

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

**INTERLOCAL COOPERATION**

**AMENDMENTS**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Curtis S. Bramble**

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**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

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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.

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.

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**Fiscal Note**  
**Bill Number SB0209s02**

**Interlocal Cooperation Amendments**

*24-Feb-05*

*12:11 PM*

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**SENATE SUBSTITUTE**

**State Impact**

Passage of this bill could increase local revenues for fire protection and other emergency services. The impact would be dependent upon voter approval.

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**Individual and Business Impact**

If passed by eligible entities property taxes could increase for fire protection and emergency services.

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**Office of the Legislative Fiscal Analyst**