

Representative Daniel McCay proposes the following substitute bill:

PROPERTY TAX CHANGES

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

Senate Sponsor: Deidre M. Henderson

LONG TITLE

General Description:

This bill amends provisions related to property tax.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the calculation of certain property tax rates;
- ▶ repeals obsolete language; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

20A-7-613, as last amended by Laws of Utah 2015, Chapter 258

53A-16-106, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236

53A-16-113, as last amended by Laws of Utah 2013, Chapter 287

53A-17a-103, as last amended by Laws of Utah 2015, Chapter 287



26 [53A-17a-133](#), as last amended by Laws of Utah 2015, Chapter 287
 27 [53A-17a-164](#), as last amended by Laws of Utah 2013, Chapters 178 and 313
 28 [53A-19-105](#), as last amended by Laws of Utah 2009, Chapter 204
 29 [59-2-102](#), as last amended by Laws of Utah 2015, Chapters 133, 198, and 287
 30 [59-2-504](#), as last amended by Laws of Utah 2003, Chapter 208
 31 [59-2-913](#), as last amended by Laws of Utah 2014, Chapter 279
 32 [59-2-919](#), as and further amended by Revisor Instructions, Laws of Utah 2014, Chapter
 33 256 and last amended by Laws of Utah 2014, Chapter 256
 34 [59-2-924](#), as last amended by Laws of Utah 2014, Chapter 270
 35 [59-2-924.3](#), as last amended by Laws of Utah 2011, Chapter 371
 36 [59-2-926](#), as last amended by Laws of Utah 2009, Chapter 388
 37 [63I-1-259](#), as last amended by Laws of Utah 2015, Chapters 224, 275, and 467

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

40 Section 1. Section [20A-7-613](#) is amended to read:

41 **[20A-7-613. Property tax referendum petition.](#)**

42 (1) As used in this section:

43 (a) "Certified tax rate" [~~is as~~] means the same as that term is defined in [Subsection]

44 Section [59-2-924](#)[~~(3)~~](a).

45 (b) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year
 46 that begins on July 1 and ends on June 30.

47 (2) Except as provided in this section, the requirements of this part apply to a
 48 referendum petition challenging a fiscal year taxing entity's legislative body's vote to impose a
 49 tax rate that exceeds the certified tax rate.

50 (3) Notwithstanding Subsection [20A-7-604](#)(5), the local clerk shall number each of the
 51 referendum packets and return them to the sponsors within two working days.

52 (4) Notwithstanding Subsection [20A-7-606](#)(1), the sponsors shall deliver each signed
 53 and verified referendum packet to the county clerk of the county in which the packet was
 54 circulated no later than 40 days after the day on which the local clerk complies with Subsection
 55 (3).

56 (5) Notwithstanding Subsections [20A-7-606](#)(2) and (3), the county clerk shall take the

57 actions required in Subsections 20A-7-606(2) and (3) within 10 working days after the day on
58 which the county clerk receives the signed and verified referendum packet as described in
59 Subsection (4).

60 (6) The local clerk shall take the actions required by Section 20A-7-607 within two
61 working days after the day on which the local clerk receives the referendum packets from the
62 county clerk.

63 (7) Notwithstanding Subsection 20A-7-608(2), the local attorney shall prepare the
64 ballot title within two working days after the day on which the referendum petition is declared
65 sufficient for submission to a vote of the people.

66 (8) Notwithstanding Subsection 20A-7-609(2)(c), a referendum that qualifies for the
67 ballot under this section shall appear on the ballot for the earlier of the next regular general
68 election or the next municipal general election unless a special election is called.

69 (9) Notwithstanding the requirements related to absentee ballots under this title:

70 (a) the election officer shall prepare absentee ballots for those voters who have
71 requested an absentee ballot as soon as possible after the ballot title is prepared as described in
72 Subsection (7); and

73 (b) the election officer shall mail absentee ballots on a referendum under this section
74 the later of:

75 (i) the time provided in Section 20A-3-305 or 20A-16-403; or

76 (ii) the time that absentee ballots are prepared for mailing under this section.

77 (10) Section 20A-7-402 does not apply to a referendum described in this section.

78 (11) (a) If a majority of voters does not vote against imposing the tax at a rate
79 calculated to generate the increased revenue budgeted, adopted, and approved by the fiscal year
80 taxing entity's legislative body:

81 (i) the certified tax rate for the fiscal year during which the referendum petition is filed
82 is its most recent certified tax rate; and

83 (ii) the proposed increased revenues for purposes of establishing the certified tax rate
84 for the fiscal year after the fiscal year described in Subsection (11)(a)(i) are the proposed
85 increased revenues budgeted, adopted, and approved by the fiscal year taxing entity's legislative
86 body before the filing of the referendum petition.

87 (b) If a majority of voters votes against imposing a tax at the rate established by the

88 vote of the fiscal year taxing entity's legislative body, the certified tax rate for the fiscal year
89 taxing entity is its most recent certified tax rate.

90 (c) If the tax rate is set in accordance with Subsection (11)(a)(ii), a fiscal year taxing
91 entity is not required to comply with the notice and public hearing requirements of Section
92 59-2-919 if the fiscal year taxing entity complies with those notice and public hearing
93 requirements before the referendum petition is filed.

94 (12) The ballot title shall, at a minimum, include in substantially this form the
95 following: "Shall the [name of the taxing entity] be authorized to levy a tax rate in the amount
96 sufficient to generate an increased property tax revenue of [amount] for fiscal year [year] as
97 budgeted, adopted, and approved by the [name of the taxing entity]".

98 (13) A fiscal year taxing entity shall pay the county the costs incurred by the county
99 that are directly related to meeting the requirements of this section and that the county would
100 not have incurred but for compliance with this section.

101 (14) (a) An election officer shall include on a ballot a referendum that has not yet
102 qualified for placement on the ballot, if:

103 (i) sponsors file an application for a referendum described in this section;

104 (ii) the ballot will be used for the election for which the sponsors are attempting to
105 qualify the referendum; and

106 (iii) the deadline for qualifying the referendum for placement on the ballot occurs after
107 the day on which the ballot will be printed.

108 (b) If an election officer includes on a ballot a referendum described in Subsection
109 (14)(a), the ballot title shall comply with Subsection (12).

110 (c) If an election officer includes on a ballot a referendum described in Subsection
111 (14)(a) that does not qualify for placement on the ballot, the election officer shall inform the
112 voters by any practicable method that the referendum has not qualified for the ballot and that
113 votes cast in relation to the referendum will not be counted.

114 Section 2. Section 53A-16-106 is amended to read:

115 **53A-16-106. Annual certification of tax rate proposed by local school board --**
116 **Inclusion of school district budget -- Modified filing date.**

117 (1) Prior to June 22 of each year, each local school board shall certify to the county
118 legislative body in which the district is located, on forms prescribed by the State Tax

119 Commission, the proposed tax rate approved by the local school board.

120 (2) A copy of the district's budget, including items under Section 53A-19-101, and a
121 certified copy of the local school board's resolution which approved the budget and set the tax
122 rate for the subsequent school year beginning July 1 shall accompany the tax rate.

123 (3) If the tax rate approved by the board is in excess of the ["]certified tax rate["], as
124 defined [~~under Subsection~~] in Section 59-2-924[(3)(a)], the date for filing the tax rate and
125 budget adopted by the board shall be that established under Section 59-2-919.

126 Section 3. Section 53A-16-113 is amended to read:

127 **53A-16-113. Capital local levy -- First class county required levy -- Allowable**
128 **uses of collected revenue.**

129 (1) (a) Subject to the other requirements of this section, a local school board may levy a
130 tax to fund the school district's capital projects.

131 (b) A tax rate imposed by a school district pursuant to this section may not exceed
132 .0030 per dollar of taxable value in any calendar year.

133 (2) A school district that imposes a capital local levy in the calendar year beginning on
134 January 1, 2012, is exempt from the public notice and hearing requirements of Section
135 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to
136 or less than the sum of the following amounts:

137 (a) the amount of revenue generated during the calendar year beginning on January 1,
138 2011, from the sum of the following levies of a school district:

139 (i) a capital outlay levy imposed under Section 53A-16-107; and

140 (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
141 budgeted for debt service or capital outlay; and

142 (b) revenue from eligible new growth as defined in [~~Subsection~~] Section
143 59-2-924[(4)(c)].

144 (3) Beginning January 1, 2012, in order to qualify for receipt of the state contribution
145 toward the minimum school program described in Section 53A-17a-103, a local school board
146 in a county of the first class shall impose a capital local levy of at least .0006 per dollar of
147 taxable value.

148 (4) (a) The county treasurer of a county of the first class shall distribute revenues
149 generated by the .0006 portion of the capital local levy required in Subsection (2) to school

150 districts within the county in accordance with Section 53A-16-114.

151 (b) If a school district in a county of the first class imposes a capital local levy pursuant
152 to this section that exceeds .0006 per dollar of taxable value, the county treasurer shall
153 distribute revenues generated by the portion of the capital local levy that exceeds .0006 to the
154 school district imposing the levy.

155 (5) (a) Subject to Subsections (5)(b), (c), and (d), for fiscal year 2013-14, a local school
156 board may utilize the proceeds of a maximum of .0024 per dollar of taxable value of the local
157 school board's annual capital local levy for general fund purposes if the proceeds are not
158 committed or dedicated to pay debt service or bond payments.

159 (b) If a local school board uses the proceeds described in Subsection (5)(a) for general
160 fund purposes, the local school board shall notify the public of the local school board's use of
161 the capital local levy proceeds for general fund purposes:

162 (i) prior to the local school board's budget hearing in accordance with the notification
163 requirements described in Section 53A-19-102; and

164 (ii) at a budget hearing required in Section 53A-19-102.

165 (c) A local school board may not use the proceeds described in Subsection (5)(a) to
166 fund the following accounting function classifications as provided in the Financial Accounting
167 for Local and State School Systems guidelines developed by the National Center for Education
168 Statistics:

169 (i) 2300 Support Services - General District Administration; or

170 (ii) 2500 Support Services - Central Services.

171 (d) A local school board may not use the proceeds from a distribution described in
172 Subsection (4) for general fund purposes.

173 Section 4. Section 53A-17a-103 is amended to read:

174 **53A-17a-103. Definitions.**

175 As used in this chapter:

176 (1) "Basic state-supported school program" or "basic program" means public education
177 programs for kindergarten, elementary, and secondary school students that are operated and
178 maintained for the amount derived by multiplying the number of weighted pupil units for each
179 school district or charter school by the value established each year in statute, except as
180 otherwise provided in this chapter.

181 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of
182 ad valorem property tax revenue equal to the sum of:

183 (i) the amount of ad valorem property tax revenue to be generated statewide in the
184 previous year from imposing a minimum basic tax rate, as specified in Section 53A-17a-135;
185 and

186 (ii) the product of:

187 (A) eligible new growth, as defined in~~[(H)]~~ Section 59-2-924~~[;]~~ and ~~[(H)]~~ rules of the
188 State Tax Commission; and

189 (B) the minimum basic tax rate certified by the State Tax Commission for the previous
190 year.

191 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not
192 include property tax revenue received statewide from personal property that is:

193 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County
194 Assessment; and

195 (ii) semiconductor manufacturing equipment.

196 (c) For purposes of calculating the certified revenue levy described in this Subsection
197 (2), the State Tax Commission shall use:

198 (i) the taxable value of real property assessed by a county assessor contained on the
199 assessment roll;

200 (ii) the taxable value of real and personal property assessed by the State Tax
201 Commission; and

202 (iii) the taxable year end value of personal property assessed by a county assessor
203 contained on the prior year's assessment roll.

204 (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

205 (4) (a) "State-supported minimum school program" or "Minimum School Program"
206 means public school programs for kindergarten, elementary, and secondary schools as
207 described in this Subsection (4).

208 (b) The minimum school program established in school districts and charter schools
209 shall include the equivalent of a school term of nine months as determined by the State Board
210 of Education.

211 (c) (i) The board shall establish the number of days or equivalent instructional hours

212 that school is held for an academic school year.

213 (ii) Education, enhanced by utilization of technologically enriched delivery systems,
214 when approved by local school boards or charter school governing boards, shall receive full
215 support by the State Board of Education as it pertains to fulfilling the attendance requirements,
216 excluding time spent viewing commercial advertising.

217 (d) (i) A local school board or charter school governing board may reallocate up to 32
218 instructional hours or [~~4~~] four school days established under Subsection (4)(c) for teacher
219 preparation time or teacher professional development.

220 (ii) A reallocation of instructional hours or school days under Subsection (4)(d)(i) is
221 subject to the approval of two-thirds of the members of a local school board or charter school
222 governing board voting in a regularly scheduled meeting:

223 (A) at which a quorum of the local school board or charter school governing board is
224 present; and

225 (B) held in compliance with Title 52, Chapter 4, Open and Public Meetings Act.

226 (iii) If a local school board or charter school governing board reallocates instructional
227 hours or school days as provided by this Subsection (4)(d), the school district or charter school
228 shall notify students' parents and guardians of the school calendar at least 90 days before the
229 beginning of the school year.

230 (iv) Instructional hours or school days reallocated for teacher preparation time or
231 teacher professional development pursuant to this Subsection (4)(d) is considered part of a
232 school term referred to in Subsection (4)(b).

233 (e) The Minimum School Program includes a program or allocation funded by a line
234 item appropriation or other appropriation designated as follows:

235 (i) Basic School Program;

236 (ii) Related to Basic Programs;

237 (iii) Voted and Board Levy Programs; or

238 (iv) Minimum School Program.

239 (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of
240 factors that is computed in accordance with this chapter for the purpose of determining the
241 costs of a program on a uniform basis for each district.

242 Section 5. Section **53A-17a-133** is amended to read:

243 **53A-17a-133. State-supported voted local levy authorized -- Election**
244 **requirements -- State guarantee -- Reconsideration of the program.**

245 (1) As used in this section, "voted and board local levy funding balance" means the
246 difference between:

247 (a) the amount appropriated for the voted and board local levy program in a fiscal year;
248 and

249 (b) the amount necessary to provide the state guarantee per weighted pupil unit as
250 determined under this section and Section 53A-17a-164 in the same fiscal year.

251 (2) An election to consider adoption or modification of a voted local levy is required if
252 initiative petitions signed by 10% of the number of electors who voted at the last preceding
253 general election are presented to the local school board or by action of the board.

254 (3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at
255 an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special
256 tax.

257 (ii) The tax rate may not exceed .002 per dollar of taxable value.

258 (b) Except as provided in Subsection (3)(c), in order to receive state support the first
259 year, a district must receive voter approval no later than December 1 of the year prior to
260 implementation.

261 (c) Beginning on or after January 1, 2012, a school district may receive state support in
262 accordance with Subsection (4) without complying with the requirements of Subsection (3)(b)
263 if the local school board imposed a tax in accordance with this section during the taxable year
264 beginning on January 1, 2011 and ending on December 31, 2011.

265 (4) (a) In addition to the revenue a school district collects from the imposition of a levy
266 pursuant to this section, the state shall contribute an amount sufficient to guarantee \$33.27 per
267 weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

268 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
269 of taxable value under Subsection (4)(a) shall apply to the portion of the board local levy
270 authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per
271 dollar of taxable value if a school district levies a tax rate under both programs.

272 (c) (i) Beginning July 1, 2015, the \$33.27 guarantee under Subsections (4)(a) and (b)
273 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12

274 program by making the value of the guarantee equal to .011194 times the value of the prior
275 year's weighted pupil unit for the grades 1 through 12 program.

276 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
277 pupil unit for the grades 1 through 12 program for each succeeding year subject to the
278 Legislature appropriating funds for an increase in the guarantee.

279 (d) (i) The amount of state guarantee money to which a school district would otherwise
280 be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the
281 district's levy is reduced as a consequence of changes in the certified tax rate under Section
282 [59-2-924](#) pursuant to changes in property valuation.

283 (ii) Subsection (4)(d)(i) applies for a period of five years following any such change in
284 the certified tax rate.

285 (e) The guarantee provided under this section does not apply to the portion of a voted
286 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal
287 year, unless an increase in the voted local levy rate was authorized in an election conducted on
288 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

289 (f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the
290 State Board of Education shall:

291 (A) use the voted and board local levy funding balance to increase the value of the state
292 guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

293 (B) distribute the state contribution to the voted and board local levy programs to
294 school districts based on the increased value of the state guarantee per weighted pupil unit
295 described in Subsection (4)(f)(i)(A).

296 (ii) The State Board of Education shall report action taken under this Subsection (4)(f)
297 to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and
298 Budget.

299 (5) (a) An election to modify an existing voted local levy is not a reconsideration of the
300 existing authority unless the proposition submitted to the electors expressly so states.

301 (b) A majority vote opposing a modification does not deprive the district of authority to
302 continue the levy.

303 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
304 school board levies, the board must allow the electors, in an election, to consider modifying or

305 discontinuing the imposition of the levy prior to a subsequent increase in other levies that
306 would increase the total local school board levy.

307 (d) Nothing contained in this section terminates, without an election, the authority of a
308 school district to continue imposing an existing voted local levy previously authorized by the
309 voters as a voted leeway program.

310 (6) Notwithstanding Section 59-2-919, a school district may budget an increased
311 amount of ad valorem property tax revenue derived from a voted local levy imposed under this
312 section in addition to revenue from eligible new growth as defined in [~~Subsection~~] Section
313 59-2-924~~(4)~~, without having to comply with the notice requirements of Section 59-2-919, if:

314 (a) the voted local levy is approved:

315 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

316 (ii) within the four-year period immediately preceding the year in which the school
317 district seeks to budget an increased amount of ad valorem property tax revenue derived from
318 the voted local levy; and

319 (b) for a voted local levy approved or modified in accordance with this section on or
320 after January 1, 2009, the school district complies with the requirements of Subsection (8).

321 (7) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
322 section that exceeds the certified tax rate without having to comply with the notice
323 requirements of Section 59-2-919 if:

324 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
325 increased amount of ad valorem property tax revenue derived from a voted local levy imposed
326 under this section;

327 (b) the voted local levy was approved:

328 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

329 (ii) within the four-year period immediately preceding the year in which the school
330 district seeks to budget an increased amount of ad valorem property tax revenue derived from
331 the voted local levy; and

332 (c) for a voted local levy approved or modified in accordance with this section on or
333 after January 1, 2009, the school district complies with requirements of Subsection (8).

334 (8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the
335 electors regarding the adoption or modification of a voted local levy shall contain the following

336 statement:

337 "A vote in favor of this tax means that (name of the school district) may increase
338 revenue from this property tax without advertising the increase for the next five years."

339 (9) (a) Before imposing a property tax levy pursuant to this section, a school district
340 shall submit an opinion question to the school district's registered voters voting on the
341 imposition of the tax rate so that each registered voter has the opportunity to express the
342 registered voter's opinion on whether the tax rate should be imposed.

343 (b) The election required by this Subsection (9) shall be held:

344 (i) at a regular general election conducted in accordance with the procedures and
345 requirements of Title 20A, Election Code, governing regular elections;

346 (ii) at a municipal general election conducted in accordance with the procedures and
347 requirements of Section [20A-1-202](#); or

348 (iii) at a local special election conducted in accordance with the procedures and
349 requirements of Section [20A-1-203](#).

350 (c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or
351 after January 1, 2012, a school district may levy a tax rate in accordance with this section
352 without complying with the requirements of Subsections (9)(a) and (b) if the school district
353 imposed a tax in accordance with this section at any time during the taxable year beginning on
354 January 1, 2011, and ending on December 31, 2011.

355 (10) If a school district determines that a majority of the school district's registered
356 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
357 rate in accordance with Subsection (9), the school district may impose the tax rate.

358 Section 6. Section **53A-17a-164** is amended to read:

359 **53A-17a-164. Board local levy -- State guarantee.**

360 (1) Subject to the other requirements of this section, for a calendar year beginning on
361 or after January 1, 2012, a local school board may levy a tax to fund the school district's
362 general fund.

363 (2) (a) Except as provided in Subsection (2)(b), a tax rate imposed by a school district
364 pursuant to this section may not exceed .0018 per dollar of taxable value in any calendar year.

365 (b) A tax rate imposed by a school district pursuant to this section may not exceed
366 .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on

367 January 1, 2011, the school district's combined tax rate for the following levies was greater
368 than .0018 per dollar of taxable value:

- 369 (i) a recreation levy imposed under Section 11-2-7;
- 370 (ii) a transportation levy imposed under Section 53A-17a-127;
- 371 (iii) a board-authorized levy imposed under Section 53A-17a-134;
- 372 (iv) an impact aid levy imposed under Section 53A-17a-143;
- 373 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is
374 budgeted for purposes other than capital outlay or debt service;
- 375 (vi) a reading levy imposed under Section 53A-17a-151; and
- 376 (vii) a tort liability levy imposed under Section 63G-7-704.

377 (3) (a) In addition to the revenue a school district collects from the imposition of a levy
378 pursuant to this section, the state shall contribute an amount sufficient to guarantee that each
379 .0001 of the first .0004 per dollar of taxable value generates an amount equal to the state
380 guarantee per weighted pupil unit described in Subsection 53A-17a-133(4).

381 (b) (i) The amount of state guarantee money to which a school district would otherwise
382 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's
383 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
384 pursuant to changes in property valuation.

385 (ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the
386 certified tax rate.

387 ~~[(4) A school district that imposes a board local levy in the calendar year beginning on~~
388 ~~January 1, 2012, is exempt from the public notice and hearing requirements of Section~~
389 ~~59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to~~
390 ~~or less than the sum of the following amounts:]~~

391 ~~[(a) the amount of revenue generated during the calendar year beginning on January 1,~~
392 ~~2011, from the sum of the following levies of a school district:]~~

- 393 ~~[(i) a recreation levy imposed under Section 11-2-7;]~~
- 394 ~~[(ii) a transportation levy imposed under Section 53A-17a-127;]~~
- 395 ~~[(iii) a board-authorized levy imposed under Section 53A-17a-134;]~~
- 396 ~~[(iv) an impact aid levy imposed under Section 53A-17a-143;]~~
- 397 ~~[(v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is~~

398 budgeted for purposes other than capital outlay or debt service;]

399 [(vi) a reading levy imposed under Section 53A-17a-151; and]

400 [(vii) a tort liability levy imposed under Section 63G-7-704; and]

401 [(b) revenue from new growth as defined in Subsection 59-2-924(4)(c).]

402 Section 7. Section 53A-19-105 is amended to read:

403 **53A-19-105. School district interfund transfers.**

404 (1) A school district shall spend revenues only within the fund for which they were
405 originally authorized, levied, collected, or appropriated.

406 (2) Except as otherwise provided in this section, school district interfund transfers of
407 residual equity are prohibited.

408 (3) The State Board of Education may authorize school district interfund transfers of
409 residual equity when a district states its intent to create a new fund or expand, contract, or
410 liquidate an existing fund.

411 (4) The State Board of Education may also authorize school district interfund transfers
412 of residual equity for a financially distressed district if the board determines the following:

413 (a) the district has a significant deficit in its maintenance and operations fund caused
414 by circumstances not subject to the administrative decisions of the district;

415 (b) the deficit cannot be reasonably reduced under Section 53A-19-104; and

416 (c) without the transfer, the school district will not be capable of meeting statewide
417 educational standards adopted by the State Board of Education.

418 (5) The board shall develop standards for defining and aiding financially distressed
419 school districts under this section in accordance with Title 63G, Chapter 3, Utah
420 Administrative Rulemaking Act.

421 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded
422 and reported in the debt service fund.

423 (b) Debt service levies under Subsection 59-2-924[(3)(e)(iii)] (5)(c) that are not subject
424 to the public hearing provisions of Section 59-2-919 may not be used for any purpose other
425 than retiring general obligation debt.

426 (c) Amounts from these levies remaining in the debt service fund at the end of a fiscal
427 year shall be used in subsequent years for general obligation debt retirement.

428 (d) Any amounts left in the debt service fund after all general obligation debt has been

429 retired may be transferred to the capital projects fund upon completion of the budgetary hearing
430 process required under Section 53A-19-102.

431 Section 8. Section 59-2-102 is amended to read:

432 **59-2-102. Definitions.**

433 As used in this chapter and title:

434 (1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of
435 engaging in dispensing activities directly affecting agriculture or horticulture with an
436 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or
437 rotorcraft's use for agricultural and pest control purposes.

438 (2) "Air charter service" means an air carrier operation which requires the customer to
439 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled
440 trip.

441 (3) "Air contract service" means an air carrier operation available only to customers
442 who engage the services of the carrier through a contractual agreement and excess capacity on
443 any trip and is not available to the public at large.

444 (4) "Aircraft" is as defined in Section 72-10-102.

445 (5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

446 (i) operates:

447 (A) on an interstate route; and

448 (B) on a scheduled basis; and

449 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a
450 regularly scheduled route.

451 (b) "Airline" does not include an:

452 (i) air charter service; or

453 (ii) air contract service.

454 (6) "Assessment roll" means a permanent record of the assessment of property as
455 assessed by the county assessor and the commission and may be maintained manually or as a
456 computerized file as a consolidated record or as multiple records by type, classification, or
457 categories.

458 (7) (a) "Certified revenue levy" means a property tax levy that provides an amount of
459 ad valorem property tax revenue equal to the sum of:

460 (i) the amount of ad valorem property tax revenue to be generated statewide in the
461 previous year from imposing a school minimum basic tax rate, as specified in Section
462 53A-17a-135, or multicounty assessing and collecting levy, as specified in Section 59-2-1602;
463 and

464 (ii) the product of:

465 (A) eligible new growth, as defined in~~[(F)]~~ Section 59-2-924; and

466 ~~[(H) rules of the commission; and]~~

467 (B) the school minimum basic tax rate or multicounty assessing and collecting levy
468 certified by the commission for the previous year.

469 (b) For purposes of this Subsection (7), "ad valorem property tax revenue" does not
470 include property tax revenue received by a taxing entity from personal property that is:

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

472 (ii) semiconductor manufacturing equipment.

473 (c) For purposes of calculating the certified revenue levy described in this Subsection
474 (7), the commission shall use:

475 (i) the taxable value of real property assessed by a county assessor contained on the
476 assessment roll;

477 (ii) the taxable value of real and personal property assessed by the commission; and

478 (iii) the taxable year end value of personal property assessed by a county assessor
479 contained on the prior year's assessment roll.

480 (8) "County-assessed commercial vehicle" means:

481 (a) any commercial vehicle, trailer, or semitrailer which is not apportioned under
482 Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or
483 property in furtherance of the owner's commercial enterprise;

484 (b) any passenger vehicle owned by a business and used by its employees for
485 transportation as a company car or vanpool vehicle; and

486 (c) vehicles that are:

487 (i) especially constructed for towing or wrecking, and that are not otherwise used to
488 transport goods, merchandise, or people for compensation;

489 (ii) used or licensed as taxicabs or limousines;

490 (iii) used as rental passenger cars, travel trailers, or motor homes;

- 491 (iv) used or licensed in this state for use as ambulances or hearses;
- 492 (v) especially designed and used for garbage and rubbish collection; or
- 493 (vi) used exclusively to transport students or their instructors to or from any private,
- 494 public, or religious school or school activities.

495 (9) (a) Except as provided in Subsection (9)(b), for purposes of Section 59-2-801,
496 "designated tax area" means a tax area created by the overlapping boundaries of only the
497 following taxing entities:

- 498 (i) a county; and
- 499 (ii) a school district.

500 (b) Notwithstanding Subsection (9)(a), "designated tax area" includes a tax area created
501 by the overlapping boundaries of:

- 502 (i) the taxing entities described in Subsection (9)(a); and
- 503 (ii) (A) a city or town if the boundaries of the school district under Subsection (9)(a)
504 and the boundaries of the city or town are identical; or
- 505 (B) a special service district if the boundaries of the school district under Subsection
506 (9)(a) are located entirely within the special service district.

507 (10) "Eligible judgment" means a final and unappealable judgment or order under
508 Section 59-2-1330:

509 (a) that became a final and unappealable judgment or order no more than 14 months
510 prior to the day on which the notice required by Section 59-2-919.1 is required to be mailed;
511 and

512 (b) for which a taxing entity's share of the final and unappealable judgment or order is
513 greater than or equal to the lesser of:

- 514 (i) \$5,000; or
- 515 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the
516 previous fiscal year.

517 (11) (a) "Escaped property" means any property, whether personal, land, or any
518 improvements to the property, subject to taxation and is:

519 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed
520 to the wrong taxpayer by the assessing authority;

521 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to

522 comply with the reporting requirements of this chapter; or

523 (iii) undervalued because of errors made by the assessing authority based upon
524 incomplete or erroneous information furnished by the taxpayer.

525 (b) Property that is undervalued because of the use of a different valuation
526 methodology or because of a different application of the same valuation methodology is not
527 "escaped property."

528 (12) "Fair market value" means the amount at which property would change hands
529 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell
530 and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair
531 market value" shall be determined using the current zoning laws applicable to the property in
532 question, except in cases where there is a reasonable probability of a change in the zoning laws
533 affecting that property in the tax year in question and the change would have an appreciable
534 influence upon the value.

535 (13) "Farm machinery and equipment," for purposes of the exemption provided under
536 Section 59-2-1101, means tractors, milking equipment and storage and cooling facilities, feed
537 handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage
538 tools, scales, combines, spreaders, sprayers, haying equipment, including balers and cubers,
539 and any other machinery or equipment used primarily for agricultural purposes; but does not
540 include vehicles required to be registered with the Motor Vehicle Division or vehicles or other
541 equipment used for business purposes other than farming.

542 (14) "Geothermal fluid" means water in any form at temperatures greater than 120
543 degrees centigrade naturally present in a geothermal system.

544 (15) "Geothermal resource" means:

545 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;
546 and

547 (b) the energy, in whatever form, including pressure, present in, resulting from, created
548 by, or which may be extracted from that natural heat, directly or through a material medium.

549 (16) (a) "Goodwill" means:

550 (i) acquired goodwill that is reported as goodwill on the books and records:

551 (A) of a taxpayer; and

552 (B) that are maintained for financial reporting purposes; or

- 553 (ii) the ability of a business to:
- 554 (A) generate income:
- 555 (I) that exceeds a normal rate of return on assets; and
- 556 (II) resulting from a factor described in Subsection (16)(b); or
- 557 (B) obtain an economic or competitive advantage resulting from a factor described in
- 558 Subsection (16)(b).
- 559 (b) The following factors apply to Subsection (16)(a)(ii):
- 560 (i) superior management skills;
- 561 (ii) reputation;
- 562 (iii) customer relationships;
- 563 (iv) patronage; or
- 564 (v) a factor similar to Subsections (16)(b)(i) through (iv).
- 565 (c) "Goodwill" does not include:
- 566 (i) the intangible property described in Subsection (20)(a) or (b);
- 567 (ii) locational attributes of real property, including:
- 568 (A) zoning;
- 569 (B) location;
- 570 (C) view;
- 571 (D) a geographic feature;
- 572 (E) an easement;
- 573 (F) a covenant;
- 574 (G) proximity to raw materials;
- 575 (H) the condition of surrounding property; or
- 576 (I) proximity to markets;
- 577 (iii) value attributable to the identification of an improvement to real property,
- 578 including:
- 579 (A) reputation of the designer, builder, or architect of the improvement;
- 580 (B) a name given to, or associated with, the improvement; or
- 581 (C) the historic significance of an improvement; or
- 582 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 583 of the existing tangible property in place working together as a unit.

- 584 (17) "Governing body" means:
- 585 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 586 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
587 Local Districts, the local district's board of trustees;
- 588 (c) for a school district, the local board of education; or
- 589 (d) for a special service district under Title 17D, Chapter 1, Special Service District
590 Act:
- 591 (i) the legislative body of the county or municipality that created the special service
592 district, to the extent that the county or municipal legislative body has not delegated authority
593 to an administrative control board established under Section 17D-1-301; or
- 594 (ii) the administrative control board, to the extent that the county or municipal
595 legislative body has delegated authority to an administrative control board established under
596 Section 17D-1-301.
- 597 (18) (a) For purposes of Section 59-2-103:
- 598 (i) "household" means the association of persons who live in the same dwelling,
599 sharing its furnishings, facilities, accommodations, and expenses; and
- 600 (ii) "household" includes married individuals, who are not legally separated, that have
601 established domiciles at separate locations within the state.
- 602 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
603 commission may make rules defining the term "domicile."
- 604 (19) (a) Except as provided in Subsection (19)(c), "improvement" means a building,
605 structure, fixture, fence, or other item that is permanently attached to land, regardless of
606 whether the title has been acquired to the land, if:
- 607 (i) (A) attachment to land is essential to the operation or use of the item; and
608 (B) the manner of attachment to land suggests that the item will remain attached to the
609 land in the same place over the useful life of the item; or
- 610 (ii) removal of the item would:
- 611 (A) cause substantial damage to the item; or
612 (B) require substantial alteration or repair of a structure to which the item is attached.
- 613 (b) "Improvement" includes:
- 614 (i) an accessory to an item described in Subsection (19)(a) if the accessory is:

- 615 (A) essential to the operation of the item described in Subsection (19)(a); and
- 616 (B) installed solely to serve the operation of the item described in Subsection (19)(a);
- 617 and
- 618 (ii) an item described in Subsection (19)(a) that:
 - 619 (A) is temporarily detached from the land for repairs; and
 - 620 (B) remains located on the land.
- 621 (c) Notwithstanding Subsections (19)(a) and (b), "improvement" does not include:
 - 622 (i) an item considered to be personal property pursuant to rules made in accordance
 - 623 with Section [59-2-107](#);
 - 624 (ii) a moveable item that is attached to land:
 - 625 (A) for stability only; or
 - 626 (B) for an obvious temporary purpose;
 - 627 (iii) (A) manufacturing equipment and machinery; or
 - 628 (B) essential accessories to manufacturing equipment and machinery;
 - 629 (iv) an item attached to the land in a manner that facilitates removal without substantial
 - 630 damage to:
 - 631 (A) the land; or
 - 632 (B) the item; or
 - 633 (v) a transportable factory-built housing unit as defined in Section [59-2-1502](#) if that
 - 634 transportable factory-built housing unit is considered to be personal property under Section
 - 635 [59-2-1503](#).
- 636 (20) "Intangible property" means:
 - 637 (a) property that is capable of private ownership separate from tangible property,
 - 638 including:
 - 639 (i) money;
 - 640 (ii) credits;
 - 641 (iii) bonds;
 - 642 (iv) stocks;
 - 643 (v) representative property;
 - 644 (vi) franchises;
 - 645 (vii) licenses;

- 646 (viii) trade names;
- 647 (ix) copyrights; and
- 648 (x) patents;
- 649 (b) a low-income housing tax credit;
- 650 (c) goodwill; or
- 651 (d) a renewable energy tax credit or incentive, including:
 - 652 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
 - 653 Code;
 - 654 (ii) a federal energy credit for qualified renewable electricity production facilities under
 - 655 Section 48, Internal Revenue Code;
 - 656 (iii) a federal grant for a renewable energy property under American Recovery and
 - 657 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
 - 658 (iv) a tax credit under Subsection 59-7-614(5).
- 659 (21) "Livestock" means:
 - 660 (a) a domestic animal;
 - 661 (b) a fish;
 - 662 (c) a fur-bearing animal;
 - 663 (d) a honeybee; or
 - 664 (e) poultry.
- 665 (22) "Low-income housing tax credit" means:
 - 666 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
 - 667 or
 - 668 (b) a low-income housing tax credit under:
 - 669 (i) Section 59-7-607; or
 - 670 (ii) Section 59-10-1010.
- 671 (23) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 672 (24) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
- 673 valuable mineral.
- 674 (25) "Mining" means the process of producing, extracting, leaching, evaporating, or
- 675 otherwise removing a mineral from a mine.
- 676 (26) (a) "Mobile flight equipment" means tangible personal property that is:

677 (i) owned or operated by an:
678 (A) air charter service;
679 (B) air contract service; or
680 (C) airline; and
681 (ii) (A) capable of flight;
682 (B) attached to an aircraft that is capable of flight; or
683 (C) contained in an aircraft that is capable of flight if the tangible personal property is
684 intended to be used:
685 (I) during multiple flights;
686 (II) during a takeoff, flight, or landing; and
687 (III) as a service provided by an air charter service, air contract service, or airline.
688 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare
689 engine that is rotated:
690 (A) at regular intervals; and
691 (B) with an engine that is attached to the aircraft.
692 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
693 commission may make rules defining the term "regular intervals."
694 (27) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,
695 sand, rock, gravel, and all carboniferous materials.
696 (28) "Part-year residential property" means property that is not residential property on
697 January 1 of a calendar year but becomes residential property after January 1 of the calendar
698 year.
699 (29) "Personal property" includes:
700 (a) every class of property as defined in Subsection (30) that is the subject of
701 ownership and not included within the meaning of the terms "real estate" and "improvements";
702 (b) gas and water mains and pipes laid in roads, streets, or alleys;
703 (c) bridges and ferries;
704 (d) livestock; and
705 (e) outdoor advertising structures as defined in Section [72-7-502](#).
706 (30) (a) "Property" means property that is subject to assessment and taxation according
707 to its value.

708 (b) "Property" does not include intangible property as defined in this section.

709 (31) "Public utility," for purposes of this chapter, means the operating property of a
710 railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline
711 company, electrical corporation, telephone corporation, sewerage corporation, or heat
712 corporation where the company performs the service for, or delivers the commodity to, the
713 public generally or companies serving the public generally, or in the case of a gas corporation
714 or an electrical corporation, where the gas or electricity is sold or furnished to any member or
715 consumers within the state for domestic, commercial, or industrial use. Public utility also
716 means the operating property of any entity or person defined under Section 54-2-1 except water
717 corporations.

718 (32) (a) Subject to Subsection (32)(b), "qualifying exempt primary residential rental
719 personal property" means household furnishings, furniture, and equipment that:

720 (i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

721 (ii) are owned by the owner of the dwelling unit that is the primary residence of a
722 tenant; and

723 (iii) after applying the residential exemption described in Section 59-2-103, are exempt
724 from taxation under this chapter in accordance with Subsection 59-2-1115(2).

725 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
726 commission may by rule define the term "dwelling unit" for purposes of this Subsection (32)
727 and Subsection (35).

728 (33) "Real estate" or "real property" includes:

729 (a) the possession of, claim to, ownership of, or right to the possession of land;

730 (b) all mines, minerals, and quarries in and under the land, all timber belonging to
731 individuals or corporations growing or being on the lands of this state or the United States, and
732 all rights and privileges appertaining to these; and

733 (c) improvements.

734 (34) "Relationship with an owner of the property's land surface rights" means a
735 relationship described in Subsection 267(b), Internal Revenue Code:

736 (a) except that notwithstanding Subsection 267(b), Internal Revenue Code, the term
737 25% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code; and

738 (b) using the ownership rules of Subsection 267(c), Internal Revenue Code, for

739 determining the ownership of stock.

740 (35) (a) Subject to Subsection (35)(b), "residential property," for the purposes of the
741 reductions and adjustments under this chapter, means any property used for residential
742 purposes as a primary residence.

743 (b) Subject to Subsection (35)(c), "residential property":

744 (i) except as provided in Subsection (35)(b)(ii), includes household furnishings,
745 furniture, and equipment if the household furnishings, furniture, and equipment are:

746 (A) used exclusively within a dwelling unit that is the primary residence of a tenant;

747 and

748 (B) owned by the owner of the dwelling unit that is the primary residence of a tenant;

749 and

750 (ii) does not include property used for transient residential use.

751 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
752 commission may by rule define the term "dwelling unit" for purposes of Subsection (32) and
753 this Subsection (35).

754 (36) "Split estate mineral rights owner" means a person who:

755 (a) has a legal right to extract a mineral from property;

756 (b) does not hold more than a 25% interest in:

757 (i) the land surface rights of the property where the wellhead is located; or

758 (ii) an entity with an ownership interest in the land surface rights of the property where
759 the wellhead is located;

760 (c) is not an entity in which the owner of the land surface rights of the property where
761 the wellhead is located holds more than a 25% interest; and

762 (d) does not have a relationship with an owner of the land surface rights of the property
763 where the wellhead is located.

764 (37) (a) "State-assessed commercial vehicle" means:

765 (i) any commercial vehicle, trailer, or semitrailer which operates interstate or intrastate
766 to transport passengers, freight, merchandise, or other property for hire; or

767 (ii) any commercial vehicle, trailer, or semitrailer which operates interstate and
768 transports the vehicle owner's goods or property in furtherance of the owner's commercial
769 enterprise.

770 (b) "State-assessed commercial vehicle" does not include vehicles used for hire which
771 are specified in Subsection (8)(c) as county-assessed commercial vehicles.

772 (38) "Taxable value" means fair market value less any applicable reduction allowed for
773 residential property under Section 59-2-103.

774 (39) "Tax area" means a geographic area created by the overlapping boundaries of one
775 or more taxing entities.

776 (40) "Taxing entity" means any county, city, town, school district, special taxing
777 district, local district under Title 17B, Limited Purpose Local Government Entities - Local
778 Districts, or other political subdivision of the state with the authority to levy a tax on property.

779 (41) "Tax roll" means a permanent record of the taxes charged on property, as extended
780 on the assessment roll and may be maintained on the same record or records as the assessment
781 roll or may be maintained on a separate record properly indexed to the assessment roll. It
782 includes tax books, tax lists, and other similar materials.

783 Section 9. Section 59-2-504 is amended to read:

784 **59-2-504. Exclusions from designation as agricultural use -- Exception.**

785 (1) As used in this section:

786 (a) "Commercial purpose" means:

787 (i) selling a good or service;

788 (ii) providing a place of employment for an individual to perform services for an
789 employer; or

790 (iii) carrying on any activity through which a good or service is made or rendered.

791 (b) "Legislative body" means:

792 (i) the county legislative body if the land is located in the unincorporated area of a
793 county;

794 (ii) the city legislative body if the land is located in a city; or

795 (iii) the town legislative body if the land is located in a town

796 (a) "Platted with surface improvements in place" means that:

797 (i) land is platted; and

798 (ii) as determined by the legislative body, all surface improvements necessary for the
799 land to be sold as a lot or a unit are in place regardless of whether or not it is the owner of the
800 land who puts the surface improvements in place.

801 (b) "Surface improvement" means:

802 (i) a curb;

803 (ii) a gutter; or

804 (iii) pavement.

805 ~~[(1)]~~ (2) Except as provided in Subsection ~~[(2)]~~ (3), land may not be assessed under
806 this part if ~~[the land is]~~:

807 (a) the land is part of a platted subdivision or planned unit development, with
808 restrictions prohibiting ~~[its]~~ use of the land for agricultural purposes with surface
809 improvements in place, whether within or without a city; ~~[or]~~

810 (b) (i) an improvement or personal property is affixed to the land, either permanently or
811 temporarily; and

812 (ii) the improvement or personal property under Subsection (2)(b)(i) is used for a
813 commercial purpose that is not an integral part of the agricultural use of the land; or

814 ~~[(b)]~~ (c) the land is platted with surface improvements in place that are not an integral
815 part of the agricultural use of the land.

816 ~~[(2)]~~ (3) (a) If land has been platted with surface improvements in place, the land has
817 been withdrawn from this part, and the owner is not able to transfer title to the platted property,
818 or continue development of the platted property due to economic circumstances, or some other
819 reasonable cause, the owner may petition the county assessor for reinstatement under this part
820 ~~[for assessment purposes]~~ as land in agricultural use without vacating the subdivision plat.

821 (b) The county assessor may grant the petition for reinstatement described in
822 Subsection ~~[(2)]~~ (3)(a) if the land is actively devoted to agricultural use.

823 ~~[(3) For purposes of this section:]~~

824 ~~[(a) "platted with surface improvements in place" means that:]~~

825 ~~[(i) land is platted; and]~~

826 ~~[(ii) all surface improvements necessary for the land to be sold as a lot or a unit are in~~
827 ~~place:]~~

828 ~~[(A) regardless of whether or not it is the owner of the land who puts the surface~~
829 ~~improvements in place; and]~~

830 ~~[(B) as determined by the:]~~

831 ~~[(1) county legislative body if the land is located in an unincorporated area of the~~

832 county;]

833 [~~(H) city legislative body if the land is located in a city; or]~~

834 [~~(HH) town legislative body if the land is located in a town; and]~~

835 [~~(b) "surface improvement" means:]~~

836 [~~(i) a curb;]~~

837 [~~(ii) a gutter; or]~~

838 [~~(iii) pavement.]~~

839 Section 10. Section **59-2-913** is amended to read:

840 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**
 841 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**
 842 **establishing tax levies -- Format of statement.**

843 (1) As used in this section, "budgeted property tax revenues" does not include property
 844 tax revenue received by a taxing entity from personal property that is:

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

846 (b) semiconductor manufacturing equipment.

847 (2) (a) The legislative body of each taxing entity shall file a statement as provided in
 848 this section with the county auditor of the county in which the taxing entity is located.

849 (b) The auditor shall annually transmit the statement to the commission:

850 (i) before June 22; or

851 (ii) with the approval of the commission, on a subsequent date prior to the date
 852 required by Section [59-2-1317](#) for the county treasurer to provide the notice under Section
 853 [59-2-1317](#).

854 (c) The statement shall contain the amount and purpose of each levy fixed by the
 855 legislative body of the taxing entity.

856 (3) For purposes of establishing the levy set for each of a taxing entity's applicable
 857 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing
 858 the budgeted property tax revenues, specified in a budget which has been adopted and
 859 approved prior to setting the levy, by the amount calculated under Subsections

860 [59-2-924](#)[(3)(c)(ii)(A) through (C)] (4)(b)(i) through (iii).

861 (4) The format of the statement under this section shall:

862 (a) be determined by the commission; and

863 (b) cite any applicable statutory provisions that:

864 (i) require a specific levy; or

865 (ii) limit the property tax levy for any taxing entity.

866 (5) The commission may require certification that the information submitted on a

867 statement under this section is true and correct.

868 Section 11. Section **59-2-919** is amended to read:

869 **59-2-919. Notice and public hearing requirements for certain tax increases --**

870 **Exceptions.**

871 (1) As used in this section:

872 (a) "Ad valorem tax revenue" means ad valorem property tax revenue not including
873 revenue from:

874 (i) eligible new growth as defined in Section 59-2-924; or

875 (ii) personal property that is:

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

877 (B) semiconductor manufacturing equipment.

878 (b) "Additional ad valorem tax revenue" means ad valorem property tax revenue
879 generated by the portion of the tax rate that exceeds the taxing entity's certified tax rate.

880 (c) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year
881 that begins on January 1 and ends on December 31.

882 (d) "County executive calendar year taxing entity" means a calendar year taxing entity
883 that operates under the county executive-council form of government described in Section
884 [17-52-504](#).

885 (e) "Current calendar year" means the calendar year immediately preceding the
886 calendar year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the
887 calendar year taxing entity's certified tax rate.

888 (f) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that
889 begins on July 1 and ends on June 30.

890 (2) A taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax
891 rate unless the taxing entity meets:

892 (a) the requirements of this section that apply to the taxing entity; and

893 (b) all other requirements as may be required by law.

894 (3) (a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar
895 year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax
896 rate if the calendar year taxing entity:

897 (i) 14 or more days before the date of the regular general election or municipal general
898 election held in the current calendar year, states at a public meeting:

899 (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the
900 calendar year taxing entity's certified tax rate;

901 (B) the dollar amount of and purpose for additional ad valorem tax revenue that would
902 be generated by the proposed increase in the certified tax rate; and

903 (C) the approximate percentage increase in ad valorem tax revenue for the taxing entity
904 based on the proposed increase described in Subsection (3)(a)(i)(B);

905 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in
906 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a
907 separate item on the meeting agenda that notifies the public that the calendar year taxing entity
908 intends to make the statement described in Subsection (3)(a)(i);

909 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
910 calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);

911 (iv) provides notice by mail:

912 (A) seven or more days before the regular general election or municipal general
913 election held in the current calendar year; and

914 (B) as provided in Subsection (3)(c); and

915 (v) conducts a public hearing that is held:

916 (A) in accordance with Subsections (8) and (9); and

917 (B) in conjunction with the public hearing required by Section [17-36-13](#) or [17B-1-610](#).

918 (b) (i) For a county executive calendar year taxing entity, the statement described in
919 Subsection (3)(a)(i) shall be made by the:

920 (A) county council;

921 (B) county executive; or

922 (C) both the county council and county executive.

923 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
924 county council states a dollar amount of additional ad valorem tax revenue that is greater than

925 the amount of additional ad valorem tax revenue previously stated by the county executive in
926 accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:

927 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before the
928 county executive calendar year taxing entity conducts the public hearing under Subsection
929 (3)(a)(v); and

930 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the
931 county executive calendar year taxing entity conducts the public hearing required by
932 Subsection (3)(a)(v).

933 (c) The notice described in Subsection (3)(a)(iv):

934 (i) shall be mailed to each owner of property:

935 (A) within the calendar year taxing entity; and

936 (B) listed on the assessment roll;

937 (ii) shall be printed on a separate form that:

938 (A) is developed by the commission;

939 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
940 "NOTICE OF PROPOSED TAX INCREASE"; and

941 (C) may be mailed with the notice required by Section [59-2-1317](#);

942 (iii) shall contain for each property described in Subsection (3)(c)(i):

943 (A) the value of the property for the current calendar year;

944 (B) the tax on the property for the current calendar year; and

945 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
946 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax
947 rate, the estimated tax on the property;

948 (iv) shall contain the following statement:

949 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
950 year]. This notice contains estimates of the tax on your property and the proposed tax increase
951 on your property as a result of this tax increase. These estimates are calculated on the basis of
952 [insert previous applicable calendar year] data. The actual tax on your property and proposed
953 tax increase on your property may vary from this estimate.";

954 (v) shall state the date, time, and place of the public hearing described in Subsection
955 (3)(a)(v); and

956 (vi) may contain other property tax information approved by the commission.
957 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall
958 calculate the estimated tax on property on the basis of:
959 (i) data for the current calendar year; and
960 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
961 section.
962 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate
963 that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:
964 (a) provides notice by meeting the advertisement requirements of Subsections (6) and
965 (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year
966 taxing entity's annual budget is adopted; and
967 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
968 fiscal year taxing entity's annual budget is adopted.
969 (5) (a) A taxing entity is not required to meet the notice or public hearing requirements
970 of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with
971 the requirements of this section.
972 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or
973 (4) if:
974 (i) Section 53A-17a-133 allows the taxing entity to levy a tax rate that exceeds that
975 certified tax rate without having to comply with the notice provisions of this section; or
976 (ii) the taxing entity:
977 (A) budgeted less than \$20,000 in ad valorem tax revenues for the previous fiscal year;
978 and
979 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax
980 revenues.
981 (6) (a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this
982 section shall be published:
983 (i) subject to Section 45-1-101, in a newspaper or combination of newspapers of
984 general circulation in the taxing entity;
985 (ii) electronically in accordance with Section 45-1-101; and
986 (iii) on the Utah Public Notice Website created in Section 63F-1-701.

987 (b) The advertisement described in Subsection (6)(a)(i) shall:

988 (i) be no less than 1/4 page in size;

989 (ii) use type no smaller than 18 point; and

990 (iii) be surrounded by a 1/4-inch border.

991 (c) The advertisement described in Subsection (6)(a)(i) may not be placed in that
992 portion of the newspaper where legal notices and classified advertisements appear.

993 (d) It is the intent of the Legislature that:

994 (i) whenever possible, the advertisement described in Subsection (6)(a)(i) appear in a
995 newspaper that is published at least one day per week; and

996 (ii) the newspaper or combination of newspapers selected:

997 (A) be of general interest and readership in the taxing entity; and

998 (B) not be of limited subject matter.

999 (e) (i) The advertisement described in Subsection (6)(a)(i) shall:

1000 (A) except as provided in Subsection (6)(f), be run once each week for the two weeks
1001 before a taxing entity conducts a public hearing described under Subsection (3)(a)(v) or (4)(b);
1002 and

1003 (B) state that the taxing entity will meet on a certain day, time, and place fixed in the
1004 advertisement, which shall be seven or more days after the day the first advertisement is
1005 published, for the purpose of hearing comments regarding any proposed increase and to explain
1006 the reasons for the proposed increase.

1007 (ii) The advertisement described in Subsection (6)(a)(ii) shall:

1008 (A) be published two weeks before a taxing entity conducts a public hearing described
1009 in Subsection (3)(a)(v) or (4)(b); and

1010 (B) state that the taxing entity will meet on a certain day, time, and place fixed in the
1011 advertisement, which shall be seven or more days after the day the first advertisement is
1012 published, for the purpose of hearing comments regarding any proposed increase and to explain
1013 the reasons for the proposed increase.

1014 (f) If a fiscal year taxing entity's public hearing information is published by the county
1015 auditor in accordance with Section [59-2-919.2](#), the fiscal year taxing entity is not subject to the
1016 requirement to run the advertisement twice, as required by Subsection (6)(e)(i), but shall run
1017 the advertisement once during the week before the fiscal year taxing entity conducts a public

1018 hearing at which the taxing entity's annual budget is discussed.

1019 (g) For purposes of Subsection (3)(a)(iii) or (4)(a), the form and content of an
1020 advertisement shall be substantially as follows:

1021 "NOTICE OF PROPOSED TAX INCREASE

1022 (NAME OF TAXING ENTITY)

1023 The (name of the taxing entity) is proposing to increase its property tax revenue.

1024 • The (name of the taxing entity) tax on a (insert the average value of a residence
1025 in the taxing entity rounded to the nearest thousand dollars) residence would
1026 increase from \$_____ to \$_____, which is \$_____ per year.

1027 • The (name of the taxing entity) tax on a (insert the value of a business having
1028 the same value as the average value of a residence in the taxing entity) business
1029 would increase from \$_____ to \$_____, which is \$_____ per year.

1030 • If the proposed budget is approved, (name of the taxing entity) would increase
1031 its property tax budgeted revenue by ___% above last year's property tax
1032 budgeted revenue excluding eligible new growth.

1033 All concerned citizens are invited to a public hearing on the tax increase.

1034 PUBLIC HEARING

1035 Date/Time: (date) (time)

1036 Location: (name of meeting place and address of meeting place)

1037 To obtain more information regarding the tax increase, citizens may contact the (name
1038 of the taxing entity) at (phone number of taxing entity)."

1039 (7) The commission:

1040 (a) shall adopt rules in accordance with Title 63G, Chapter 3, Utah Administrative
1041 Rulemaking Act, governing the joint use of one advertisement described in Subsection (6) by
1042 two or more taxing entities; and

1043 (b) subject to Section 45-1-101, may authorize:

1044 (i) the use of a weekly newspaper:

1045 (A) in a county having both daily and weekly newspapers if the weekly newspaper
1046 would provide equal or greater notice to the taxpayer; and

1047 (B) if the county petitions the commission for the use of the weekly newspaper; or

1048 (ii) the use by a taxing entity of a commission approved direct notice to each taxpayer

1049 if:

1050 (A) the cost of the advertisement would cause undue hardship;

1051 (B) the direct notice is different and separate from that provided for in Section

1052 59-2-919.1; and

1053 (C) the taxing entity petitions the commission for the use of a commission approved
1054 direct notice.

1055 (8) (a) (i) (A) A fiscal year taxing entity shall, on or before March 1, notify the county
1056 legislative body in which the fiscal year taxing entity is located of the date, time, and place of
1057 the first public hearing at which the fiscal year taxing entity's annual budget will be discussed.

1058 (B) A county that receives notice from a fiscal year taxing entity under Subsection
1059 (8)(a)(i)(A) shall include on the notice required by Section 59-2-919.1 the date, time, and place
1060 of the public hearing described in Subsection (8)(a)(i)(A).

1061 (ii) A calendar year taxing entity shall, on or before October 1 of the current calendar
1062 year, notify the county legislative body in which the calendar year taxing entity is located of the
1063 date, time, and place of the first public hearing at which the calendar year taxing entity's annual
1064 budget will be discussed.

1065 (b) (i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be open to the
1066 public.

1067 (ii) The governing body of a taxing entity conducting a public hearing described in
1068 Subsection (3)(a)(v) or (4)(b) shall provide an interested party desiring to be heard an
1069 opportunity to present oral testimony within reasonable time limits.

1070 (c) (i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a
1071 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing
1072 of another overlapping taxing entity in the same county.

1073 (ii) The taxing entities in which the power to set tax levies is vested in the same
1074 governing board or authority may consolidate the public hearings described in Subsection
1075 (3)(a)(v) or (4)(b) into one public hearing.

1076 (d) A county legislative body shall resolve any conflict in public hearing dates and
1077 times after consultation with each affected taxing entity.

1078 (e) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or
1079 (4)(b) beginning at or after 6 p.m.

1080 (9) (a) If a taxing entity does not make a final decision on budgeting additional ad
1081 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b), the taxing
1082 entity shall announce at that public hearing the scheduled time and place of the next public
1083 meeting at which the taxing entity will consider budgeting the additional ad valorem tax
1084 revenue.

1085 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount
1086 of additional ad valorem tax revenue that exceeds the largest amount of additional ad valorem
1087 tax revenue stated at a public meeting under Subsection (3)(a)(i).

1088 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
1089 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's proposed
1090 annual budget.

1091 Section 12. Section **59-2-924** is amended to read:

1092 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
1093 **commission -- Transmittal by auditor to governing bodies -- Certified tax rate --**
1094 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1095 (1) As used in this section:

1096 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
1097 this chapter.

1098 (ii) "Ad valorem property tax revenue" does not include:

1099 (A) interest;

1100 (B) penalties;

1101 (C) collections from redemptions; or

1102 (D) revenue received by a taxing entity from personal property that is semiconductor
1103 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
1104 Assessment.

1105 (b) (i) "Aggregate taxable value of all property taxed" means:

1106 (A) the aggregate taxable value of all real property a county assessor assesses in
1107 accordance with Part 3, County Assessment, for the current year;

1108 (B) the aggregate taxable value of all real and personal property the commission
1109 assesses in accordance with Part 2, Assessment of Property, for the current year; and

1110 (C) the aggregate year end taxable value of all personal property a county assessor

1111 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
1112 of the taxing entity.

1113 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
1114 end taxable value of personal property that is:

1115 (A) semiconductor manufacturing equipment assessed by a county assessor in
1116 accordance with Part 3, County Assessment; and

1117 (B) contained on the prior year's tax rolls of the taxing entity.

1118 (c) "Centrally assessed benchmark value" means an amount equal to the highest year
1119 end taxable value of real and personal property the commission assesses in accordance with
1120 Part 2, Assessment of Property for a previous calendar year that begins on or after January 1,
1121 2015.

1122 (d) (i) "Centrally assessed new growth" means the greater of:

1123 (A) zero; or

1124 (B) the amount calculated by subtracting the centrally assessed benchmark value
1125 adjusted for prior year end incremental value from the taxable value of real and personal
1126 property the commission assesses in accordance with Part 2, Assessment of Property, for the
1127 current year, adjusted for current year incremental value.

1128 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
1129 change in the method of apportioning the value prescribed by the Legislature, a court, or the
1130 commission in an administrative rule or administrative order.

1131 (e) "Certified tax rate" means a tax rate that will provide the same ad valorem property
1132 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

1133 (f) "Eligible new growth" means the greater of:

1134 (i) zero; or

1135 (ii) the sum of:

1136 (A) locally assessed new growth;

1137 (B) centrally assessed new growth; and

1138 (C) project area new growth.

1139 (g) "Incremental value" means the same as that term is defined in Section [17C-1-102](#)
1140 except that incremental value applies to property located within a project area, regardless of the
1141 type of project area.

1142 (h) (i) "Locally assessed new growth" means the greater of:
1143 (A) zero; or
1144 (B) the amount calculated by subtracting the year end taxable value of real property the
1145 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
1146 adjusted for prior year end incremental value from the taxable value of real property the county
1147 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
1148 for current year incremental value.

1149 (ii) "Locally assessed new growth" does not include a change in:
1150 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or
1151 another adjustment; or
1152 (B) assessed value based on whether a property is allowed a residential exemption for a
1153 primary residence under Section 59-2-103.

1154 (i) "Project area" means the same as that term is defined in Section 17C-1-102.
1155 (j) "Project area new growth" means an amount equal to the incremental value that is
1156 no longer provided to an agency as tax increment.

1157 ~~[(+)]~~ (2) Before June 1 of each year, the county assessor of each county shall deliver to
1158 the county auditor and the commission the following statements:

1159 (a) a statement containing the aggregate valuation of all taxable real property [~~assessed~~
1160 ~~by~~] a county assessor assesses in accordance with Part 3, County Assessment, for each taxing
1161 entity; and

1162 (b) a statement containing the taxable value of all personal property [~~assessed by~~] a
1163 county assessor assesses in accordance with Part 3, County Assessment, from the prior year
1164 end values.

1165 ~~[(2)]~~ (3) The county auditor shall, on or before June 8, transmit to the governing body
1166 of each taxing entity:

1167 (a) the statements described in Subsections ~~[(+)]~~ (2)(a) and (b);

1168 (b) an estimate of the revenue from personal property;

1169 (c) the certified tax rate; and

1170 (d) all forms necessary to submit a tax levy request.

1171 ~~[(3) (a)]~~ The "certified tax rate" means a tax rate that will provide the same ad valorem
1172 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior

1173 year:]

1174 ~~[(b) For purposes of this Subsection (3):]~~

1175 ~~[(i) "Ad valorem property tax revenues" do not include:]~~

1176 ~~[(A) interest;]~~

1177 ~~[(B) penalties; and]~~

1178 ~~[(C) revenue received by a taxing entity from personal property that is:]~~

1179 ~~[(F) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1180 ~~[(H) semiconductor manufacturing equipment.]~~

1181 ~~[(ii) "Aggregate taxable value of all property taxed" means:]~~

1182 ~~[(A) the aggregate taxable value of all real property assessed by a county assessor in~~

1183 ~~accordance with Part 3, County Assessment, for the current year;]~~

1184 ~~[(B) the aggregate taxable year end value of all personal property assessed by a county~~

1185 ~~assessor in accordance with Part 3, County Assessment, for the prior year; and]~~

1186 ~~[(C) the aggregate taxable value of all real and personal property assessed by the~~

1187 ~~commission in accordance with Part 2, Assessment of Property, for the current year.]~~

1188 ~~[(c)(i) (4) (a) Except as otherwise provided in this section, the certified tax rate shall~~

1189 ~~be calculated by dividing the ad valorem property tax [revenues] revenue that a taxing entity~~

1190 ~~budgeted for the prior year [by the taxing entity] by the amount calculated under Subsection~~

1191 ~~[(3)(c)(ii) (4)(b).~~

1192 ~~[(ii) (b) For purposes of Subsection [(3)(c)(i) (4)(a), the legislative body of a taxing~~

1193 ~~entity shall calculate an amount as follows:~~

1194 ~~[(A) (i) calculate for the taxing entity the difference between:~~

1195 ~~[(F) (A) the aggregate taxable value of all property taxed; and~~

1196 ~~[(H) (B) any [redevelopment] adjustments for [the] current [calendar] year incremental~~

1197 ~~value;~~

1198 ~~[(B) (ii) after making the calculation required by Subsection [(3)(c)(ii)(A) (4)(b)(i),~~

1199 ~~calculate an amount determined by increasing or decreasing the amount calculated under~~

1200 ~~Subsection [(3)(c)(ii)(A) (4)(b)(i) by the average of the percentage net change in the value of~~

1201 ~~taxable property for the equalization period for the three calendar years immediately preceding~~

1202 ~~the current calendar year;~~

1203 ~~[(C) (iii) after making the calculation required by Subsection [(3)(c)(ii)(B) (4)(b)(ii),~~

1204 calculate the product of:

1205 ~~[(F)]~~ (A) the amount calculated under Subsection ~~[(3)(c)(ii)(B)]~~ (4)(b)(ii); and

1206 ~~[(H)]~~ (B) the percentage of property taxes collected for the five calendar years
1207 immediately preceding the current calendar year; and

1208 ~~[(D)]~~ (iv) after making the calculation required by Subsection ~~[(3)(c)(ii)(C)]~~ (4)(b)(iii),
1209 calculate an amount determined by subtracting eligible new growth from the amount calculated
1210 under ~~[Subsection (3)(c)(ii)(C) any new growth as defined in this section:]~~ Subsection
1211 (4)(b)(iii).

1212 ~~[(F) within the taxing entity; and]~~

1213 ~~[(H) for the following calendar year:]~~

1214 ~~[(Aa) for new growth from real property assessed by a county assessor in accordance~~
1215 ~~with Part 3, County Assessment and all property assessed by the commission in accordance~~
1216 ~~with Section 59-2-201, the current calendar year; and]~~

1217 ~~[(Bb) for new growth from personal property assessed by a county assessor in~~
1218 ~~accordance with Part 3, County Assessment, the prior calendar year.]~~

1219 ~~[(iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all~~
1220 ~~property taxed:]~~

1221 ~~[(A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in~~
1222 ~~Subsection (3)(b)(ii);]~~

1223 ~~[(B) does not include the total taxable value of personal property contained on the tax~~
1224 ~~rolls of the taxing entity that is:]~~

1225 ~~[(F) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1226 ~~[(H) semiconductor manufacturing equipment; and]~~

1227 ~~[(C) for personal property assessed by a county assessor in accordance with Part 3,~~
1228 ~~County Assessment, the taxable value of personal property is the year end value of the personal~~
1229 ~~property contained on the prior year's tax rolls of the entity.]~~

1230 ~~[(iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after~~
1231 ~~January 1, 2007, the value of taxable property does not include the value of personal property~~
1232 ~~that is:]~~

1233 ~~[(A) within the taxing entity assessed by a county assessor in accordance with Part 3,~~
1234 ~~County Assessment; and]~~

1235 ~~[(B) semiconductor manufacturing equipment.]~~

1236 ~~[(v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or~~
1237 ~~after January 1, 2007, the percentage of property taxes collected does not include property taxes~~
1238 ~~collected from personal property that is:]~~

1239 ~~[(A) within the taxing entity assessed by a county assessor in accordance with Part 3,~~
1240 ~~County Assessment; and]~~

1241 ~~[(B) semiconductor manufacturing equipment.]~~

1242 ~~[(vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after~~
1243 ~~January 1, 2009, the value of taxable property does not include the value of personal property~~
1244 ~~that is within the taxing entity assessed by a county assessor in accordance with Part 3, County~~
1245 ~~Assessment.]~~

1246 ~~[(vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
1247 ~~the commission may prescribe rules for calculating redevelopment adjustments for a calendar~~
1248 ~~year.]~~

1249 ~~[(viii) (A) Except as provided in Subsections (3)(c)(ix) and (x), for purposes of~~
1250 ~~Subsection (3)(c)(i), a taxing entity's ad valorem property tax revenues budgeted for the prior~~
1251 ~~year shall be decreased by an amount of revenue equal to the five-year average of the most~~
1252 ~~recent prior five years of redemptions adjusted by the five-year average redemption calculated~~
1253 ~~for the prior year as reported on the county treasurer's final annual settlement required under~~
1254 ~~Subsection 59-2-1365(2).]~~

1255 ~~[(B) A decrease under Subsection (3)(c)(viii)(A) does not apply to the multicounty~~
1256 ~~assessing and collecting levy authorized in Subsection 59-2-1602(2)(a), the certified revenue~~
1257 ~~levy, or the minimum basic tax rate established in Section 53A-17a-135.]~~

1258 ~~[(ix) As used in Subsection (3)(c)(x):]~~

1259 ~~[(A) "One-fourth of qualifying redemptions excess amount" means a qualifying~~
1260 ~~redemptions excess amount divided by four.]~~

1261 ~~[(B) "Qualifying redemptions" means that, for a calendar year, a taxing entity's total~~
1262 ~~amount of redemptions is greater than three times the five-year average of the most recent prior~~
1263 ~~five years of redemptions calculated for the prior year under Subsection (3)(c)(viii)(A).]~~

1264 ~~[(C) "Qualifying redemptions base amount" means an amount equal to three times the~~
1265 ~~five-year average of the most recent prior five years of redemptions for a taxing entity, as~~

1266 reported on the county treasurer's final annual settlement required under Subsection
1267 ~~59-2-1365(2).~~]

1268 [~~(D)~~ "Qualifying redemptions excess amount" means the amount by which a taxing
1269 entity's qualifying redemptions for a calendar year exceed the qualifying redemptions base
1270 amount for that calendar year.]

1271 [~~(x)(A)~~ If, for a calendar year, a taxing entity has qualifying redemptions, the
1272 redemption amount for purposes of calculating the five-year redemption average required by
1273 Subsection ~~(3)(c)(viii)(A)~~ is as provided in Subsections ~~(3)(c)(x)(B)~~ and ~~(C)~~.]

1274 [~~(B)~~ For the initial calendar year a taxing entity has qualifying redemptions, the taxing
1275 entity's redemption amount for that calendar year is the qualifying redemptions base amount.]

1276 [~~(C)~~ For each of the four calendar years after the calendar year described in Subsection
1277 ~~(3)(c)(x)(B)~~, one-fourth of the qualifying redemptions excess amount shall be added to the
1278 redemption amount.]

1279 [~~(d)(i)~~ In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1280 the commission shall make rules determining the calculation of ad valorem property tax
1281 revenues budgeted by a taxing entity.]

1282 [~~(ii)~~ For purposes of Subsection ~~(3)(d)(i)~~, ad valorem property tax revenues budgeted
1283 by a taxing entity shall be calculated in the same manner as budgeted property tax revenues are
1284 calculated for purposes of Section ~~59-2-913~~.]

1285 [~~(e)~~ The certified tax rates for the taxing entities]

1286 (5) A certified tax rate for a taxing entity described in this Subsection [~~(3)(e)~~ (5) shall
1287 be calculated as follows:

1288 [~~(i)~~ (a) except as provided in Subsection [~~(3)(e)(ii)~~ (5)(b)], for a new taxing [entities]
1289 entity, the certified tax rate is zero;

1290 [~~(ii)~~ (b) for [each] a municipality incorporated on or after July 1, 1996, the certified
1291 tax rate is:

1292 [~~(A)~~ (i) in a county of the first, second, or third class, the levy imposed for
1293 municipal-type services under Sections ~~17-34-1~~ and ~~17-36-9~~; and

1294 [~~(B)~~ (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general
1295 county purposes and such other levies imposed solely for the municipal-type services identified
1296 in Section ~~17-34-1~~ and Subsection ~~17-36-3(22)~~; and

1297 ~~[(iii)]~~ (c) for debt service voted on by the public, the certified tax rate ~~[shall be]~~ is the
 1298 actual levy imposed by that section, except that ~~[the]~~ a certified tax ~~[rates]~~ rate for the
 1299 following levies shall be calculated in accordance with Section 59-2-913 and this section:

1300 ~~[(A) school levies]~~ (i) a school levy provided for under ~~[Sections]~~ Section
 1301 53A-16-113, 53A-17a-133, [and] or 53A-17a-164; and

1302 ~~[(B) levies]~~ (ii) a levy to pay for the costs of state legislative mandates or judicial or
 1303 administrative orders under Section 59-2-1602.

1304 ~~[(f)(i)]~~ (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 ~~[shall~~
 1305 ~~be established at that rate which]~~ may be imposed at a rate that is sufficient to generate only the
 1306 revenue required to satisfy one or more eligible judgments~~[, as defined in Section 59-2-102]~~.

1307 ~~[(i)]~~ (b) The ad valorem property tax revenue generated by ~~[the]~~ a judgment levy
 1308 ~~[shall]~~ described in Subsection (6)(a) may not be considered in establishing ~~[the]~~ a taxing
 1309 entity's aggregate certified tax rate.

1310 ~~[(g)]~~ (7) The ad valorem property tax revenue generated by the capital local levy
 1311 described in Section 53A-16-113 within a taxing entity in a county of the first class:

1312 ~~[(i)]~~ (a) may not be considered in establishing the school district's aggregate certified
 1313 tax rate; and

1314 ~~[(i)]~~ (b) shall be included by the commission in establishing a certified tax rate for that
 1315 capital ~~[outlay]~~ local levy determined in accordance with the calculation described in
 1316 Subsection 59-2-913(3).

1317 ~~[(4)]~~ (8) (a) For the purpose of calculating the certified tax rate, the county auditor shall
 1318 use:

1319 (i) the taxable value of real property ~~[assessed by a county assessor contained on the~~
 1320 ~~assessment roll];~~

1321 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
 1322 (B) contained on the assessment roll;

1323 (ii) the year end taxable value of personal property:

1324 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
 1325 (B) contained on the prior year's assessment roll; and

1326 ~~[(i)]~~ (iii) the taxable value of real and personal property ~~[assessed by]~~ the
 1327 commission~~;~~ and assesses in accordance with Part 2, Assessment of Property.

1328 ~~[(iii) the taxable year end value of personal property assessed by a county assessor~~
1329 ~~contained on the prior year's assessment roll.]~~

1330 (b) For purposes of Subsection ~~[(4)(a)(i), the]~~ (8)(a), taxable value ~~[of real property on~~
1331 ~~the assessment roll]~~ does not include eligible new growth ~~[as defined in Subsection (4)(c)].~~

1332 ~~[(c) "New growth" means:]~~

1333 ~~[(i) the difference between the increase in taxable value of the following property of~~
1334 ~~the taxing entity from the previous calendar year to the current year:]~~

1335 ~~[(A) real property assessed by a county assessor in accordance with Part 3, County~~
1336 ~~Assessment; and]~~

1337 ~~[(B) property assessed by the commission under Section 59-2-201; plus]~~

1338 ~~[(ii) the difference between the increase in taxable year end value of personal property~~
1339 ~~of the taxing entity from the year prior to the previous calendar year to the previous calendar~~
1340 ~~year; minus]~~

1341 ~~[(iii) the amount of an increase in taxable value described in Subsection (4)(c).]~~

1342 ~~[(d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the~~
1343 ~~taxing entity does not include the taxable value of personal property that is:]~~

1344 ~~[(i) contained on the tax rolls of the taxing entity if that property is assessed by a~~
1345 ~~county assessor in accordance with Part 3, County Assessment; and]~~

1346 ~~[(ii) semiconductor manufacturing equipment.]~~

1347 ~~[(e) Subsection (4)(c)(iii) applies to the following increases in taxable value:]~~

1348 ~~[(i) the amount of increase to locally assessed real property taxable values resulting~~
1349 ~~from factoring, reappraisal, or any other adjustments; or]~~

1350 ~~[(ii) the amount of an increase in the taxable value of property assessed by the~~
1351 ~~commission under Section 59-2-201 resulting from a change in the method of apportioning the~~
1352 ~~taxable value prescribed by:]~~

1353 ~~[(A) the Legislature;]~~

1354 ~~[(B) a court;]~~

1355 ~~[(C) the commission in an administrative rule; or]~~

1356 ~~[(D) the commission in an administrative order.]~~

1357 ~~[(f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal~~
1358 ~~property on the prior year's assessment roll does not include:]~~

- 1359 ~~[(i) new growth as defined in Subsection (4)(c); or]~~
 1360 ~~[(ii) the total taxable year end value of personal property contained on the prior year's~~
 1361 ~~tax rolls of the taxing entity that is:]~~
 1362 ~~[(A) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~
 1363 ~~[(B) semiconductor manufacturing equipment.]~~
 1364 ~~[(5)]~~ (9) (a) On or before June 22, ~~[each]~~ a taxing entity shall annually adopt a tentative
 1365 budget.
 1366 (b) If ~~[the]~~ a taxing entity intends to exceed the certified tax rate, ~~[it]~~ the taxing entity
 1367 shall notify the county auditor of:
 1368 (i) ~~[its]~~ the taxing entity's intent to exceed the certified tax rate; and
 1369 (ii) the amount by which ~~[it]~~ the taxing entity proposes to exceed the certified tax rate.
 1370 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
 1371 exceeds the certified tax rate in accordance with Sections [59-2-919](#) and [59-2-919.1](#).
 1372 Section 13. Section [59-2-924.3](#) is amended to read:
 1373 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
 1374 **district imposing a capital local levy in a county of the first class.**
 1375 (1) As used in this section:
 1376 (a) "Capital local levy increment" means the amount of revenue equal to the difference
 1377 between:
 1378 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 1379 within a school district during a fiscal year; and
 1380 (ii) the amount of revenue the school district received during the same fiscal year from
 1381 the distribution described in Section [53A-16-114](#).
 1382 (b) "Contributing school district" means a school district in a county of the first class
 1383 that in a fiscal year receives less revenue from the distribution described in Section
 1384 [53A-16-114](#) than it would have received during the same fiscal year from a levy imposed
 1385 within the school district of .0006 per dollar of taxable value.
 1386 (c) "Receiving school district" means a school district in a county of the first class that
 1387 in a fiscal year receives more revenue from the distribution described in Section [53A-16-114](#)
 1388 than it would have received during the same fiscal year from a levy imposed within the school
 1389 district of .0006 per dollar of taxable value.

1390 (2) A receiving school district shall decrease its capital local levy certified tax rate
1391 under Subsection 59-2-924~~[(3)(g)(ii)]~~ (7)(b) by the amount required to offset the receiving
1392 school district's estimated capital local levy increment for the prior fiscal year.

1393 (3) A contributing school district is exempt from the notice and public hearing
1394 provisions of Section 59-2-919 for the school district's capital local levy certified tax rate
1395 calculated pursuant to Subsection 59-2-924~~[(3)(g)(ii)]~~ (7)(b) if:

1396 (a) the contributing school district budgets an increased amount of ad valorem property
1397 tax revenue exclusive of eligible new growth as defined in ~~[Subsection]~~ Section 59-2-924~~[(4)]~~
1398 for the capital local levy described in Section 53A-16-113; and

1399 (b) the increased amount of ad valorem property tax revenue described in Subsection
1400 (3)(a) is less than or equal to the difference between:

1401 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1402 imposed within the contributing school district during the current taxable year; and

1403 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1404 imposed within the contributing school district during the prior taxable year.

1405 (4) Regardless of the amount a school district receives from the revenue collected from
1406 the .0006 portion of the capital local levy required in Section 53A-16-113, the revenue
1407 generated within the school district from the .0006 portion of the capital local levy required in
1408 Section 53A-16-113 shall be considered to be budgeted ad valorem property tax revenues of
1409 the school district that levies the .0006 portion of the capital local levy for purposes of
1410 calculating the school district's certified tax rate in accordance with Subsection
1411 59-2-924~~[(3)(g)(ii)]~~ (7)(b).

1412 Section 14. Section 59-2-926 is amended to read:

1413 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1414 If the state authorizes a levy pursuant to Section 53A-17a-135 that exceeds the certified
1415 revenue levy as defined in Section 53A-17a-103 or authorizes a levy pursuant to Section
1416 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the state shall
1417 publish a notice no later than 10 days after the last day of the annual legislative general session
1418 that meets the following requirements:

1419 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state
1420 authorized a levy that generates revenue in excess of the previous year's ad valorem tax

1421 revenue, plus eligible new growth as defined in Section 59-2-924, but exclusive of revenue
 1422 from collections from redemptions, interest, and penalties:

1423 (i) in a newspaper of general circulation in the state; and

1424 (ii) as required in Section 45-1-101.

1425 (b) Except an advertisement published on a website, the advertisement described in
 1426 Subsection (1)(a):

1427 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18
 1428 point, and surrounded by a 1/4-inch border:

1429 (ii) may not be placed in that portion of the newspaper where legal notices and
 1430 classified advertisements appear; and

1431 (iii) shall be run once.

1432 (2) The form and content of the notice shall be substantially as follows:

1433 "NOTICE OF TAX INCREASE

1434 The state has budgeted an increase in its property tax revenue from \$_____ to
 1435 \$_____ or ____%. The increase in property tax revenues will come from the following
 1436 sources (include all of the following provisions):

1437 (a) \$_____ of the increase will come from (provide an explanation of the cause
 1438 of adjustment or increased revenues, such as reappraisals or factoring orders);

1439 (b) \$_____ of the increase will come from natural increases in the value of the
 1440 tax base due to (explain cause of eligible new growth, such as new building activity,
 1441 annexation, etc.);

1442 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for
 1443 the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or
 1444 both) paid \$_____ in property taxes would pay the following:

1445 (i) \$_____ if the state of Utah did not budget an increase in property tax revenue
 1446 exclusive of eligible new growth; and

1447 (ii) \$_____ under the increased property tax revenues exclusive of eligible new
 1448 growth budgeted by the state of Utah."

1449 Section 15. Section 63I-1-259 is amended to read:

1450 **63I-1-259. Repeal dates, Title 59.**

1451 (1) Subsection 59-2-924[(3)(g)] (7) is repealed on December 31, 2016.

- 1452 (2) Subsection [59-2-924.2](#)(9) is repealed on December 31, 2017.
- 1453 (3) Section [59-2-924.3](#) is repealed on December 31, 2016.
- 1454 (4) Section [59-7-618](#) is repealed July 1, 2020.
- 1455 (5) Section [59-9-102.5](#) is repealed December 31, 2020.
- 1456 (6) Section [59-10-1033](#) is repealed July 1, 2020.
- 1457 (7) Subsection [59-12-2219](#)(10) is repealed on June 30, 2020.
- 1458 Section 16. **Effective date.**
- 1459 This bill takes effect on January 1, 2017.