

Senator Howard A. Stephenson proposes the following substitute bill:

INTERLOCAL COOPERATION

AMENDMENTS

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies provisions relating to participants in certain interlocal cooperation entities.

Highlighted Provisions:

This bill:

- ▶ provides an exemption from truth in taxation requirements for a tax increase by taxing entities that are participants in an interlocal entity that provides fire protection, emergency, and emergency medical services if the tax increase is approved by voters.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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



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

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

28 **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

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

33 (b) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the
34 advertisement or hearing requirements of this section if:

35 (i) the taxing entity collected less than \$15,000 in ad valorem tax revenues for the
36 previous fiscal year[-]; or

37 (ii) the increased amount of ad valorem tax revenue results from a tax rate increase that
38 is exempted under Subsection 59-2-919(1)(a)(ii)(B) from the advertisement and hearing
39 requirements of Section 59-2-919.

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

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

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

48 "NOTICE OF PROPOSED TAX INCREASE

49 The (name of the taxing entity) is proposing to increase its property tax revenue. As a
50 result of the proposed increase, the tax on a (insert the average value of a residence in the
51 taxing entity rounded to the nearest thousand dollars) residence will be \$_____, and the
52 tax on a business having the same value as the average value of a residence in the taxing entity
53 will be_____. Without the proposed increase, the tax on a (insert the average value of a
54 residence in the taxing entity rounded to the nearest thousand dollars) residence would be
55 \$_____, and the tax on a business having the same value as the average value of a
56 residence in the taxing entity would be_____.

57 This would be an increase of _____%, which is \$_____ per year (\$_____ per
 58 month) on a (insert the average value of a residence in the taxing entity rounded to the nearest
 59 thousand dollars) residence or \$_____ per year on a business having the same value as the
 60 average value of a residence in the taxing entity. With new growth, this property tax increase,
 61 and other factors, (name of taxing entity) will increase its property tax revenue from \$_____
 62 collected last year to \$_____ collected this year which is a revenue increase of _____%.

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

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

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

71 (b) The county shall include the information described in Subsection (5)(a) with the tax
 72 notice.

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

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

76 **59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of**
 77 **proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents**
 78 **of personal mailed notice -- Hearing -- Dates.**

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

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

83 (ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the
 84 advertisement or hearing requirements of this section if:

85 (A) the taxing entity collected less than \$15,000 in ad valorem tax revenues for the
 86 previous fiscal year[-]; or

87 (B) (I) the taxing entity is a party to an interlocal agreement under Title 11, Chapter 13,

88 Interlocal Cooperation Act, that creates an interlocal entity to provide fire protection,
 89 emergency, and emergency medical services;

90 (II) the tax rate increase is approved by the taxing entity's voters at an election held for
 91 that purpose ~~§~~ → [before December 31, 2009] ← ~~§~~ ; ~~§~~ → [and] ← ~~§~~

92 (III) the purpose of the tax rate increase is to pay for fire protection, emergency, and
 93 emergency medical services provided by the interlocal entity ~~§~~ → [] ; and

93a (IV) at least 30 days before its annual budget hearing, the taxing entity:

93b (Aa) adopts a resolution certifying that the taxing entity will dedicate revenue from the
 93c tax rate increase exclusively to pay for fire protection, emergency, and emergency medical
 93d services provided by the interlocal entity; and

93e (Bb) sends a copy of the resolution to the commission. ← ~~§~~

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

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

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

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

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

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

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

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

112 "NOTICE OF PROPOSED TAX INCREASE

113 The (name of the taxing entity) is proposing to increase its property tax revenue. As a
 114 result of the proposed increase, the tax on a (insert the average value of a residence in the
 115 taxing entity rounded to the nearest thousand dollars) residence will be \$_____, and the
 116 tax on a business having the same value as the average value of a residence in the taxing entity
 117 will be \$_____. Without the proposed increase the tax on a (insert the average value of a
 118 residence in the taxing entity rounded to the nearest thousand dollars) residence would be

119 \$_____, and the tax on a business having the same value as the average value of a
120 residence in the taxing entity would be \$_____..

121 The (insert year) proposed tax rate is _____. Without the proposed increase, the
122 rate would be _____. This would be an increase of _____%, which is \$_____ per year
123 (\$_____ per month) on a (insert the average value of a residence in the taxing entity rounded
124 to the nearest thousand dollars) residence or \$_____ per year on a business having the same
125 value as the average value of a residence in the taxing entity. With new growth, this property
126 tax increase, and other factors, (name of taxing entity) will increase its property tax revenue
127 from \$_____ collected last year to \$_____ collected this year which is a revenue increase of
128 _____%.

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

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

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

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

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

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

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

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

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

148 (i) approved by the commission; and

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

- 150 (c) contain for each property:
- 151 (i) the value of the property;
- 152 (ii) the date the county board of equalization will meet to hear complaints on the
- 153 valuation;
- 154 (iii) itemized tax information for all taxing entities, including a separate statement for
- 155 the minimum school levy under Section 53A-17a-135 stating:
- 156 (A) the dollar amount the taxpayer would have paid based on last year's rate; and
- 157 (B) the amount of the taxpayer's liability under the current rate;
- 158 (iv) the tax impact on the property;
- 159 (v) the time and place of the required public hearing for each entity;
- 160 (vi) property tax information pertaining to taxpayer relief, options for payment of
- 161 taxes, and collection procedures;
- 162 (vii) other information specifically authorized to be included on the notice under Title
- 163 59, Chapter 2, Property Tax Act; and
- 164 (viii) other property tax information approved by the commission.
- 165 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt
- 166 a resolution levying a tax rate in excess of the certified tax rate.
- 167 (b) If a resolution adopting a tax rate is not adopted on the day of the public hearing,
- 168 the scheduled time and place for consideration and adoption of the resolution shall be
- 169 announced at the public hearing.
- 170 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more
- 171 than two weeks after the public hearing described in Subsection (4)(c)(v), a taxing entity, other
- 172 than a taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the proposed
- 173 adoption of the resolution in the same manner as provided under Subsections (1) and (2).
- 174 (6) (a) All hearings shall be open to the public.
- 175 (b) The governing body of a taxing entity conducting a hearing shall permit all
- 176 interested parties desiring to be heard an opportunity to present oral testimony within
- 177 reasonable time limits.
- 178 (7) (a) Each taxing entity shall notify the county legislative body by March 1 of each
- 179 year of the date, time, and place of its public hearing.
- 180 (b) A taxing entity may not schedule its hearing at the same time as another

181 overlapping taxing entity in the same county, but all taxing entities in which the power to set
182 tax levies is vested in the same governing board or authority may consolidate the required
183 hearings into one hearing.

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

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