

1 **PROPERTY TAX NOTICE AMENDMENTS**

2 2016 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Howard A. Stephenson**

5 House Sponsor: Daniel McCay

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions related to property tax notices.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ defines last year's property tax budgeted revenue for purposes of the advertisement
13 used to provide notice of a proposed property tax increase.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 This bill provides retrospective operation.

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **59-2-919**, as last amended by Laws of Utah 2014, Chapter 256 and further amended by
21 Revisor Instructions, Laws of Utah 2014, Chapter 256

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

24 Section 1. Section **59-2-919** is amended to read:

25 **59-2-919. Notice and public hearing requirements for certain tax increases --**

26 **Exceptions.**

27 (1) As used in this section:

28 ~~[(a) "Ad valorem tax revenue" means ad valorem property tax revenue not including~~
29 ~~revenue from new growth as defined in Section **59-2-924**.]~~

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

32 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including
33 revenue from new growth as defined in Section 59-2-924.

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

36 (d) "County executive calendar year taxing entity" means a calendar year taxing entity
37 that operates under the county executive-council form of government described in Section
38 17-52-504.

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

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

44 (g) "Last year's property tax budgeted revenue" does not include revenue received by a
45 taxing entity from a debt service levy voted on by the public.

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

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

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

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

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

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

57 (B) the dollar amount of and purpose for additional ad valorem tax revenue that would

58 be generated by the proposed increase in the certified tax rate; and
59 (C) the approximate percentage increase in ad valorem tax revenue for the taxing entity
60 based on the proposed increase described in Subsection (3)(a)(i)(B);
61 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in
62 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including providing a
63 separate item on the meeting agenda that notifies the public that the calendar year taxing entity
64 intends to make the statement described in Subsection (3)(a)(i);
65 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
66 calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);
67 (iv) provides notice by mail:
68 (A) seven or more days before the regular general election or municipal general
69 election held in the current calendar year; and
70 (B) as provided in Subsection (3)(c); and
71 (v) conducts a public hearing that is held:
72 (A) in accordance with Subsections (8) and (9); and
73 (B) in conjunction with the public hearing required by Section [17-36-13](#) or [17B-1-610](#).
74 (b) (i) For a county executive calendar year taxing entity, the statement described in
75 Subsection (3)(a)(i) shall be made by the:
76 (A) county council;
77 (B) county executive; or
78 (C) both the county council and county executive.
79 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
80 county council states a dollar amount of additional ad valorem tax revenue that is greater than
81 the amount of additional ad valorem tax revenue previously stated by the county executive in
82 accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:
83 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before the
84 county executive calendar year taxing entity conducts the public hearing under Subsection
85 (3)(a)(v); and

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

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

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

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

92 (B) listed on the assessment roll;

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

94 (A) is developed by the commission;

95 (B) states at the top of the form, in bold upper-case type no smaller than 18 point

96 "NOTICE OF PROPOSED TAX INCREASE"; and

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

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

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

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

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

104 (iv) shall contain the following statement:

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

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

112 (vi) may contain other property tax information approved by the commission.

113 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall

114 calculate the estimated tax on property on the basis of:

115 (i) data for the current calendar year; and

116 (ii) the amount of additional ad valorem tax revenue stated in accordance with this

117 section.

118 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate
119 that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:

120 (a) provides notice by meeting the advertisement requirements of Subsections (6) and

121 (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year

122 taxing entity's annual budget is adopted; and

123 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the

124 fiscal year taxing entity's annual budget is adopted.

125 (5) (a) A taxing entity is not required to meet the notice or public hearing requirements

126 of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with

127 the requirements of this section.

128 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or

129 (4) if:

130 (i) Section [53A-17a-133](#) allows the taxing entity to levy a tax rate that exceeds that

131 certified tax rate without having to comply with the notice provisions of this section; or

132 (ii) the taxing entity:

133 (A) budgeted less than \$20,000 in ad valorem tax revenues for the previous fiscal year;

134 and

135 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax

136 revenues.

137 (6) (a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this

138 section shall be published:

139 (i) subject to Section [45-1-101](#), in a newspaper or combination of newspapers of

140 general circulation in the taxing entity;

141 (ii) electronically in accordance with Section [45-1-101](#); and

- 142 (iii) on the Utah Public Notice Website created in Section 63F-1-701.
- 143 (b) The advertisement described in Subsection (6)(a)(i) shall:
 - 144 (i) be no less than 1/4 page in size;
 - 145 (ii) use type no smaller than 18 point; and
 - 146 (iii) be surrounded by a 1/4-inch border.
- 147 (c) The advertisement described in Subsection (6)(a)(i) may not be placed in that
- 148 portion of the newspaper where legal notices and classified advertisements appear.
- 149 (d) It is the intent of the Legislature that:
 - 150 (i) whenever possible, the advertisement described in Subsection (6)(a)(i) appear in a
 - 151 newspaper that is published at least one day per week; and
 - 152 (ii) the newspaper or combination of newspapers selected:
 - 153 (A) be of general interest and readership in the taxing entity; and
 - 154 (B) not be of limited subject matter.
 - 155 (e) (i) The advertisement described in Subsection (6)(a)(i) shall:
 - 156 (A) except as provided in Subsection (6)(f), be run once each week for the two weeks
 - 157 before a taxing entity conducts a public hearing described under Subsection (3)(a)(v) or (4)(b);
 - 158 and
 - 159 (B) state that the taxing entity will meet on a certain day, time, and place fixed in the
 - 160 advertisement, which shall be seven or more days after the day the first advertisement is
 - 161 published, for the purpose of hearing comments regarding any proposed increase and to explain
 - 162 the reasons for the proposed increase.
 - 163 (ii) The advertisement described in Subsection (6)(a)(ii) shall:
 - 164 (A) be published two weeks before a taxing entity conducts a public hearing described
 - 165 in Subsection (3)(a)(v) or (4)(b); and
 - 166 (B) state that the taxing entity will meet on a certain day, time, and place fixed in the
 - 167 advertisement, which shall be seven or more days after the day the first advertisement is
 - 168 published, for the purpose of hearing comments regarding any proposed increase and to explain
 - 169 the reasons for the proposed increase.

170 (f) If a fiscal year taxing entity's public hearing information is published by the county
171 auditor in accordance with Section 59-2-919.2, the fiscal year taxing entity is not subject to the
172 requirement to run the advertisement twice, as required by Subsection (6)(e)(i), but shall run
173 the advertisement once during the week before the fiscal year taxing entity conducts a public
174 hearing at which the taxing entity's annual budget is discussed.

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

177 "NOTICE OF PROPOSED TAX INCREASE
178 (NAME OF TAXING ENTITY)

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

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

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

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

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

190 PUBLIC HEARING

191 Date/Time: (date) (time)

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

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

195 (7) The commission:

196 (a) shall adopt rules in accordance with Title 63G, Chapter 3, Utah Administrative
197 Rulemaking Act, governing the joint use of one advertisement described in Subsection (6) by

198 two or more taxing entities; and

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

200 (i) the use of a weekly newspaper:

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

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

204 (ii) the use by a taxing entity of a commission approved direct notice to each taxpayer
205 if:

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

207 (B) the direct notice is different and separate from that provided for in Section
208 59-2-919.1; and

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

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

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

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

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

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

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

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

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

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

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

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

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

247 **Section 2. Retrospective operation.**

248 This bill has retrospective operation to January 1, 2016.