

CERTIFIED TAX RATES AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: John Knotwell

LONG TITLE

General Description:

This bill addresses property tax certified tax rates.

Highlighted Provisions:

This bill:

- ▶ provides for adjustments of the certified tax rates of school districts;
- ▶ ~~H→ [—provides that a school district is not subject to certain]~~ addresses ←H notice and public hearing requirements with respect to the certified tax rate adjustments;
- ▶ repeals obsolete language;
- ▶ establishes a repeal date for the certified tax rate adjustment provisions; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

[59-2-924.2](#), as and further amended by Revisor Instructions, Laws of Utah 2014, Chapter 270 and last amended by Laws of Utah 2014, Chapter 270

[63I-1-259](#), as last amended by Laws of Utah 2014, Chapter 54



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

29 Section 1. Section **59-2-924.2** is amended to read:

30 **59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.**

31 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated
32 in accordance with Section [59-2-924](#).

33 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from
34 uniform fees on tangible personal property under Section [59-2-404](#), [59-2-405](#), [59-2-405.1](#),
35 [59-2-405.2](#), or [59-2-405.3](#) as a result of any county imposing a sales and use tax under Chapter
36 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
37 rate to offset the increased revenues.

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

40 (i) decreased on a one-time basis by the amount of the estimated sales and use tax
41 revenue to be distributed to the county under Subsection [59-12-1102](#)(3); and

42 (ii) increased by the amount necessary to offset the county's reduction in revenue from
43 uniform fees on tangible personal property under Section [59-2-404](#), [59-2-405](#), [59-2-405.1](#),
44 [59-2-405.2](#), or [59-2-405.3](#) as a result of the decrease in the certified tax rate under Subsection
45 (3)(a)(i).

46 (b) The commission shall determine estimates of sales and use tax distributions for
47 purposes of Subsection (3)(a).

48 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort
49 communities sales and use tax under Section [59-12-402](#), the municipality's certified tax rate
50 shall be decreased on a one-time basis by the amount necessary to offset the first 12 months of
51 estimated revenue from the additional resort communities sales and use tax imposed under
52 Section [59-12-402](#).

53 (5) (a) This Subsection (5) applies to each county that:

54 (i) establishes a countywide special service district under Title 17D, Chapter 1, Special
55 Service District Act, to provide jail service, as provided in Subsection [17D-1-201](#)(10); and

56 (ii) levies a property tax on behalf of the special service district under Section
57 [17D-1-105](#).

58 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be

59 decreased by the amount necessary to reduce county revenues by the same amount of revenues
60 that will be generated by the property tax imposed on behalf of the special service district.

61 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the
62 levy on behalf of the special service district under Section [17D-1-105](#).

63 (6) (a) As used in this Subsection (6):

64 (i) "Annexing county" means a county whose unincorporated area is included within a
65 public safety district by annexation.

66 (ii) "Annexing municipality" means a municipality whose area is included within a
67 public safety district by annexation.

68 (iii) "Equalized public safety protection tax rate" means the tax rate that results from:

69 (A) calculating, for each participating county and each participating municipality, the
70 property tax revenue necessary:

71 (I) in the case of a fire district, to cover all of the costs associated with providing fire
72 protection, paramedic, and emergency services:

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

74 (Bb) for a participating municipality, in the municipality; or

75 (II) in the case of a police district, to cover all the costs:

76 (Aa) associated with providing law enforcement service:

77 (Ii) for a participating county, in the unincorporated area of the county; and

78 (IIii) for a participating municipality, in the municipality; and

79 (Bb) that the police district board designates as the costs to be funded by a property
80 tax; and

81 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all
82 participating counties and all participating municipalities and then dividing that sum by the
83 aggregate taxable value of the property, as adjusted in accordance with Section [59-2-913](#):

84 (I) for participating counties, in the unincorporated area of all participating counties;
85 and

86 (II) for participating municipalities, in all the participating municipalities.

87 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
88 Area Act:

89 (A) created to provide fire protection, paramedic, and emergency services; and

90 (B) in the creation of which an election was not required under Subsection
91 [17B-1-214](#)(3)(c).

92 (v) "Participating county" means a county whose unincorporated area is included
93 within a public safety district at the time of the creation of the public safety district.

94 (vi) "Participating municipality" means a municipality whose area is included within a
95 public safety district at the time of the creation of the public safety district.

96 (vii) "Police district" means a service area under Title 17B, Chapter 2a, Part 9, Service
97 Area Act, within a county of the first class:

98 (A) created to provide law enforcement service; and

99 (B) in the creation of which an election was not required under Subsection
100 [17B-1-214](#)(3)(c).

101 (viii) "Public safety district" means a fire district or a police district.

102 (ix) "Public safety service" means:

103 (A) in the case of a public safety district that is a fire district, fire protection,
104 paramedic, and emergency services; and

105 (B) in the case of a public safety district that is a police district, law enforcement
106 service.

107 (b) In the first year following creation of a public safety district, the certified tax rate of
108 each participating county and each participating municipality shall be decreased by the amount
109 of the equalized public safety tax rate.

110 (c) In the first budget year following annexation to a public safety district, the certified
111 tax rate of each annexing county and each annexing municipality shall be decreased by an
112 amount equal to the amount of revenue budgeted by the annexing county or annexing
113 municipality:

114 (i) for public safety service; and

115 (ii) in:

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

118 (B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior
119 fiscal year.

120 (d) Each tax levied under this section by a public safety district shall be considered to

121 be levied by:

122 (i) each participating county and each annexing county for purposes of the county's tax
123 limitation under Section [59-2-908](#); and

124 (ii) each participating municipality and each annexing municipality for purposes of the
125 municipality's tax limitation under Section [10-5-112](#), for a town, or Section [10-6-133](#), for a
126 city.

127 (e) The calculation of a public safety district's certified tax rate for the year of
128 annexation shall be adjusted to include an amount of revenue equal to one half of the amount
129 of revenue budgeted by the annexing entity for public safety service in the annexing entity's
130 prior fiscal year if:

131 (i) the public safety district operates on a January 1 through December 31 fiscal year;

132 (ii) the public safety district approves an annexation of an entity operating on a July 1
133 through June 30 fiscal year; and

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

135 ~~[(7) For the calendar year beginning on January 1, 2007, the calculation of a taxing
136 entity's certified tax rate, calculated in accordance with Section [59-2-924](#), shall be adjusted by
137 the amount necessary to offset any change in the certified tax rate that may result from
138 excluding the following from the certified tax rate under Subsection [59-2-924](#)(3) enacted by the
139 Legislature during the 2007 General Session:]~~

140 ~~[(a) personal property tax revenue:]~~

141 ~~[(i) received by a taxing entity;]~~

142 ~~[(ii) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

143 ~~[(iii) for personal property that is semiconductor manufacturing equipment; or]~~

144 ~~[(b) the taxable value of personal property:]~~

145 ~~[(i) contained on the tax rolls of a taxing entity;]~~

146 ~~[(ii) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

147 ~~[(iii) that is semiconductor manufacturing equipment.]~~

148 ~~[(8)]~~ (7) (a) The base taxable value ~~[for the base year]~~ under Subsection [17C-1-102](#)(6)
149 shall be reduced for any year to the extent necessary to provide a community development and
150 renewal agency established under Title 17C, Limited Purpose Local Government Entities -
151 Community Development and Renewal Agencies Act, with approximately the same amount of

152 money the agency would have received without a reduction in the county's certified tax rate,
153 calculated in accordance with Section [59-2-924](#), if:

- 154 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);
- 155 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
156 previous year; and
- 157 (iii) the decrease results in a reduction of the amount to be paid to the agency under
158 Section [17C-1-403](#) or [17C-1-404](#).

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

- 163 (i) in that year the base taxable value under Subsection [17C-1-102](#)(6) is reduced due to
164 a decrease in the certified tax rate under Subsection (2) or (3)(a); and
- 165 (ii) the certified tax rate of a city, school district, local district, or special service
166 district increases independent of the adjustment to the taxable value of the base year.

167 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),
168 the amount of money allocated and, when collected, paid each year to a community
169 development and renewal agency established under Title 17C, Limited Purpose Local
170 Government Entities - Community Development and Renewal Agencies Act, for the payment
171 of bonds or other contract indebtedness, but not for administrative costs, may not be less than
172 that amount would have been without a decrease in the certified tax rate under Subsection (2)
173 or (3)(a).

174 [~~9~~] (8) (a) For the calendar year beginning on January 1, 2014, the calculation of a
175 county assessing and collecting levy shall be adjusted by the amount necessary to offset:

- 176 (i) any change in the certified tax rate that may result from amendments to Part 16,
177 Multicounty Assessing and Collecting Levy, in Laws of Utah 2014, Chapter 270, Section 3;
178 and
- 179 (ii) the difference in the amount of revenue a taxing entity receives from or contributes
180 to the Property Tax Valuation Agency Fund, created in Section [59-2-1602](#), that may result from
181 amendments to Part 16, Multicounty Assessing and Collecting Levy, in Laws of Utah 2014,
182 Chapter 270, Section 3.

183 (b) A taxing entity is not required to comply with the notice and public hearing
 184 requirements in Section [59-2-919](#) for an adjustment to the county assessing and collecting levy
 185 described in Subsection ~~[(9)]~~ (8)(a).

186 (9) (a) For the calendar year beginning on January 1, 2017, the commission shall
 187 increase or decrease a school district's certified tax rate to offset a change in revenues from the
 188 calendar year beginning on January 1, 2016, to the calendar year beginning on January 1, 2017,
 189 as follows:

190 (i) the commission shall increase a school district's certified tax rate by the amount
 191 necessary to offset a decrease in revenues that may result from the repeal of Section [59-2-924.3](#)
 192 on December 31, 2016; and

193 (ii) the commission shall decrease a school district's certified tax rate by the amount
 194 necessary to offset an increase in revenues that may result from the repeal of Section
 195 [59-2-924.3](#) on December 31, 2016.

196 (b) ~~H~~→ (i) ←~~H~~ A school district is not required to comply with the notice and
 196a public hearing
 197 requirements of Section [59-2-919](#) for an offset to the certified tax rate described in Subsection
 198 (9)(a).

198a ~~H~~→ (ii) If a school district's certified tax rate is increased in accordance with Subsection
 198b (9)(a)(i), the school district shall:

198c (A) on or before June 15, 2017, publish the statement provided in Subsection (9)(c) one
 198d or more times in a newspaper or combination of newspapers of general circulation in the
 198e taxing entity, in a portion of the newspaper where legal notices and classified advertisements
 198f do not appear;

198g (B) on or before June 30, 2017, read the statement provided in Subsection (9)(c) at a
 198h public meeting of the school district; and

198i (C) if the school district maintains a database containing electronic mail addresses of
 198j one or more persons who reside within the school district boundaries, send the statement
 198k provided in Subsection (9)(c) to those electronic mail addresses.

198l (c) For purposes of Subsection (9)(b)(ii), the statement is: "For calendar year 2017, the
 198m State Tax Commission is required to increase a property tax rate of this school district to offset
 198n a loss in revenue due to the repeal of a statute to equalize certain school district property taxes.
 198o This offset may result in an increase in your property taxes." ←~~H~~

199 Section 2. Section **63I-1-259** is amended to read:
200 **63I-1-259. Repeal dates, Title 59.**
201 (1) Subsection [59-2-924\(3\)\(g\)](#) is repealed on December 31, 2016.
202 (2) Subsection [59-2-924.2\(9\)](#) is repealed on December 31, 2017.
203 [~~2~~] (3) Section [59-2-924.3](#) is repealed on December 31, 2016.
204 [~~3~~] (4) Section [59-9-102.5](#) is repealed December 31, 2020.

Legislative Review Note

as of 1-14-15 9:10 AM

Office of Legislative Research and General Counsel