

**TRUTH IN TAXATION AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: Robert M. Spendlove

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**LONG TITLE**

**General Description:**

This bill modifies public hearing requirements in the property tax code.

**Highlighted Provisions:**

This bill:

- ▶ requires a taxing entity to discuss a proposed tax rate increase at a public meeting held only for the purpose of discussing and taking action on a tax rate increase;
- ▶ prohibits restriction on the number of individuals who offer public comment; and
- ▶ prohibits a taxing entity from holding a public hearing to discuss a proposed tax rate increase on the same date as another public meeting of the taxing entity.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**11-13-509**, as enacted by Laws of Utah 2015, Chapter 265

**17B-1-609**, as last amended by Laws of Utah 2015, Chapter 436

**59-2-919**, as last amended by Laws of Utah 2018, Chapters 68 and 415

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



28 Section 1. Section **11-13-509** is amended to read:

29 **11-13-509. Hearing to consider adoption -- Notice.**

30 (1) At the meeting at which the tentative budget is adopted, the governing board shall:

31 (a) establish the time and place of a public hearing to consider [its] the budget's

32 adoption; and

33 (b) except as provided in Subsection [~~(2) or (5)~~] (4), order that notice of the hearing:

34 (i) be published, at least seven days before the day of the hearing, in at least one issue  
35 of a newspaper of general circulation in a county in which the interlocal entity provides service  
36 to the public or in which its members are located, if such a newspaper is generally circulated in  
37 the county or counties; and

38 (ii) be published at least seven days before the day of the hearing on the Utah Public  
39 Notice Website created in Section [63F-1-701](#).

40 [~~(2) If the budget hearing is held in conjunction with a tax increase hearing, the notice~~  
41 ~~required in Subsection (1)(b):]~~

42 [~~(a) may be combined with the notice required under Section [59-2-919](#); and]~~

43 [~~(b) shall be published in accordance with the advertisement provisions of Section~~  
44 ~~[59-2-919](#).]~~

45 [~~(3)~~] (2) Proof that notice was given in accordance with Subsection (1)(b)[~~, (2), or (5)~~]  
46 or (4) is prima facie evidence that notice was properly given.

47 [~~(4)~~] (3) If a notice required under Subsection (1)(b)[~~, (2), or (5)~~] or (4) is not  
48 challenged within 30 days after the day on which the hearing is held, the notice is adequate and  
49 proper.

50 [~~(5)~~] (4) A governing board of an interlocal entity with an annual operating budget of  
51 less than \$250,000 may satisfy the notice requirements in Subsection (1)(b) by:

- 52 (a) mailing a written notice, postage prepaid, to each voter in an interlocal entity; and
- 53 (b) posting the notice in three public places within the interlocal entity's service area.

54 Section 2. Section **17B-1-609** is amended to read:

55 **17B-1-609. Hearing to consider adoption -- Notice.**

56 (1) At the meeting at which the tentative budget is adopted, the board of trustees shall:

57 (a) establish the time and place of a public hearing to consider [its] the budget's

58 adoption; and

59 (b) except as provided in Subsection ~~[(6)]~~ (5), order that notice of the hearing:  
 60 (i) (A) be published at least seven days before the hearing in at least one issue of a  
 61 newspaper of general circulation in the county or counties in which the district is located; or  
 62 (B) if no newspaper is circulated generally in the county or counties, be posted in three  
 63 public places within the district; and  
 64 (ii) be published at least seven days before the hearing on the Utah Public Notice  
 65 Website created in Section 63F-1-701.

66 ~~[(2) If the budget hearing is held in conjunction with a tax increase hearing, the notice~~  
 67 ~~required in Subsection (1)(b):]~~

68 ~~[(a) may be combined with the notice required under Section 59-2-919; and]~~

69 ~~[(b) shall be published in accordance with the advertisement provisions of Section~~  
 70 ~~59-2-919.]~~

71 ~~[(3)]~~ (2) If the budget hearing is to be held in conjunction with a fee increase hearing,  
 72 the notice required in Subsection (1)(b):

73 (a) may be combined with the notice required under Section 17B-1-643; and

74 (b) shall be published or mailed in accordance with the notice provisions of Section  
 75 17B-1-643.

76 ~~[(4)]~~ (3) Proof that notice was given in accordance with Subsection (1)(b), (2), ~~[(3), or~~  
 77 ~~(6)]~~ or (5) is prima facie evidence that notice was properly given.

78 ~~[(5)]~~ (4) If a notice required under Subsection (1)(b), (2), ~~[(3), or (6)]~~ or (5) is not  
 79 challenged within 30 days after the day on which the hearing is held, the notice is adequate and  
 80 proper.

81 ~~[(6)]~~ (5) A board of trustees of a local district with an annual operating budget of less  
 82 than \$250,000 may satisfy the notice requirements in Subsection (1)(b) by:

83 (a) mailing a written notice, postage prepaid, to each voter in the local district; and

84 (b) posting the notice in three public places within the district.

85 Section 3. Section 59-2-919 is amended to read:

86 **59-2-919. Notice and public hearing requirements for certain tax increases --**

87 **Exceptions.**

88 (1) As used in this section:

89 (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue

90 generated by the portion of the tax rate that exceeds the taxing entity's certified tax rate.

91 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including  
92 revenue from:

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

94 (ii) personal property that is:

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

96 (B) semiconductor manufacturing equipment.

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

99 (d) "County executive calendar year taxing entity" means a calendar year taxing entity  
100 that operates under the county executive-council form of government described in Section  
101 17-52a-203.

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

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

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

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

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

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

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

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

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

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

121 be generated by the proposed increase in the certified tax rate; and

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

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

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

130 (iv) provides notice by mail:

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

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

134 (v) conducts a public hearing that is held[?] in accordance with Subsections (8) and (9).

135 [~~(A) in accordance with Subsections (8) and (9); and~~]

136 [~~(B) in conjunction with the public hearing required by Section 17-36-13 or~~

137 ~~17B-1-610.~~]

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

140 (A) county council;

141 (B) county executive; or

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

143 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the  
144 county council states a dollar amount of additional ad valorem tax revenue that is greater than  
145 the amount of additional ad valorem tax revenue previously stated by the county executive in  
146 accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:

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

150 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the  
151 county executive calendar year taxing entity conducts the public hearing required by

152 Subsection (3)(a)(v).  
153 (c) The notice described in Subsection (3)(a)(iv):  
154 (i) shall be mailed to each owner of property:  
155 (A) within the calendar year taxing entity; and  
156 (B) listed on the assessment roll;  
157 (ii) shall be printed on a separate form that:  
158 (A) is developed by the commission;  
159 (B) states at the top of the form, in bold upper-case type no smaller than 18 point  
160 "NOTICE OF PROPOSED TAX INCREASE"; and  
161 (C) may be mailed with the notice required by Section 59-2-1317;  
162 (iii) shall contain for each property described in Subsection (3)(c)(i):  
163 (A) the value of the property for the current calendar year;  
164 (B) the tax on the property for the current calendar year; and  
165 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year  
166 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax  
167 rate, the estimated tax on the property;  
168 (iv) shall contain the following statement:  
169 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar  
170 year]. This notice contains estimates of the tax on your property and the proposed tax increase  
171 on your property as a result of this tax increase. These estimates are calculated on the basis of  
172 [insert previous applicable calendar year] data. The actual tax on your property and proposed  
173 tax increase on your property may vary from this estimate.";  
174 (v) shall state the date, time, and place of the public hearing described in Subsection  
175 (3)(a)(v); and  
176 (vi) may contain other property tax information approved by the commission.  
177 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall  
178 calculate the estimated tax on property on the basis of:  
179 (i) data for the current calendar year; and  
180 (ii) the amount of additional ad valorem tax revenue stated in accordance with this  
181 section.  
182 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate

183 that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:

184 (a) provides notice by meeting the advertisement requirements of Subsections (6) and  
185 (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year  
186 taxing entity's annual budget is adopted; and

187 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the  
188 fiscal year taxing entity's annual budget is adopted.

189 (5) (a) A taxing entity is not required to meet the notice or public hearing requirements  
190 of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with  
191 the requirements of this section.

192 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or  
193 (4) if:

194 (i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that  
195 certified tax rate without having to comply with the notice provisions of this section; or

196 (ii) the taxing entity:

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

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

201 (6) (a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this  
202 section shall be published:

203 (i) subject to Section 45-1-101, in a newspaper or combination of newspapers of  
204 general circulation in the taxing entity;

205 (ii) electronically in accordance with Section 45-1-101; and

206 (iii) on the Utah Public Notice Website created in Section 63F-1-701.

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

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

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

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

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

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

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

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

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

218 (B) not be of limited subject matter.

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

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

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

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

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

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

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

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

241 "NOTICE OF PROPOSED TAX INCREASE

242 (NAME OF TAXING ENTITY)

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

- 244 ● The (name of the taxing entity) tax on a (insert the average value of a residence



245 in the taxing entity rounded to the nearest thousand dollars) residence would increase from  
246 \$ \_\_\_\_\_ to \$ \_\_\_\_\_, which is \$ \_\_\_\_\_ per year.

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

250 • If the proposed budget is approved, (name of the taxing entity) would increase  
251 its property tax budgeted revenue by \_\_\_% above last year's property tax  
252 budgeted revenue excluding eligible new growth.

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

254 PUBLIC HEARING

255 Date/Time: (date) (time)

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

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

259 (7) The commission:

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

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

264 (i) the use of a weekly newspaper:

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

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

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

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

271 (B) the direct notice is different and separate from that provided for in Section  
272 59-2-919.1; and

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

275 (8) (a) (i) (A) A fiscal year taxing entity shall, on or before March 1, notify the county

276 legislative body in which the fiscal year taxing entity is located of the date, time, and place of  
277 the first public hearing at which the fiscal year taxing entity's annual budget will be discussed.

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

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

285 (b) (i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be:

286 (A) open to the public; and

287 (B) held at a meeting of the taxing entity with no items on the agenda other than  
288 discussion and action on the taxing entity's intent to levy a tax rate that exceeds the taxing  
289 entity's certified tax rate.

290 (ii) The governing body of a taxing entity conducting a public hearing described in  
291 Subsection (3)(a)(v) or (4)(b) shall provide an interested party desiring to be heard an  
292 opportunity to present oral testimony:

293 (A) within reasonable time limits; and

294 (B) without restriction on the number of individuals allowed to make public comment.

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

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

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

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

305 (f) A taxing entity may not hold the public hearing described in Subsection (3)(a)(v) or  
306 (4)(b) on the same date as another public meeting of the taxing entity.

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

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

315 ~~[(c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's~~  
316 ~~certified tax rate may coincide with a public hearing on the fiscal year taxing entity's proposed~~  
317 ~~annual budget.]~~