intent to create a new fund or expand, contract, or liquidate
68 an existing fund.

69 (4) The State Board of Education may also authorize school district interfund transfers of
70 residual equity for a financially distressed district if the board determines the following:

71 (a) the district has a significant deficit in its maintenance and operations fund caused by
72 circumstances not subject to the administrative decisions of the district;

73 (b) the deficit cannot be reasonably reduced under Section 53A-19-104; and

74 (c) without the transfer, the school district will not be capable of meeting statewide
75 educational standards adopted by the State Board of Education.

76 (5) The board shall develop standards for defining and aiding financially distressed school
77 districts under this section in accordance with Title 63, Chapter 46a, Utah Administrative
78 Rulemaking Act.

79 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded
80 and reported in the debt service fund.

81 (b) Debt service levies under Subsection 59-2-924(2)(a)(iv)(C) that are not subject to the
82 certified tax rate hearing requirements of [~~Sections 59-2-918 and~~] Section 59-2-919 may not be
83 used for any purpose other than retiring general obligation debt.

84 (c) Amounts from these levies remaining in the debt service fund at the end of a fiscal year
85 shall be used in subsequent years for general obligation debt retirement.

86 (d) Any amounts left in the debt service fund after all general obligation debt has been
87 retired may be transferred to the capital projects fund upon completion of the budgetary hearing
88 process required under Section 53A-19-102.

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

90 **59-2-906.1. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
91 **Additional county levy permitted.**

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

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

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

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

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

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

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

114 (d) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999,
115 the certified revenue levy shall be adjusted by the amount necessary to offset the adjustment in
116 revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result of
117 the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted by
118 the Legislature during the 1998 Annual General Session.

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

121 levy.

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

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

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

126 and

127 (iii) exempt from the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

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

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

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

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

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

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

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

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

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

149 and

150 (iii) [~~is~~] subject to the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

151 Section 5. Section **59-2-906.3** is amended to read:

152 **59-2-906.3. Additional levies by counties.**

153 (1) Beginning January 1, 1994, a county may levy an additional tax to fund state mandated
154 actions to meet legislative mandates or judicial or administrative orders which relate to promoting
155 the accurate valuation of property, the establishment and maintenance of uniform assessment levels
156 within and among counties, and the administration of the property tax system. An additional rate
157 levied under this Subsection (1):

158 (a) shall be stated on the tax notice, and may be included on the tax notice with the county
159 assessing and collecting levy authorized under Subsection 59-2-906.1(4);

160 (b) may not be included in determining the maximum allowable levy for the county or
161 other taxing entities; and

162 (c) is subject to the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

163 (2) Beginning January 1, 1994, a county may levy an additional tax for reappraisal
164 programs that are formally adopted by the county commission and which conform to tax
165 commission rules. An additional rate levied under this Subsection (2):

166 (a) shall be stated on the tax notice, and may be included on the tax notice with the county
167 assessing and collecting levy authorized under Subsection 59-2-906.1(4);

168 (b) may not be included in determining the maximum allowable levy for the county or
169 other taxing entities; and

170 (c) is subject to the notice requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

171 Section 6. Section **59-2-911** is amended to read:

172 **59-2-911. Exceptions to maximum levy limitation.**

173 (1) The maximum levies set forth in Section 59-2-908 do not apply to and do not include:

174 (a) levies made to pay outstanding judgment debts;

175 (b) levies made in any special improvement districts;

176 (c) levies made for extended services in any county service area;

177 (d) levies made for county library services;

178 (e) levies made to be used for storm water, flood, and water quality control;

179 (f) levies made to share disaster recovery expenses for public facilities and structures as
180 a condition of state assistance when a Presidential Declaration has been issued under the Disaster
181 Relief Act of 1974, 42 U.S.C. Sec. 5121;

182 (g) levies made to pay interest and provide for a sinking fund in connection with any

183 bonded or voter authorized indebtedness, including the bonded or voter authorized indebtedness
 184 of county service areas, special service districts, and special improvement districts;

185 (h) levies made to fund local health departments;

186 (i) levies made to fund public transit districts;

187 (j) levies made to establish, maintain, and replenish special improvement guaranty funds;

188 (k) levies made in any special service district;

189 (l) levies made to fund municipal-type services to unincorporated areas of counties under
 190 Title 17, Chapter 34, Municipal-type Services to Unincorporated Areas;

191 (m) levies made to fund the purchase of paramedic or ambulance facilities and equipment
 192 and to defray administration, personnel, and other costs of providing emergency medical and
 193 paramedic services, but this exception only applies to those counties in which a resolution setting
 194 forth the intention to make those levies has been duly adopted by the county legislative body and
 195 approved by a majority of the voters of the county voting at a special or general election;

196 (n) levies made to pay for the costs of state legislative mandates or judicial or
 197 administrative orders under Section 59-2-906.3;

198 (o) the multicounty and county assessing and collecting levies made to promote accurate
 199 property valuations, uniform assessment levels, and the efficient administration of the property tax
 200 system under Section 59-2-906.1; and

201 (p) all other exceptions to the maximum levy limitation pursuant to statute.

202 (2) (a) Upon the retirement of bonds issued for the development of a convention complex
 203 described in Section 17-12-4, and notwithstanding Section 59-2-908, any county of the first class
 204 may continue to impose a property tax levy equivalent to the average property tax levy previously
 205 imposed to pay debt service on those retired bonds.

206 (b) Notwithstanding that the imposition of the levy set forth in Subsection (2)(a) may not
 207 result in an increased amount of ad valorem tax revenue, it is subject to the notice requirements
 208 of [~~Sections 59-2-918 and~~] Section 59-2-919.

209 (c) The revenues from this continued levy shall be used only for the funding of convention
 210 facilities as defined in Section 59-12-602.

211 Section 7. Section **59-2-918** is amended to read:

212 **59-2-918. Public hearing on budget for calendar year taxing entity -- Procedure.**

213 [~~(1) (a) Except as provided in Subsection (1)(b), a taxing entity may not budget an~~

214 increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined in
215 Subsection 59-2-924(2) unless it advertises its intention to do so at the same time that it advertises
216 its intention to fix its budget for the forthcoming fiscal year.]

217 ~~[(b) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the~~
218 ~~advertisement requirements of this section if the taxing entity collected less than \$15,000 in ad~~
219 ~~valorem tax revenues for the previous fiscal year.]~~

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

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

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

228 ~~["NOTICE OF PROPOSED TAX INCREASE]~~

229 ~~[The (name of the taxing entity) is proposing to increase its property tax revenue. As a~~
230 ~~result of the proposed increase, the tax on a (insert the average value of a residence in the taxing~~
231 ~~entity rounded to the nearest thousand dollars) residence will be \$_____, and the tax on a~~
232 ~~business having the same value as the average value of a residence in the taxing entity will~~
233 ~~be_____.~~ Without the proposed increase, the tax on a (insert the average value of a
234 residence in the taxing entity rounded to the nearest thousand dollars) residence would be
235 \$_____, and the tax on a business having the same value as the average value of a residence
236 in the taxing entity would be_____.]

237 ~~[This would be an increase of _____%, which is \$_____ per year (\$_____ per month)~~
238 ~~on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand~~
239 ~~dollars) residence or \$_____ per year on a business having the same value as the average value~~
240 ~~of a residence in the taxing entity. With new growth, this property tax increase, and other factors,~~
241 ~~(name of taxing entity) will increase its property tax revenue from \$_____ collected last year to~~
242 ~~\$_____ collected this year which is a revenue increase of _____%.]~~

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

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

248 ~~[(5)]~~ (1) (a) Each taxing entity operating under the January 1 through December 31 fiscal
249 year shall by March 1 notify the county of the date, time, and place of the public hearing at which
250 the budget for the following fiscal year will be considered.

251 (b) The county shall include the information described in Subsection ~~[(5)]~~ (1)(a) with the
252 tax notice.

253 ~~[(6)]~~ (2) A taxing entity shall hold a public hearing under this section beginning at or after
254 6 p.m.

255 Section 8. Section **59-2-918.5** is amended to read:

256 **59-2-918.5. Hearings on judgment levies -- Advertisement.**

257 (1) A taxing entity may not impose a judgment levy unless it first advertises its intention
258 to do so and holds a public hearing in accordance with the requirements of this section.

259 (2) (a) The advertisement required by this section may be combined with the advertisement
260 required by ~~[either Section 59-2-918 or]~~ Section 59-2-919.

261 (b) The advertisement shall be at least 1/8 of a page in size and shall meet the type,
262 placement, and frequency requirements established under Section 59-2-919.

263 (c) (i) For taxing entities operating under a July 1 through June 30 fiscal year the public
264 hearing shall be held at the same time as the hearing at which the annual budget is adopted.

265 (ii) For taxing entities operating under a January 1 through December 31 fiscal year:

266 (A) for eligible judgments issued from June 1 through December 15, the public hearing
267 shall be held at the same time as the hearing at which the annual budget is adopted; and

268 (B) for eligible judgments issued from December 16 through May 31, the public hearing
269 shall be held at the same time as the hearing at which property tax levies are set.

270 (3) The advertisement shall specify the date, time, and location of the public hearing at
271 which the levy will be considered and shall set forth the total amount of the eligible judgment and
272 the tax impact on an average residential and business property located within the taxing entity.

273 (4) If a final decision regarding the judgment levy is not made at the public hearing, the
274 taxing entity shall announce at the public hearing the scheduled time and place for consideration
275 and adoption of the judgment levy.

276 (5) The date, time, and place of public hearings required by Subsections [~~59-2-918.5~~]
277 ~~(2)(c)(i)~~ and [~~59-2-918.5~~] ~~(2)(c)(ii)(B)~~ shall be included on the notice mailed to property owners
278 pursuant to Subsection 59-2-919(4).

279 Section 9. Section **59-2-919** is amended to read:

280 **59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of**
281 **proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of**
282 **personal mailed notice -- Hearing -- Dates.**

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

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

287 (ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the
288 advertisement requirements of this section if the taxing entity collected less than \$15,000 in ad
289 valorem tax revenues for the previous fiscal year.

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

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

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

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

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

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

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

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

308 "NOTICE OF PROPOSED TAX INCREASE

309 The (name of the taxing entity) is proposing to increase its property tax revenue. As a
310 result of the proposed increase, the tax on a (insert the average value of a residence in the taxing
311 entity rounded to the nearest thousand dollars) residence will be \$_____, and the tax on a
312 business having the same value as the average value of a residence in the taxing entity will be
313 \$_____. Without the proposed increase the tax on a (insert the average value of a residence
314 in the taxing entity rounded to the nearest thousand dollars) residence would be \$_____, and
315 the tax on a business having the same value as the average value of a residence in the taxing entity
316 would be \$_____.

317 The (insert year) proposed tax rate is _____. Without the proposed increase, the rate
318 would be _____. This would be an increase of _____%, which is \$_____ per year
319 (\$_____ per month) on a (insert the average value of a residence in the taxing entity rounded to
320 the nearest thousand dollars) residence or \$_____ per year on a business having the same value
321 as the average value of a residence in the taxing entity. With new growth, this property tax
322 increase, and other factors, (name of taxing entity) will increase its property tax revenue from
323 \$_____ collected last year to \$_____ collected this year which is a revenue increase of _____%.

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

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

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

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

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

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

338 which:

339 (i) the county board of equalization meets; and

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

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

343 (i) approved by the commission; and

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

345 (c) contain for each property:

346 (i) the value of the property;

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

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

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

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

352 (iv) the tax impact on the property;

353 (v) the time and place of the required public hearing for each entity;

354 (vi) property tax information pertaining to taxpayer relief, options for payment of taxes,
355 and collection procedures;

356 (vii) other information specifically authorized to be included on the notice under Title 59,
357 Chapter 2, Property Tax Act; and

358 (viii) other property tax information approved by the commission.

359 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt a
360 resolution levying a tax rate in excess of the certified tax rate.

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

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

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

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

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

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

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

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

381 Section 10. Section **59-2-921** is amended to read:

382 **59-2-921. Changes in assessment roll -- Rate adjustments -- Notice.**

383 (1) On or before September 15 the county board of equalization and, in cases involving
384 the original jurisdiction of the commission or an appeal from the county board of equalization, the
385 commission, shall annually notify each taxing entity of the following changes resulting from
386 actions by the commission or the county board of equalization:

387 (a) a change in the taxing entity's assessment roll; and

388 (b) a change in the taxing entity's adopted tax rate.

389 (2) A taxing entity is not required to comply with the public hearing and advertisement
390 requirements of [~~Sections 59-2-918 and~~] Section 59-2-919 if the commission, the county board of
391 equalization, or a court of competent jurisdiction:

392 (a) changes a taxing entity's adopted tax rate; or

393 (b) (i) makes a reduction in the taxing entity's assessment roll; and

394 (ii) the taxing entity adopts by resolution an increase in its tax rate above the certified tax
395 rate as a result of the reduction under Subsection (2)(b)(i).

396 (3) A rate adjustment under this section for:

397 (a) a taxing entity shall be:

398 (i) made by the county auditor;

399 (ii) aggregated;

- 400 (iii) reported by the county auditor to the commission; and
- 401 (iv) certified by the commission; and
- 402 (b) the state shall be made by the commission.

403 Section 11. Section **59-2-924** is amended to read:

404 **59-2-924. Report of valuation of property to county auditor and commission --**
405 **Transmittal by auditor to governing bodies -- Certified tax rate -- Adoption of tentative**
406 **budget.**

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

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

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

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

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

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

417 (iii) the certified tax rate; and

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

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

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

422 (A) collections from redemptions;

423 (B) interest; and

424 (C) penalties.

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

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

430 (A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified tax

431 rate is zero;

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

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

435 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
436 purposes and such other levies imposed solely for the municipal-type services identified in Section
437 17-34-1 and Subsection 17-36-3(22);

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

441 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
442 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

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

445 (v) (A) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall be
446 established at that rate which is sufficient to generate only the revenue required to satisfy one or
447 more eligible judgments, as defined in Section 59-2-102.

448 (B) The ad valorem property tax revenue generated by the judgment levy shall not be
449 considered in establishing the taxing entity's aggregate certified tax rate.

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

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

454 (iii) "New growth" means:

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

457 (B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

458 (iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

459 (A) the amount of increase to locally assessed real property taxable values resulting from
460 factoring, reappraisal, or any other adjustments; or

461 (B) the amount of an increase in the taxable value of property assessed by the commission

462 under Section 59-2-201 resulting from a change in the method of apportioning the taxable value
463 prescribed by:

- 464 (I) the Legislature;
- 465 (II) a court;
- 466 (III) the commission in an administrative rule; or
- 467 (IV) the commission in an administrative order.

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

472 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter
473 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

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

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

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

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

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

490 (g) For purposes of Subsections (2)(h) through (j):

491 (i) "1998 actual collections" means the amount of revenues a taxing entity actually
492 collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

493 (A) motor vehicles required to be registered with the state that weigh 12,000 pounds or
494 less; and

495 (B) state-assessed commercial vehicles required to be registered with the state that weigh
496 12,000 pounds or less.

497 (ii) "1999 actual collections" means the amount of revenues a taxing entity actually
498 collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

499 (h) For the calendar year beginning on January 1, 2000, the commission shall make the
500 following adjustments:

501 (i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for the
502 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
503 than the sum of:

504 (A) the taxing entity's 1999 actual collections; and

505 (B) any adjustments the commission made under Subsection (2)(f);

506 (ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for the
507 calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater
508 than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual collections were
509 less than the sum of:

510 (A) the taxing entity's 1999 actual collections; and

511 (B) any adjustments the commission made under Subsection (2)(f); and

512 (iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for
513 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were less
514 than the taxing entity's 1999 actual collections.

515 (i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing entity's
516 certified tax rate under this section and a taxing entity's certified revenue levy under Section
517 59-2-906.1 by the amount necessary to offset the difference between:

518 (A) the taxing entity's 1998 actual collections; and

519 (B) the sum of:

520 (I) the taxing entity's 1999 actual collections; and

521 (II) any adjustments the commission made under Subsection (2)(f).

522 (ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing entity's
523 certified tax rate under this section and a taxing entity's certified revenue levy under Section

524 59-2-906.1 by the amount necessary to offset the difference between:

525 (A) the sum of:

526 (I) the taxing entity's 1999 actual collections; and

527 (II) any adjustments the commission made under Subsection (2)(f); and

528 (B) the taxing entity's 1998 actual collections.

529 (iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing entity's

530 certified tax rate under this section and a taxing entity's certified revenue levy under Section

531 59-2-906.1 by the amount of any adjustments the commission made under Subsection (2)(f).

532 (j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for

533 purposes of Subsections (2)(f) through (i), the commission may make rules establishing the method

534 for determining a taxing entity's 1998 actual collections and 1999 actual collections.

535 (k) (i) (A) For fiscal year 2000, the certified tax rate of each county to which Subsection

536 17-34-3(4)(a) applies shall be decreased by the amount necessary to reduce revenues in that fiscal

537 year by an amount equal to the difference between the amount the county budgeted in its 2000

538 fiscal year budget for advanced life support and paramedic services countywide and the amount

539 the county spent during fiscal year 2000 for those services, excluding amounts spent from a

540 municipal services fund for those services.

541 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection

542 17-34-3(4)(a) applies shall be decreased by the amount necessary to reduce revenues in that fiscal

543 year by the amount that the county spent during fiscal year 2000 for advanced life support and

544 paramedic services countywide, excluding amounts spent from a municipal services fund for those

545 services.

546 (ii) (A) For fiscal year 2001, a city or town located within a county of the first class to

547 which Subsection 17-34-3(4)(a) applies may increase its certified tax rate by the amount necessary

548 to generate within the city or town the same amount of revenues as the county would collect from

549 that city or town if the decrease under Subsection (2)(k)(i) did not occur.

550 (B) An increase under Subsection (2)(k)(ii)(A) is not subject to the notice and hearing

551 requirements of [~~Sections 59-2-918 and~~] Section 59-2-919.

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

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

554 auditor of:

555 (i) its intent to exceed the certified tax rate; and
556 (ii) the amount by which it proposes to exceed the certified tax rate.
557 (c) The county auditor shall notify all property owners of any intent to exceed the certified
558 tax rate in accordance with Subsection 59-2-919(2).
559 (4) (a) The taxable value for the base year under Subsection 17A-2-1247(2)(a) or
560 17A-2-1202(2), as the case may be, shall be reduced for any year to the extent necessary to provide
561 a redevelopment agency established under Title 17A, Chapter 2, Part 12, Utah Neighborhood
562 Development Act, with approximately the same amount of money the agency would have received
563 without a reduction in the county's certified tax rate if:
564 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
565 (2)(d)(i);
566 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
567 previous year; and
568 (iii) the decrease results in a reduction of the amount to be paid to the agency under
569 Section 17A-2-1247 or 17A-2-1247.5.
570 (b) The taxable value of the base year under Subsection 17A-2-1247(2)(a) or
571 17A-2-1202(2), as the case may be, shall be increased in any year to the extent necessary to
572 provide a redevelopment agency with approximately the same amount of money as the agency
573 would have received without an increase in the certified tax rate that year if:
574 (i) in that year the taxable value for the base year under Subsection 17A-2-1247(2) or
575 17A-2-1202(2) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or
576 (2)(d)(i); and
577 (ii) The certified tax rate of a city, school district, or special district increases independent
578 of the adjustment to the taxable value of the base year.
579 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i),
580 the amount of money allocated and, when collected, paid each year to a redevelopment agency
581 established under Title 17A, Chapter 2, Part 12, Utah Neighborhood Development Act, for the
582 payment of bonds or other contract indebtedness, but not for administrative costs, may not be less
583 than that amount would have been without a decrease in the certified tax rate under Subsection
584 (2)(c) or (2)(d)(i).

Legislative Review Note
as of 2-16-01 5:00 PM

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

Office of Legislative Research and General Counsel