

**POLITICAL SUBDIVISION ANNEXATION**

**AMENDMENTS**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael G. Waddoups**

House Sponsor: Stephen H. Urquhart

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**LONG TITLE**

**General Description:**

This bill amends the Provisions Applicable to All Local Districts Chapter and the Property Tax Act relating to the annexation of local districts.

**Highlighted Provisions:**

This bill:

- ▶ amends the effective dates of certain local districts;
- ▶ provides the conditions of the effective date of an annexation;
- ▶ modifies the calculation of the certified tax rate for a local district due to annexation;

and

- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill coordinates with S.B. 29, Truth in Taxation Amendments, and H.B. 77, Personal Property Tax Amendments, by substantively modifying language.

**Utah Code Sections Affected:**

AMENDS:

**17B-1-414**, as renumbered and amended by Laws of Utah 2007, Chapter 329

**17B-1-416**, as renumbered and amended by Laws of Utah 2007, Chapter 329

**59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329

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

31 Section 1. Section **17B-1-414** is amended to read:

32 **17B-1-414. Resolution approving an annexation -- Notice of annexation -- When**  
33 **annexation complete.**

34 (1) (a) Subject to Subsection (1)(b), the local district board shall adopt a resolution  
35 approving the annexation of the area proposed to be annexed or rejecting the proposed  
36 annexation within 30 days after:

37 (i) expiration of the protest period under Subsection 17B-1-412(2), if sufficient protests  
38 to require an election are not filed;

39 (ii) for a petition that meets the requirements of Subsection 17B-1-413(1):

40 (A) a public hearing under Section 17B-1-409 is held, if the board chooses or is  
41 required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or

42 (B) expiration of the time for submitting a request for public hearing under Subsection  
43 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public  
44 hearing.

45 (b) If the local district has entered into an agreement with the United States that  
46 requires the consent of the United States for an annexation of territory to the district, a  
47 resolution approving annexation under this part may not be adopted until the written consent of  
48 the United States is obtained and filed with the board of trustees.

49 (2) (a) The board shall file a notice with the lieutenant governor:

50 (i) within 30 days after adoption of a resolution under Subsection (1), Subsection  
51 17B-1-412(3)(c)(i), or Section 17B-1-415; and

52 (ii) as soon as practicable after receiving the notice under Subsection 10-2-425(2) of a  
53 municipal annexation that causes an automatic annexation to a local district under Section  
54 17B-1-416.

55 (b) The notice required under Subsection (2)(a) shall:

56 (i) be accompanied by:

57 (A) if applicable, a copy of the board resolution approving the annexation; and

58 (B) an accurate map depicting the boundaries of the area to be annexed or a legal  
59 description of the area to be annexed, adequate for purposes of the county assessor and  
60 recorder;

61 (ii) for an annexation pursuant to a resolution described in Subsection (2)(a)(i), include  
62 a certification by the local district board that all requirements for the annexation have been  
63 complied with; and

64 (iii) for an automatic annexation to a local district under Section 17B-1-416, state that  
65 an area outside the boundaries of the local district is being automatically annexed to the local  
66 district under Section 17B-1-416 because of a municipal annexation under Title 10, Chapter 2,  
67 Part 4, Annexation.

68 (3) (a) As used in this Subsection (3), "fire district annexation" means an annexation  
69 under this part of an area located in a county of the first class to a local district:

70 (i) created to provide fire protection, paramedic, and emergency services; and

71 (ii) in the creation of which an election was not required because of Subsection  
72 17B-1-214(3)(c).

73 ~~[(3) The]~~ (b) An annexation [shall be] under this part is complete and becomes  
74 effective:

75 ~~[(a)]~~ (i) for an annexation pursuant to a resolution described in Subsection (2)(a)(i)[;]:

76 (A) (I) on July 1 for a fire district annexation, if the lieutenant governor issues the  
77 certificate of annexation under Section 67-1a-6.5 from January 1 through June 30; or

78 (II) on January 1 for a fire district annexation, if the lieutenant governor issues the  
79 certificate of annexation under Section 67-1a-6.5 from July 1 through December 31; or

80 (B) upon the lieutenant governor's issuance of the certificate of annexation under  
81 Section 67-1a-6.5, for an annexation other than an annexation described in Subsection  
82 (3)(b)(i)(A); and

83 ~~[(b)]~~ (ii) for an automatic annexation that is the subject of a notice under Subsection  
84 (2)(a)(ii)[;]:

85 (A) (I) on July 1 for a fire district annexation, if the lieutenant governor issues the

86 certificate of annexation under Subsection 10-1-117(3)(b) from January 1 through June 30; or  
 87 (II) on January 1 for a fire district annexation, if the lieutenant governor issues the  
 88 certificate of annexation under Subsection 10-1-117(3)(b) from July 1 through December 31; or  
 89 (B) upon the lieutenant governor's issuance of the certificate of annexation under  
 90 Subsection 10-1-117(3)(b), for an annexation other than an annexation described in Subsection  
 91 (3)(b)(ii)(A).

92 Section 2. Section **17B-1-416** is amended to read:

93 **17B-1-416. Automatic annexation to a district providing fire protection,**  
94 **paramedic, and emergency services.**

95 (1) An area outside the boundaries of a local district that is annexed to a municipality or  
96 added to a municipality by a boundary adjustment under Title 10, Chapter 2, Part 4,  
97 Annexation, is automatically annexed to the local district if:

98 (a) the local district provides fire protection, paramedic, and emergency services;

99 (b) an election for the creation of the local district was not required because of  
100 Subsection 17B-1-214(3)(c); and

101 (c) before the municipal annexation or boundary adjustment, the entire municipality that  
102 is annexing the area or adding the area by boundary adjustment was included within the local  
103 district.

104 (2) The effective date of an annexation under this section is governed by Subsection  
105 17B-1-414(3)(b)(ii).

106 Section 3. Section **59-2-924** is amended to read:

107 **59-2-924. Report of valuation of property to county auditor and commission --**  
108 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**  
109 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

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

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

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

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

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

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

120 (iii) the certified tax rate; and

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

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

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

127 (A) collections from redemptions;

128 (B) interest;

129 (C) penalties; and

130 (D) revenue received by a taxing entity from personal property that is:

131 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

132 (II) semiconductor manufacturing equipment.

133 (iii) (A) Except as otherwise provided in this section, the certified tax rate shall be  
134 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the  
135 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).

136 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity  
137 shall calculate an amount as follows:

138 (I) calculate for the taxing entity the difference between:

139 (Aa) the aggregate taxable value of all property taxed; and

140 (Bb) any redevelopment adjustments for the current calendar year;

141 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an

142 amount determined by increasing or decreasing the amount calculated under Subsection  
143 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for  
144 the equalization period for the three calendar years immediately preceding the current calendar  
145 year;

146 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the  
147 product of:

148 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and

149 (Bb) the percentage of property taxes collected for the five calendar years immediately  
150 preceding the current calendar year; and

151 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an  
152 amount determined by subtracting from the amount calculated under Subsection  
153 (2)(a)(iii)(B)(III) any new growth as defined in this section:

154 (Aa) within the taxing entity; and

155 (Bb) for the current calendar year.

156 (C) For purposes of Subsection (2)(a)(iii)(B)(I), the aggregate taxable value of all  
157 property taxed:

158 (I) except as provided in Subsection (2)(a)(iii)(C)(II), includes the total taxable value of  
159 the real and personal property contained on the tax rolls of the taxing entity; and

160 (II) does not include the total taxable value of personal property contained on the tax  
161 rolls of the taxing entity that is:

162 (Aa) assessed by a county assessor in accordance with Part 3, County Assessment; and

163 (Bb) semiconductor manufacturing equipment.

164 (D) For purposes of Subsection (2)(a)(iii)(B)(II), for calendar years beginning on or  
165 after January 1, 2007, the value of taxable property does not include the value of personal  
166 property that is:

167 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,  
168 County Assessment; and

169 (II) semiconductor manufacturing equipment.

170 (E) For purposes of Subsection (2)(a)(iii)(B)(III)(Bb), for calendar years beginning on  
171 or after January 1, 2007, the percentage of property taxes collected does not include property  
172 taxes collected from personal property that is:

173 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,  
174 County Assessment; and

175 (II) semiconductor manufacturing equipment.

176 (F) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
177 commission may prescribe rules for calculating redevelopment adjustments for a calendar year.

178 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking  
179 Act, the commission shall make rules determining the calculation of ad valorem property tax  
180 revenues budgeted by a taxing entity.

181 (B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues  
182 budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax  
183 revenues are calculated for purposes of Section 59-2-913.

184 (v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v)  
185 shall be calculated as follows:

186 (A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified  
187 tax rate is zero;

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

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

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

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

197 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,

198 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and  
199 (II) levies to pay for the costs of state legislative mandates or judicial or administrative  
200 orders under Section 59-2-906.3.

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

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

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

208 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the  
209 assessment roll does not include:

210 (A) new growth as defined in Subsection (2)(b)(iii); or

211 (B) the total taxable value of personal property contained on the tax rolls of the taxing  
212 entity that is:

213 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

214 (II) semiconductor manufacturing equipment.

215 (iii) "New growth" means:

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

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

219 (iv) For purposes of Subsection (2)(b)(iii), the taxable value of the taxing entity does  
220 not include the taxable value of personal property that is:

221 (A) contained on the tax rolls of the taxing entity if that property is assessed by a  
222 county assessor in accordance with Part 3, County Assessment; and

223 (B) semiconductor manufacturing equipment.

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

225 (A) the amount of increase to locally assessed real property taxable values resulting



226 from factoring, reappraisal, or any other adjustments; or

227 (B) the amount of an increase in the taxable value of property assessed by the  
228 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
229 taxable value prescribed by:

230 (I) the Legislature;

231 (II) a court;

232 (III) the commission in an administrative rule; or

233 (IV) the commission in an administrative order.

234 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
235 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
236 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter  
237 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax  
238 rate to offset the increased revenues.

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

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

243 (B) increased by the amount necessary to offset the county's reduction in revenue from  
244 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
245 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
246 (2)(d)(i)(A).

247 (ii) The commission shall determine estimates of sales and use tax distributions for  
248 purposes of Subsection (2)(d)(i).

249 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort  
250 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be  
251 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated  
252 revenue from the additional resort communities sales and use tax imposed under Section  
253 59-12-402.

254 (f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under  
255 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the  
256 unincorporated area of the county shall be decreased by the amount necessary to reduce  
257 revenues in that fiscal year by an amount equal to the difference between the amount the county  
258 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services  
259 countywide and the amount the county spent during fiscal year 2000 for those services,  
260 excluding amounts spent from a municipal services fund for those services.

261 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection  
262 (2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal  
263 year by the amount that the county spent during fiscal year 2000 for advanced life support and  
264 paramedic services countywide, excluding amounts spent from a municipal services fund for  
265 those services.

266 (ii) (A) A city or town located within a county of the first class to which Subsection  
267 (2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within  
268 the city or town the same amount of revenues as the county would collect from that city or  
269 town if the decrease under Subsection (2)(f)(i) did not occur.

270 (B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year  
271 or spread over multiple fiscal years, is not subject to the notice and hearing requirements of  
272 Sections 59-2-918 and 59-2-919.

273 (g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to  
274 provide detective investigative services to the unincorporated area of the county shall be  
275 decreased:

276 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year by  
277 at least \$4,400,000; and

278 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year by  
279 an amount equal to the difference between \$9,258,412 and the amount of the reduction in  
280 revenues under Subsection (2)(g)(i)(A).

281 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a

282 county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate  
283 within the city or town the same amount of revenue as the county would have collected during  
284 county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).

285 (II) Beginning with municipal fiscal year 2003, a city or town located within a county to  
286 which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the city  
287 or town the same amount of revenue as the county would have collected during county fiscal  
288 year 2002 from within the city or town except for Subsection (2)(g)(i)(B).

289 (B) (I) Except as provided in Subsection (2)(g)(ii)(B)(II), an increase in the city or  
290 town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year  
291 or spread over multiple fiscal years, is subject to the notice and hearing requirements of Sections  
292 59-2-918 and 59-2-919.

293 (II) For an increase under this Subsection (2)(g)(ii) that generates revenue that does not  
294 exceed the same amount of revenue as the county would have collected except for Subsection  
295 (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

296 (Aa) publishes a notice that meets the size, type, placement, and frequency requirements  
297 of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed by the county  
298 to one imposed by the city or town, and explains how the revenues from the tax increase will be  
299 used; and

300 (Bb) holds a public hearing on the tax shift that may be held in conjunction with the city  
301 or town's regular budget hearing.

302 (h) (i) This Subsection (2)(h) applies to each county that:

303 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part  
304 13, Utah Special Service District Act, to provide jail service, as provided in Subsection  
305 17A-2-1304(1)(a)(x); and

306 (B) levies a property tax on behalf of the special service district under Section  
307 17A-2-1322.

308 (ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies  
309 shall be decreased by the amount necessary to reduce county revenues by the same amount of

310 revenues that will be generated by the property tax imposed on behalf of the special service  
311 district.

312 (B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with  
313 the levy on behalf of the special service district under Section 17A-2-1322.

314 (i) (i) As used in this Subsection (2)(i):

315 (A) "Annexing county" means a county whose unincorporated area is included within a  
316 fire district by annexation.

317 (B) "Annexing municipality" means a municipality whose area is included within a fire  
318 district by annexation.

319 (C) "Equalized fire protection tax rate" means the tax rate that results from:

320 (I) calculating, for each participating county and each participating municipality, the  
321 property tax revenue necessary to cover all of the costs associated with providing fire  
322 protection, paramedic, and emergency services:

323 (Aa) for a participating county, in the unincorporated area of the county; and

324 (Bb) for a participating municipality, in the municipality; and

325 (II) adding all the amounts calculated under Subsection (2)(i)(i)(C)(I) for all  
326 participating counties and all participating municipalities and then dividing that sum by the  
327 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

328 (Aa) for participating counties, in the unincorporated area of all participating counties;  
329 and

330 (Bb) for participating municipalities, in all the participating municipalities.

331 (D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
332 Area Act, in the creation of which an election was not required under Subsection  
333 17B-1-214(3)(c).

334 ~~[(E) "Fire protection tax rate" means:]~~

335 ~~[(F) for an annexing county, the property tax rate that, when applied to taxable property~~  
336 ~~in the unincorporated area of the county, generates enough property tax revenue to cover all the~~  
337 ~~costs associated with providing fire protection, paramedic, and emergency services in the~~

338 ~~unincorporated area of the county; and]~~

339  ~~[(H) for an annexing municipality, the property tax rate that generates enough property~~  
340  ~~tax revenue in the municipality to cover all the costs associated with providing fire protection,~~  
341  ~~paramedic, and emergency services in the municipality.]~~

342  ~~[(F)] (E) "Participating county" means a county whose unincorporated area is included~~  
343  ~~within a fire district at the time of the creation of the fire district.~~

344  ~~[(G)] (F) "Participating municipality" means a municipality whose area is included~~  
345  ~~within a fire district at the time of the creation of the fire district.~~

346 (ii) In the first year following creation of a fire district, the certified tax rate of each  
347 participating county and each participating municipality shall be decreased by the amount of the  
348 equalized fire protection tax rate.

349 (iii) In the first budget year following annexation to a fire district, the certified tax rate  
350 of each annexing county and each annexing municipality shall be decreased by ~~[the fire~~  
351  ~~protection tax rate:] an amount equal to the amount of revenue budgeted by the annexing~~  
352  ~~county or annexing municipality:~~

353  ~~(A) for fire protection, paramedic, and emergency services; and~~

354  ~~(B) in:~~

355  ~~(I) for a taxing entity operating under a January 1 through December 31 fiscal year, the~~  
356  ~~prior calendar year; or~~

357  ~~(II) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior~~  
358  ~~fiscal year.~~

359 (iv) Each tax levied under this section by a fire district shall be considered to be levied  
360 by:

361 (A) each participating county and each annexing county for purposes of the county's tax  
362 limitation under Section 59-2-908; and

363 (B) each participating municipality and each annexing municipality for purposes of the  
364 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a city.

365  ~~(v) The calculation of a fire district's certified tax rate for the year of annexation shall be~~

366 adjusted to include an amount of revenue equal to the amount of revenue budgeted by the  
367 annexing entity for fire protection, paramedic, and emergency services in the annexing entity's  
368 prior fiscal year if:

369 (A) the fire district operates on a January 1 through December 31 fiscal year;

370 (B) the fire district approves an annexation of an entity operating on a July 1 through  
371 June 30 fiscal year; and

372 (C) the annexation described in Subsection (2)(i)(v)(B) takes effect on July 1.

373 (j) For the calendar year beginning on January 1, 2007, the calculation of a taxing  
374 entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the  
375 certified tax rate that may result from excluding the following from the certified tax rate under  
376 Subsection (2)(a) enacted by the Legislature during the 2007 General Session:

377 (i) personal property tax revenue:

378 (A) received by a taxing entity;

379 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and

380 (C) for personal property that is semiconductor manufacturing equipment; or

381 (ii) the taxable value of personal property:

382 (A) contained on the tax rolls of a taxing entity;

383 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and

384 (C) that is semiconductor manufacturing equipment.

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

386 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county  
387 auditor of:

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

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

390 (c) The county auditor shall notify all property owners of any intent to exceed the  
391 certified tax rate in accordance with Subsection 59-2-919(2).

392 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be  
393 reduced for any year to the extent necessary to provide a community development and renewal

394 agency established under Title 17C, Limited Purpose Local Government Entities - Community  
395 Development and Renewal Agencies, with approximately the same amount of money the agency  
396 would have received without a reduction in the county's certified tax rate if:

397 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or  
398 (2)(d)(i);

399 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the  
400 previous year; and

401 (iii) the decrease results in a reduction of the amount to be paid to the agency under  
402 Section 17C-1-403 or 17C-1-404.

403 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any  
404 year to the extent necessary to provide a community development and renewal agency with  
405 approximately the same amount of money as the agency would have received without an  
406 increase in the certified tax rate that year if:

407 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to  
408 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

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

411 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or  
412 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community  
413 development and renewal agency established under Title 17C, Limited Purpose Local  
414 Government Entities - Community Development and Renewal Agencies, for the payment of  
415 bonds or other contract indebtedness, but not for administrative costs, may not be less than that  
416 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or  
417 (2)(d)(i).

418 **Section 4. Coordinating S.B. 261 with S.B. 29 and H.B. 77 -- Modifying**  
419 **substantive language.**

420 If this S.B. 261, S.B. 29, Truth in Taxation Amendments, and H.B. 77, Personal  
421 Property Tax Amendments, all pass, it is the intent of the Legislature that the Office of

422 Legislative Research and General Counsel, in preparing the Utah Code database for publication:

423 (1) delete Subsection 59-2-924.2(6)(a)(v) and renumber remaining subsections

424 accordingly;

425 (2) modify Subsection 59-2-924.2(6)(c) in H.B. 77 and S.B. 29 to read:

426 "(c) In the first budget year following annexation to a fire district, the certified tax rate  
427 of each annexing county and each annexing municipality shall be decreased by an amount equal  
428 to the amount of revenue budgeted by the annexing county or annexing municipality:

429 (i) for fire protection, paramedic, and emergency services; and

430 (ii) in:

431 (A) for a taxing entity operating under a January 1 through December 31 fiscal year, the  
432 prior calendar year; or

433 (B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior  
434 fiscal year."; and

435 (3) modify Subsection 59-2-924.2(6)(e) in H.B. 77 and S.B. 29 to read:

436 "(e) The calculation of a fire district's certified tax rate for the year of annexation shall be  
437 adjusted to include an amount of revenue equal to one half of the amount of revenue budgeted  
438 by the annexing entity for fire protection, paramedic, and emergency services in the annexing  
439 entity's prior fiscal year if:

440 (i) the fire district operates on a January 1 through December 31 fiscal year;

441 (ii) the fire district approves an annexation of an entity operating on a July 1 through  
442 June 30 fiscal year; and

443 (iii) the annexation described in Subsection (6)(e)(ii) takes effect on July 1."