

Senator Michael G. Waddoups proposes the following substitute bill:

POLITICAL SUBDIVISION ANNEXATION

AMENDMENTS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael G. Waddoups

House Sponsor: Stephen H. Urquhart

LONG TITLE

General Description:

This bill amends the Provisions Applicable to All Local Districts 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:



26 17B-1-414, as renumbered and amended by Laws of Utah 2007, Chapter 329

27 17B-1-416, as renumbered and amended by Laws of Utah 2007, Chapter 329

28 59-2-924, as last amended by Laws of Utah 2007, Chapters 107 and 329

29

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;
89 or

90 (B) upon the lieutenant governor's issuance of the certificate of annexation under
91 Subsection 10-1-117(3)(b), for an annexation other than an annexation described in Subsection
92 (3)(b)(ii)(A).

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

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

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

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

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

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

105 (2) The effective date of an annexation under this section is governed by Subsection
106 17B-1-414(3)(b)(ii).

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

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

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

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

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

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

- 119 (i) the statements described in Subsections (1)(a)(i) and (ii);
- 120 (ii) an estimate of the revenue from personal property;
- 121 (iii) the certified tax rate; and
- 122 (iv) all forms necessary to submit a tax levy request.
- 123 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad
- 124 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the
- 125 prior year.
- 126 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not
- 127 include:
 - 128 (A) collections from redemptions;
 - 129 (B) interest;
 - 130 (C) penalties; and
 - 131 (D) revenue received by a taxing entity from personal property that is:
 - 132 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - 133 (II) semiconductor manufacturing equipment.
- 134 (iii) (A) Except as otherwise provided in this section, the certified tax rate shall be
- 135 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
- 136 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).
- 137 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity
- 138 shall calculate an amount as follows:
 - 139 (I) calculate for the taxing entity the difference between:
 - 140 (Aa) the aggregate taxable value of all property taxed; and
 - 141 (Bb) any redevelopment adjustments for the current calendar year;
 - 142 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an
 - 143 amount determined by increasing or decreasing the amount calculated under Subsection
 - 144 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for
 - 145 the equalization period for the three calendar years immediately preceding the current calendar
 - 146 year;
 - 147 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the
 - 148 product of:
 - 149 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and

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

152 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an
153 amount determined by subtracting from the amount calculated under Subsection

154 (2)(a)(iii)(B)(III) any new growth as defined in this section:

155 (Aa) within the taxing entity; and

156 (Bb) for the current calendar year.

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

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

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

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

164 (Bb) semiconductor manufacturing equipment.

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

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

170 (II) semiconductor manufacturing equipment.

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

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

176 (II) semiconductor manufacturing equipment.

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

180 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking

181 Act, the commission shall make rules determining the calculation of ad valorem property tax
182 revenues budgeted by a taxing entity.

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

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

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

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

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

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

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

199 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
200 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

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

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

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

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

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

212 (A) new growth as defined in Subsection (2)(b)(iii); or
213 (B) the total taxable value of personal property contained on the tax rolls of the taxing
214 entity that is:
215 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
216 (II) semiconductor manufacturing equipment.
217 (iii) "New growth" means:
218 (A) the difference between the increase in taxable value of the taxing entity from the
219 previous calendar year to the current year; minus
220 (B) the amount of an increase in taxable value described in Subsection (2)(b)(v).
221 (iv) For purposes of Subsection (2)(b)(iii), the taxable value of the taxing entity does
222 not include the taxable value of personal property that is:
223 (A) contained on the tax rolls of the taxing entity if that property is assessed by a
224 county assessor in accordance with Part 3, County Assessment; and
225 (B) semiconductor manufacturing equipment.
226 (v) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:
227 (A) the amount of increase to locally assessed real property taxable values resulting
228 from factoring, reappraisal, or any other adjustments; or
229 (B) the amount of an increase in the taxable value of property assessed by the
230 commission under Section 59-2-201 resulting from a change in the method of apportioning the
231 taxable value prescribed by:
232 (I) the Legislature;
233 (II) a court;
234 (III) the commission in an administrative rule; or
235 (IV) the commission in an administrative order.
236 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from
237 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
238 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
239 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
240 rate to offset the increased revenues.
241 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under
242 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

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

245 (B) increased by the amount necessary to offset the county's reduction in revenue from
246 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
247 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
248 (2)(d)(i)(A).

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

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

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

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

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

272 (B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year
273 or spread over multiple fiscal years, is not subject to the notice and hearing requirements of

274 Sections 59-2-918 and 59-2-919.

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

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

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

283 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a
284 county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate
285 within the city or town the same amount of revenue as the county would have collected during
286 county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).

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

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

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

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

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

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

305 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part
306 13, Utah Special Service District Act, to provide jail service, as provided in Subsection
307 17A-2-1304(1)(a)(x); and

308 (B) levies a property tax on behalf of the special service district under Section
309 17A-2-1322.

310 (ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies
311 shall be decreased by the amount necessary to reduce county revenues by the same amount of
312 revenues that will be generated by the property tax imposed on behalf of the special service
313 district.

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

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

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

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

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

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

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

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

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

330 (Aa) for participating counties, in the unincorporated area of all participating counties;
331 and

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

333 (D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
334 Area Act, in the creation of which an election was not required under Subsection
335 17B-1-214(3)(c).

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

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

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

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

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

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

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

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

356 (B) in:

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

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

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

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

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

367 city.

368 (v) The calculation of a fire district's certified tax rate for the year of annexation shall
369 be adjusted to include an amount of revenue equal to the amount of revenue budgeted by the
370 annexing entity for fire protection, paramedic, and emergency services in the annexing entity's
371 prior fiscal year if:

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

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

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

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

380 (i) personal property tax revenue:

381 (A) received by a taxing entity;

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

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

384 (ii) the taxable value of personal property:

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

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

387 (C) that is semiconductor manufacturing equipment.

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

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

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

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

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

395 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
396 reduced for any year to the extent necessary to provide a community development and renewal
397 agency established under Title 17C, Limited Purpose Local Government Entities - Community

398 Development and Renewal Agencies, with approximately the same amount of money the
399 agency would have received without a reduction in the county's certified tax rate if:

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

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

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

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

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

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

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

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

423 If this S.B. 261, S.B. 29, Truth in Taxation Amendments, and H.B. 77, Personal
424 Property Tax Amendments, all pass, it is the intent of the Legislature that the Office of
425 Legislative Research and General Counsel, in preparing the Utah Code database for
426 publication:

427 (1) delete Subsection 59-2-924.2(6)(a)(v) and renumber remaining subsections
428 accordingly;

429 (2) modify Subsection 59-2-924.2(6)(c) in H.B. 77 and S.B. 29 to read:
430 "(c) In the first budget year following annexation to a fire district, the certified tax rate
431 of each annexing county and each annexing municipality shall be decreased by an amount
432 equal to the amount of revenue budgeted by the annexing county or annexing municipality:
433 (i) for fire protection, paramedic, and emergency services; and
434 (ii) in:
435 (A) for a taxing entity operating under a January 1 through December 31 fiscal year,
436 the prior calendar year; or
437 (B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior
438 fiscal year."; and
439 (3) modify Subsection 59-2-924.2(6)(e) in H.B. 77 and S.B. 29 to read:
440 "(e) The calculation of a fire district's certified tax rate for the year of annexation shall
441 be adjusted to include an amount of revenue equal to one half of the amount of revenue
442 budgeted by the annexing entity for fire protection, paramedic, and emergency services in the
443 annexing entity's prior fiscal year if:
444 (i) the fire district operates on a January 1 through December 31 fiscal year;
445 (ii) the fire district approves an annexation of an entity operating on a July 1 through
446 June 30 fiscal year; and
447 (iii) the annexation described in Subsection (6)(e)(ii) takes effect on July 1."

S.B. 261 1st Sub. (Green) - Political Subdivision Annexation Amendments

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Depending upon the taxing structure of the municipality within a county of the first class, individuals and businesses may experience a property tax decrease, whereas other municipalities within a county of the first class may experience a property tax increase to continue current services.
