

## SB0124S01 compared with SB0124

~~text~~ shows text that was in SB0124 but was deleted in SB0124S01.

Inserted text shows text that was not in SB0124 but was inserted into SB0124S01.

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Senator Lincoln Fillmore proposes the following substitute bill:

**BUDGET ~~AND CERTIFIED TAX RATE~~ DEADLINE ~~{~~**

**~~} AMENDMENTS~~**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: \_\_\_\_\_

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### LONG TITLE

#### General Description:

This bill amends certain deadlines related to local government budgets ~~and certified property tax rates~~.

#### Highlighted Provisions:

This bill:

- ▶ amends the deadline by which a taxing entity is required to adopt certain ~~proposed~~ budgets ~~or certified property tax rates~~; and
- ▶ makes technical changes.

#### Money Appropriated in this Bill:

None

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### Other Special Clauses:

This bill provides a special effective date.

### Utah Code Sections Affected:

#### AMENDS:

- 10-5-109, as last amended by Laws of Utah 1989, Chapter 118
- ~~{ 10-5-112, as last amended by Laws of Utah 1989, Chapter 118~~
- ‡ 10-6-118, as last amended by Laws of Utah 2001, Chapter 178
- ~~{ 10-6-133, as last amended by Laws of Utah 2014, Chapter 176~~
- ~~— 17-36-31, as last amended by Laws of Utah 2014, Chapter 176~~
- ‡ 17C-1-601.5, as renumbered and amended by Laws of Utah 2016, Chapter 350
- ~~{ 53F-2-301, as renumbered and amended by Laws of Utah 2018, Chapter 2~~
- ~~— 53F-2-703, as renumbered and amended by Laws of Utah 2018, Chapter 2~~
- ~~— 53F-8-201, as renumbered and amended by Laws of Utah 2018, Chapter 2~~
- ‡ 53G-7-303, as renumbered and amended by Laws of Utah 2018, Chapter 3
- ~~{ 59-2-901, as last amended by Laws of Utah 1988, Chapter 3~~
- ~~— 59-2-909, as last amended by Laws of Utah 1993, Chapter 227~~
- ~~— 59-2-912, as last amended by Laws of Utah 2013, Chapter 183~~
- ~~— 59-2-913, as last amended by Laws of Utah 2016, Chapters 350 and 367~~
- ‡ 59-2-924, as last amended by Laws of Utah 2017, Chapter 390
- 63H-1-701, as last amended by Laws of Utah 2015, Chapters 258 and 377
- 63H-2-502, as enacted by Laws of Utah 2009, Chapter 378

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

Section 1. Section **10-5-109** is amended to read:

**10-5-109. Adoption of budgets -- Filing.**

[Prior to June 22]

(1) Before June 30 of each year, or August 17 in the case of a property tax increase under Sections 59-2-919 through 59-2-923, the council shall by resolution or ordinance adopt a budget for the ensuing fiscal year for each fund for which a budget is required under this chapter. [A]

(2) The council shall file a copy of the final budget for each fund [~~shall be filed~~] with

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the state auditor within 30 days after adoption.

Section 2. Section ~~{10-5-112}~~ 10-6-118 is amended to read:

~~{~~ ~~10-5-112. Property tax levy set by ordinance -- Maximum -- Certification.~~

~~-----~~ [(1) Not later than]

~~-----~~ (1) (a) ~~Before June [22] 30 of each year, or August 17 in the case of a property tax increase under Sections 59-2-919 through 59-2-923, the council, at a regular meeting or special meeting called for that purpose, shall by ordinance or resolution set the real and personal property tax levy for town purposes[, but the levy may be set at an appropriate later date with the approval of the State Tax Commission]:~~

~~-----~~ (b) ~~Notwithstanding Subsection (1)(a), the council may set the levy at an appropriate later date with the approval of the State Tax Commission.~~

~~-----~~ (2) ~~The combined levies for each town, for all purposes in any year, excluding the retirement of general obligation bonds and the payment of any interest, and taxes expressly authorized by law to be levied in addition, may not exceed .007 per dollar of taxable value of taxable property.~~

~~-----~~ (3) ~~The town clerk shall certify the ordinance or resolution setting the levy to the county auditor, or auditors, if the town is located in more than one county, [not later than June 22] before June 30 of each year.~~

~~-----~~ Section 3. Section ~~10-6-118~~ is amended to read:

~~†~~ **10-6-118. Adoption of final budget -- Certification and filing.**

(1) Before [the last June 22] June 30 of each fiscal period, or, in the case of a property tax increase under Sections 59-2-919 through 59-2-923, before August 17 of the year for which a property tax increase is proposed, the governing body shall by resolution or ordinance adopt a budget for the ensuing fiscal period for each fund for which a budget is required under this chapter. [A copy of the final budget for each fund shall be certified by the budget officer and filed with the state auditor within 30 days after adoption.]

(2) The budget officer of the governing body shall certify a copy of the final budget and file the copy with the state auditor within 30 days after adoption.

Section ~~{4}~~ 3. Section ~~{10-6-133}~~ 17C-1-601.5 is amended to read:

~~{~~ ~~10-6-133. Property tax levy -- Time for setting -- Computation of total levy -- Apportionment of proceeds -- Maximum levy.~~

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~~—— (1) (a) Before June [22] 30 of each year, or August 17 in the case of a property tax rate increase under Sections 59-2-919 through 59-2-923, the governing body of each city, including charter cities, at a regular meeting or special meeting called for that purpose, shall by ordinance or resolution set the real and personal property tax levy for various municipal purposes:~~

~~—— (b) Notwithstanding Subsection (1)(a), the governing body may set the levy at an appropriate later date with the approval of the State Tax Commission:~~

~~—— (2) In its computation of the total levy, the governing body shall determine the requirements of each fund for which property taxes are to be levied and shall specify in its ordinance or resolution adopting the levy the amount apportioned to each fund:~~

~~—— (3) The proceeds of the levy apportioned for city general fund purposes shall be credited as revenue in the city general fund:~~

~~—— (4) The proceeds of the levy apportioned for special fund purposes shall be credited to the appropriate accounts in the applicable special funds:~~

~~—— (5) The combined levies for each city, including charter cities, for all purposes in any year, excluding the retirement of general obligation bonds and the payment of any interest, and taxes expressly authorized by law to be levied in addition, may not exceed .007 per dollar of taxable value of taxable property:~~

~~—— Section 5. Section 17-36-31 is amended to read:~~

~~—— **17-36-31. Tax levy -- Amount.**~~

~~—— (1) (a) Before June [22] 30 of each year, the county legislative body shall levy a tax on the taxable real and personal property within the county:~~

~~—— (b) In the legislative body's computation of the total levy subject to Sections 59-2-908 and 59-2-911, it shall determine the requirements for each fund and specify the amount of the levy apportioned to each fund:~~

~~—— (2) The proceeds of the tax apportioned for purposes of the county general fund shall be credited in the county general fund:~~

~~—— (3) The proceeds of the tax apportioned for utility and other special fund purposes shall be credited to the appropriate accounts in the utility or other special funds:~~

~~—— Section 6. Section 17C-1-601.5 is amended to read:~~

~~‡~~ **17C-1-601.5. Annual agency budget -- Fiscal year -- Public hearing required -- Auditor forms -- Requirement to file form.**

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- (1) Each agency shall prepare an annual budget of the agency's revenues and expenditures for each fiscal year.
- (2) The board shall adopt each agency budget:
  - (a) for an agency created by a municipality, before June ~~[22]~~ 30; or
  - (b) for an agency created by a county, before December 15.
- (3) The agency's fiscal year shall be the same as the fiscal year of the community that created the agency.
- (4) (a) Before adopting an annual budget, each board shall hold a public hearing on the annual budget.
  - (b) Each agency shall provide notice of the public hearing on the annual budget by:
    - (i) (A) publishing at least one notice in a newspaper of general circulation within the agency boundaries, one week before the public hearing; or
    - (B) if there is no newspaper of general circulation within the agency boundaries, posting a notice of the public hearing in at least three public places within the agency boundaries; and
    - (ii) publishing notice on the Utah Public Notice Website created in Section 63F-1-701, at least one week before the public hearing.
  - (c) Each agency shall make the annual budget available for public inspection at least three days before the date of the public hearing.
- (5) The state auditor shall prescribe the budget forms and the categories to be contained in each annual budget, including:
  - (a) revenues and expenditures for the budget year;
  - (b) legal fees; and
  - (c) administrative costs, including rent, supplies, and other materials, and salaries of agency personnel.
- (6) (a) Within 90 days after adopting an annual budget, each board shall file a copy of the annual budget with the auditor of the county in which the agency is located, the State Tax Commission, the state auditor, the State Board of Education, and each taxing entity from which the agency receives project area funds.
  - (b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the state as a taxing entity is met if the agency files a copy with the State Tax Commission and the

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state auditor.

Section ~~{7}~~4. Section ~~{53F-2-301}~~53G-7-303 is amended to read:

~~{~~ ~~53F-2-301. Minimum basic tax rate -- Certified revenue levy.~~

~~———— (1) As used in this section, "basic levy increment rate" means a tax rate that will generate an amount of revenue equal to \$75,000,000.~~

~~———— (2) (a) To qualify for receipt of the state contribution toward the basic program and as a school district's contribution toward the school district's costs of the basic program, each local school board shall impose a minimum basic tax rate per dollar of taxable value that generates \$399,041,300 in revenues statewide.~~

~~———— (b) The preliminary estimate for the 2017-18 minimum basic tax rate is .001596.~~

~~———— (c) The State Tax Commission shall certify on or before June [22] 30 the rate that generates \$399,041,300 in revenues statewide.~~

~~———— (d) If the minimum basic tax rate exceeds the certified revenue levy, the state is subject to the notice requirements of Section 59-2-926.~~

~~———— (3) The state shall contribute to each school district toward the cost of the basic program in the school district that portion that exceeds the proceeds of the difference between:~~

~~———— (a) the minimum basic tax rate to be imposed under Subsection (2); and~~

~~———— (b) the basic levy increment rate.~~

~~———— (4) (a) If the difference described in Subsection (3) equals or exceeds the cost of the basic program in a school district, no state contribution shall be made to the basic program:~~

~~———— (b) The proceeds of the difference described in Subsection (3) that exceed the cost of the basic program shall be paid into the Uniform School Fund as provided by law.~~

~~———— (5) The State Board of Education shall:~~

~~———— (a) deduct from state funds that a school district is authorized to receive under this chapter an amount equal to the proceeds generated within the school district by the basic levy increment rate; and~~

~~———— (b) deposit the money described in Subsection (5)(a) into the Minimum Basic Growth Account created in Section 53F-9-302.~~

~~———— Section 8. Section 53F-2-703 is amended to read:~~

~~———— 53F-2-703. Charter school levy.~~

~~———— (1) As used in this section:~~

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- ~~—— (a) "Board" means the State Board of Education.~~
- ~~—— (b) "Charter School Levy Account" means the Charter School Levy Account created in Section 53F-9-301.~~
- ~~—— (c) "Charter school levy per district revenues" means the product of:
  - ~~—— (i) a school district's district per pupil local revenues; and~~
  - ~~—— (ii) the number of charter school students in the school district who are resident students.~~~~
- ~~—— (d) "Charter school levy per pupil revenues" means an amount equal to the following:
  - ~~—— (i) charter school levy total local revenues for a given fiscal year, adjusted if necessary as described in Subsection (4), divided by~~
  - ~~—— (ii) the number of students enrolled in a charter school on October 1 of the prior school year.~~~~
- ~~—— (e) "Charter school levy revenues" means the charter school levy revenues generated by a charter school levy rate described in Subsection (2)(b)(i).~~
- ~~—— (f) "Charter school levy total local revenues" means the sum of charter school levy per district revenues for every school district in the state for the same given fiscal year.~~
- ~~—— (g) "District per pupil local revenues" means the same as that term is defined in Section 53F-2-704.~~
- ~~—— (h) "Resident student" means the same as that term is defined in Section 53F-2-704.~~
- ~~—— (2) (a) Beginning with the taxable year beginning on January 1, 2017, the state shall annually impose a charter school levy as described in this Subsection (2).~~
- ~~—— (b) (i) For each school district, before June [22] 30, the State Tax Commission shall certify a rate for the charter school levy described in Subsection (2)(a) to generate an amount of revenue within a school district equal to 25% of the charter school levy per district revenues excluding the amount of revenues:
  - ~~—— (A) described in Subsection 53F-2-704(1)(c)(iv); and~~
  - ~~—— (B) expended by the school district for recreational facilities and activities authorized under Title 11, Chapter 2, Playgrounds.~~~~
- ~~—— (ii) To calculate a charter school levy rate for a school district, the State Tax Commission shall use the calculation method described in Subsection 59-2-924(4).~~
- ~~—— (c) The charter school levy shall be separately stated on a tax notice.~~

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~~—— (3) (a) A county treasurer shall collect the charter school levy revenues for all school districts located within the county treasurer's county and remit the money monthly to the state treasurer.~~

~~—— (b) The state treasurer shall deposit the charter school levy revenues received from a county treasurer into the Charter School Levy Account.~~

~~—— (4) (a) For each charter school student, the board shall distribute the charter school per pupil levy revenues from the Charter School Levy Account to the student's charter school in accordance with this Subsection (4).~~

~~—— (b) For a given fiscal year, if the actual charter school levy total local revenues are more than the estimated charter school levy total local revenues the board shall:~~

~~—— (i) deduct the amount of revenue that exceeds the estimated charter school levy total local revenues from the actual charter school levy total local revenues; and~~

~~—— (ii) use the remaining amount to calculate the charter school per pupil levy revenues.~~

~~—— (c) For a given fiscal year, if the actual charter school total local revenues are less than the estimated charter school levy total local revenues, the board shall:~~

~~—— (i) if sufficient funds are available in the Charter School Levy Account, add an amount of funds from the Charter School Levy Account to the charter school levy total local revenues to equal the estimated charter school levy total local revenues; and~~

~~—— (ii) if sufficient funds are not available in the Charter School Levy Account, calculate the charter school per pupil levy revenues using the actual amount of the charter school levy total local revenues.~~

~~—— Section 9. Section **53F-8-201** is amended to read:~~

~~—— **53F-8-201. Annual certification of tax rate proposed by local school board == Inclusion of school district budget == Modified filing date.**~~

~~—— (1) [Prior to June 22] Before June 30 of each year, each local school board shall certify to the county legislative body in which the district is located, on forms prescribed by the State Tax Commission, the proposed tax rate approved by the local school board.~~

~~—— (2) A copy of the district's budget, including items under Section 53G-7-302, and a certified copy of the local school board's resolution which approved the budget and set the tax rate for the subsequent school year beginning July 1 shall accompany the tax rate.~~

~~—— (3) If the tax rate approved by the board is in excess of the certified tax rate, as defined~~



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~~in Section 59-2-924, the date for filing the tax rate and budget adopted by the board shall be that established under Section 59-2-919.~~

~~Section 10. Section 53G-7-303 is amended to read:~~

‡ **53G-7-303. Local governing board budget procedures.**

(1) As used in this section:

(a) "Budget officer" means:

(i) for a school district, the school district's superintendent; or

(ii) for a charter school, an individual selected by the charter school governing board.

(b) "Governing board" means:

(i) for a school district, the local school board; or

(ii) for a charter school, the charter school governing board.

(2) (a) For a school district, before June [22] 30 of each year, a local school board shall adopt a budget and make appropriations for the next fiscal year.

(b) For a school district, if the tax rate in the school district's proposed budget exceeds the certified tax rate defined in Section 59-2-924, the local school board shall comply with Section 59-2-919 in adopting the budget, except as provided by Section 53F-8-301.

(3) (a) For a school district, before the adoption or amendment of a budget, a local school board shall hold a public hearing, as defined in Section 10-9a-103, on the proposed budget or budget amendment.

(b) In addition to complying with Title 52, Chapter 4, Open and Public Meetings Act, in regards to the public hearing described in Subsection (3)(a), at least 10 days prior to the public hearing, a local school board shall:

(i) publish a notice of the public hearing in a newspaper or combination of newspapers of general circulation in the school district, except as provided in Section 45-1-101;

(ii) publish a notice of the public hearing electronically in accordance with Section 45-1-101;

(iii) file a copy of the proposed budget with the local school board's business administrator for public inspection; and

(iv) post the proposed budget on the school district's Internet website.

(c) A notice of a public hearing on a school district's proposed budget shall include information on how the public may access the proposed budget as provided in Subsections

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(3)(b)(iii) and (iv).

(4) For a charter school, before June [22] 30 of each year, a charter school governing board shall adopt a budget for the next fiscal year.

(5) Within 30 days of adopting a budget, a governing board shall file a copy of the adopted budget with the state auditor and the State Board of Education.

Section ~~{11}~~5. Section ~~{59-2-901}~~59-2-924 is amended to read:

~~{~~**59-2-901. Determination of rate by commission -- Transmittal to county and state auditors.**

~~\_\_\_\_\_~~(1) Before June [22] 30 of each year, the commission shall determine the rate of state tax to be levied and collected upon the taxable value of all property in the state sufficient to raise the amount of revenue specified by the Legislature for general state purposes. [That rate]

~~\_\_\_\_\_~~(2) The rate described in Subsection (1) may not exceed .00048 per dollar of taxable value of taxable property in the state.

~~\_\_\_\_\_~~(3) The commission shall transmit to the county auditor of each county and to the state auditor a statement of [that rate. The] the rate described in Subsection (1).

~~\_\_\_\_\_~~(4) Upon receipt of the statement described in Subsection (3), the county auditor shall[, upon receipt,] give the commission written acknowledgment of receipt.

~~\_\_\_\_\_~~Section 12. Section ~~59-2-909~~ is amended to read:

~~\_\_\_\_\_~~**59-2-909. Time for adoption of levy -- County purpose requirement.**

~~\_\_\_\_\_~~The county legislative body of each county shall adopt a proposed or, if the tax rate is not more than the certified tax rate, a final tax rate on the taxable property of the county before June [22] 30 to provide funds for county purposes.

~~\_\_\_\_\_~~Section 13. Section ~~59-2-912~~ is amended to read:

~~\_\_\_\_\_~~**59-2-912. Time for adoption of levy -- Certification to county auditor.**

~~\_\_\_\_\_~~(1) Except as provided in Subsection (2), the governing body of each taxing entity shall before June [22] 30 of each year:

~~\_\_\_\_\_~~(a) adopt a proposed tax rate, or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity; and

~~\_\_\_\_\_~~(b) report the rate and levy, and submit the statement required under Section 59-2-913 and any other information prescribed by rules of the commission for the preparation, review, and certification of the tax rate, to the county auditor of the county in which the taxing entity is

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located:

~~—— (2) If the governing body of a taxing entity does not receive the taxing entity's certified tax rate at least seven days prior to the date described in Subsection (1), the governing body of the taxing entity shall, no later than 14 days after receiving the certified tax rate from the county auditor:~~

~~—— (a) adopt a proposed tax rate, or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity; and~~

~~—— (b) comply with the requirements of Subsection (1)(b):~~

~~—— (3) (a) If the governing body of a taxing entity fails to comply with Subsection (1) or (2), the auditor of the county in which the taxing entity is located shall notify the taxing entity by certified mail of the deficiency and forward all available documentation to the commission:~~

~~—— (b) Upon receipt of the notice and documentation from the county auditor under Subsection (3)(a), the commission shall hold a hearing on the matter and certify an appropriate tax rate:~~

~~—— Section 14. Section **59-2-913** is amended to read:~~

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

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

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

~~—— (b) semiconductor manufacturing equipment:~~

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

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

~~—— (i) before June [22] 30; or~~

~~—— (ii) with the approval of the commission, on a subsequent date prior to the date required by Section 59-2-1317 for the county treasurer to provide the notice under Section 59-2-1317:~~

~~—— (c) The statement shall contain the amount and purpose of each levy fixed by the legislative body of the taxing entity:~~

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~~—— (3) For purposes of establishing the levy set for each of a taxing entity's applicable funds, the legislative body of the taxing entity shall calculate an amount determined by dividing the budgeted property tax revenues, specified in a budget that has been adopted and approved prior to setting the levy, by the amount calculated under Subsections 59-2-924 (4)(b)(i) through (iii).~~

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

~~—— (a) be determined by the commission; and~~

~~—— (b) cite any applicable statutory provisions that:~~

~~—— (i) require a specific levy; or~~

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

~~—— (5) The commission may require certification that the information submitted on a statement under this section is true and correct.~~

~~—— Section 15. Section 59-2-924 is amended to read:~~

‡ **59-2-924. Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.**

(1) As used in this section:

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

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

(A) interest;

(B) penalties;

(C) collections from redemptions; or

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

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

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

(B) the aggregate taxable value of all real and personal property the commission

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assesses in accordance with Part 2, Assessment of Property, for the current year; and

(C) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

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

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

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

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

(i) an annexation to a taxing entity; or

(ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property.

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

(A) zero; or

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

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

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

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

(i) zero; or

(ii) the sum of:

(A) locally assessed new growth;

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(B) centrally assessed new growth; and

(C) project area new growth.

(g) "Incremental value" means the same as that term is defined in Section 17C-1-102.

(h) (i) "Locally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.

(ii) "Locally assessed new growth" does not include a change in:

(A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;

(B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;

(C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or

(D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.

(i) "Project area" means the same as that term is defined in Section 17C-1-102.

(j) "Project area new growth" means an amount equal to the incremental value that is no longer provided to an agency as tax increment.

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

(a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

(b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.

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

(a) the statements described in Subsections (2)(a) and (b);

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- (b) an estimate of the revenue from personal property;
- (c) the certified tax rate; and
- (d) all forms necessary to submit a tax levy request.

(4) (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year by the amount calculated under Subsection (4)(b).

(b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:

(i) calculate for the taxing entity the difference between:

- (A) the aggregate taxable value of all property taxed; and
- (B) any adjustments for current year incremental value;

(ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;

(iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:

(A) the amount calculated under Subsection (4)(b)(ii); and

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

(iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by subtracting eligible new growth from the amount calculated under Subsection (4)(b)(iii).

(5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:

(a) except as provided in Subsection (5)(b), for a new taxing entity, the certified tax rate is zero;

(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

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

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county

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purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(22); and

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

(i) a school levy provided for under Section 53A-16-113, 53A-17a-133, or 53A-17a-164; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

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

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

(B) contained on the prior year's assessment roll; and

(iii) the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property.

(b) For purposes of Subsection (7)(a), taxable value does not include eligible new growth.

(8) (a) On or before June [~~22~~] 30, a taxing entity shall annually adopt a tentative budget.

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

(i) the taxing entity's intent to exceed the certified tax rate; and



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(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

(9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:

(i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value; and

(ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.

(c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by subtracting the total taxable value of real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

Section ~~16~~6. Section **63H-1-701** is amended to read:

**63H-1-701. Annual authority budget -- Fiscal year -- Public hearing required -- Auditor forms -- Requirement to file form.**

(1) The authority shall prepare and its board adopt an annual budget of revenues and expenditures for the authority for each fiscal year.

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(2) Each annual authority budget shall be adopted before June [22] 30.

(3) The authority's fiscal year shall be the period from July 1 to the following June 30.

(4) (a) Before adopting an annual budget, the authority board shall hold a public hearing on the annual budget.

(b) The authority shall provide notice of the public hearing on the annual budget by publishing notice:

(i) at least once in a newspaper of general circulation within the state, one week before the public hearing; and

(ii) on the Utah Public Notice Website created in Section 63F-1-701, for at least one week immediately before the public hearing.

(c) The authority shall make the annual budget available for public inspection at least three days before the date of the public hearing.

(5) The state auditor shall prescribe the budget forms and the categories to be contained in each authority budget, including:

(a) revenues and expenditures for the budget year;

(b) legal fees; and

(c) administrative costs, including rent, supplies, and other materials, and salaries of authority personnel.

(6) (a) Within 30 days after adopting an annual budget, the authority board shall file a copy of the annual budget with the auditor of each county in which a project area of the authority is located, the State Tax Commission, the state auditor, the State Board of Education, and each taxing entity that levies a tax on property from which the authority collects property tax allocation.

(b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the state as a taxing entity is met if the authority files a copy with the State Tax Commission and the state auditor.

Section ~~{17}~~7. Section **63H-2-502** is amended to read:

**63H-2-502. Annual authority budget -- Auditor forms -- Requirement to file form.**

(1) (a) The authority shall prepare an annual budget of revenues and expenditures for the authority for each fiscal year.

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(b) Before June [22] 30 of each year and subject to the other provisions of this section, the board shall adopt an annual budget of revenues and expenditures of the authority for the immediately following fiscal year.

(2) (a) Before adopting an annual budget, the board shall hold a public hearing on the annual budget.

(b) Before holding the public hearing required by this Subsection (2), the board shall post notice of the public hearing on the Utah Public Notice Website created under Section 63F-1-701 no less than 14 days before the day on which the public hearing is to be held.

(3) The state auditor shall prescribe the budget forms and the categories to be contained in each annual budget of the authority, including:

- (a) revenues and expenditures for the budget year;
- (b) the outstanding bonds and related expenses;
- (c) legal fees; and
- (d) administrative costs, including:
  - (i) rent;
  - (ii) supplies;
  - (iii) other materials; and
  - (iv) salaries of authority personnel.

(4) Within 30 days after adopting an annual budget, the board shall file a copy of the annual budget with:

- (a) the State Tax Commission; and
- (b) the state auditor.

(5) (a) Subject to Subsection (5)(b), the board may by resolution amend an annual budget of the authority.

(b) The board may make an amendment of an annual budget that would increase total expenditures of the authority only after:

- (i) holding a public hearing; and
- (ii) before holding the public hearing required by this Subsection (5)(b), posting notice of the public hearing on the Utah Public Notice Website created under Section 63F-1-701 no less than 14 days before the day on which the public hearing is to be held.

(6) The authority may not make expenditures in excess of the total expenditures

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established in the annual budget as it is adopted or amended.

Section ~~{18}~~8. **Effective date.**

This bill takes effect on January 1, 2019.

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**Legislative Review Note**

**~~Office of Legislative Research and General Counsel~~**