

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

53A-17a-133, as last amended by Laws of Utah 2015, Chapter 287

53A-17a-164, as last amended by Laws of Utah 2013, Chapters 178 and 313

53A-19-105, as last amended by Laws of Utah 2009, Chapter 204

59-2-102, as last amended by Laws of Utah 2015, Chapters 133, 198, and 287

30 **59-2-913**, as last amended by Laws of Utah 2014, Chapter 279
 31 **59-2-919**, as and further amended by Revisor Instructions, Laws of Utah 2014, Chapter
 32 256 and last amended by Laws of Utah 2014, Chapter 256
 33 **59-2-924**, as last amended by Laws of Utah 2014, Chapter 270
 34 **59-2-924.3**, as last amended by Laws of Utah 2011, Chapter 371
 35 **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388
 36 **63I-1-259**, as last amended by Laws of Utah 2015, Chapters 224, 275, and 467

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

39 Section 1. Section **20A-7-613** is amended to read:

40 **20A-7-613. Property tax referendum petition.**

41 (1) As used in this section:

42 (a) "Certified tax rate" [~~is as~~] means the same as that term is defined in [Subsection]
 43 Section 59-2-924~~[(3)(a)]~~.

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

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

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

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

55 (5) Notwithstanding Subsections **20A-7-606(2)** and (3), the county clerk shall take the
 56 actions required in Subsections **20A-7-606(2)** and (3) within 10 working days after the day on
 57 which the county clerk receives the signed and verified referendum packet as described in

58 Subsection (4).

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

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

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

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

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

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

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

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

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

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

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

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

86 (b) If a majority of voters votes against imposing a tax at the rate established by the
87 vote of the fiscal year taxing entity's legislative body, the certified tax rate for the fiscal year
88 taxing entity is its most recent certified tax rate.

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

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

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

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

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

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

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

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

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

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

114 **53A-16-106. Annual certification of tax rate proposed by local school board --**
115 **Inclusion of school district budget -- Modified filing date.**

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

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

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

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

126 **53A-16-113. Capital local levy -- First class county required levy -- Allowable**
127 **uses of collected revenue.**

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

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

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

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

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

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

141 (b) revenue from eligible new growth as defined in [~~Subsection~~] Section

142 59-2-924[(4)(c)].

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

147 (4) (a) The county treasurer of a county of the first class shall distribute revenues
148 generated by the .0006 portion of the capital local levy required in Subsection (2) to school
149 districts within the county in accordance with Section 53A-16-114.

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

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

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

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

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

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

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

169 (ii) 2500 Support Services - Central Services.

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

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

173 **53A-17a-103. Definitions.**

174 As used in this chapter:

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

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

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

185 (ii) the product of:

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

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

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

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

194 (ii) semiconductor manufacturing equipment.

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

197 (i) the taxable value of real property assessed by a county assessor contained on the

198 assessment roll;

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

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

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

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

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

210 (c) (i) The board shall establish the number of days or equivalent instructional hours
211 that school is held for an academic school year.

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

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

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

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

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

225 (iii) If a local school board or charter school governing board reallocates instructional

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

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

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

- 234 (i) Basic School Program;
- 235 (ii) Related to Basic Programs;
- 236 (iii) Voted and Board Levy Programs; or
- 237 (iv) Minimum School Program.

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

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

242 **53A-17a-133. State-supported voted local levy authorized -- Election**
243 **requirements -- State guarantee -- Reconsideration of the program.**

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

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

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

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

253 (3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at

254 an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special
255 tax.

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

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

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

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

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

271 (c) (i) Beginning July 1, 2015, the \$33.27 guarantee under Subsections (4)(a) and (b)
272 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12
273 program by making the value of the guarantee equal to .011194 times the value of the prior
274 year's weighted pupil unit for the grades 1 through 12 program.

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

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

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

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

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

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

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

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

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

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

302 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
303 school board levies, the board must allow the electors, in an election, to consider modifying or
304 discontinuing the imposition of the levy prior to a subsequent increase in other levies that
305 would increase the total local school board levy.

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

309 (6) Notwithstanding Section [59-2-919](#), a school district may budget an increased

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

313 (a) the voted local levy is approved:

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

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

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

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

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

326 (b) the voted local levy was approved:

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

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

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

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

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

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

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

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

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

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

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

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

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

358 **53A-17a-164. Board local levy -- State guarantee.**

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

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

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

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

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

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

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

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

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

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

392 ~~[(i) a recreation levy imposed under Section 11-2-7;]~~

393 ~~[(ii) a transportation levy imposed under Section 53A-17a-127;]~~

- 394 [~~(iii) a board-authorized levy imposed under Section 53A-17a-134;~~]
- 395 [~~(iv) an impact aid levy imposed under Section 53A-17a-143;~~]
- 396 [~~(v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is~~
- 397 ~~budgeted for purposes other than capital outlay or debt service;~~]
- 398 [~~(vi) a reading levy imposed under Section 53A-17a-151; and~~]
- 399 [~~(vii) a tort liability levy imposed under Section 63G-7-704; and~~]
- 400 [~~(b) revenue from new growth as defined in Subsection 59-2-924(4)(c).]~~

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

402 **53A-19-105. School district interfund transfers.**

403 (1) A school district shall spend revenues only within the fund for which they were

404 originally authorized, levied, collected, or appropriated.

405 (2) Except as otherwise provided in this section, school district interfund transfers of

406 residual equity are prohibited.

407 (3) The State Board of Education may authorize school district interfund transfers of

408 residual equity when a district states its intent to create a new fund or expand, contract, or

409 liquidate an existing fund.

410 (4) The State Board of Education may also authorize school district interfund transfers

411 of residual equity for a financially distressed district if the board determines the following:

412 (a) the district has a significant deficit in its maintenance and operations fund caused

413 by circumstances not subject to the administrative decisions of the district;

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

415 (c) without the transfer, the school district will not be capable of meeting statewide

416 educational standards adopted by the State Board of Education.

417 (5) The board shall develop standards for defining and aiding financially distressed

418 school districts under this section in accordance with Title 63G, Chapter 3, Utah

419 Administrative Rulemaking Act.

420 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded

421 and reported in the debt service fund.

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

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

427 (d) Any amounts left in the debt service fund after all general obligation debt has been
428 retired may be transferred to the capital projects fund upon completion of the budgetary hearing
429 process required under Section 53A-19-102.

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

431 **59-2-102. Definitions.**

432 As used in this chapter and title:

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

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

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

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

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

445 (i) operates:

446 (A) on an interstate route; and

447 (B) on a scheduled basis; and

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

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

451 (i) air charter service; or

452 (ii) air contract service.

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

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

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

463 (ii) the product of:

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

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

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

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

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

471 (ii) semiconductor manufacturing equipment.

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

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

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

477 (iii) the taxable year end value of personal property assessed by a county assessor

478 contained on the prior year's assessment roll.

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

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

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

485 (c) vehicles that are:

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

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

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

490 (iv) used or licensed in this state for use as ambulances or hearses;

491 (v) especially designed and used for garbage and rubbish collection; or

492 (vi) used exclusively to transport students or their instructors to or from any private,
493 public, or religious school or school activities.

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

497 (i) a county; and

498 (ii) a school district.

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

501 (i) the taxing entities described in Subsection (9)(a); and

502 (ii) (A) a city or town if the boundaries of the school district under Subsection (9)(a)
503 and the boundaries of the city or town are identical; or

504 (B) a special service district if the boundaries of the school district under Subsection
505 (9)(a) are located entirely within the special service district.

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

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

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

513 (i) \$5,000; or

514 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the
515 previous fiscal year.

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

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

520 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to
521 comply with the reporting requirements of this chapter; or

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

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

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

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

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

543 (15) "Geothermal resource" means:

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

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

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

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

550 (A) of a taxpayer; and

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

552 (ii) the ability of a business to:

553 (A) generate income:

554 (I) that exceeds a normal rate of return on assets; and

555 (II) resulting from a factor described in Subsection (16)(b); or

556 (B) obtain an economic or competitive advantage resulting from a factor described in
557 Subsection (16)(b).

558 (b) The following factors apply to Subsection (16)(a)(ii):

559 (i) superior management skills;

560 (ii) reputation;

561 (iii) customer relationships;

- 562 (iv) patronage; or
- 563 (v) a factor similar to Subsections (16)(b)(i) through (iv).
- 564 (c) "Goodwill" does not include:
- 565 (i) the intangible property described in Subsection (20)(a) or (b);
- 566 (ii) locational attributes of real property, including:
- 567 (A) zoning;
- 568 (B) location;
- 569 (C) view;
- 570 (D) a geographic feature;
- 571 (E) an easement;
- 572 (F) a covenant;
- 573 (G) proximity to raw materials;
- 574 (H) the condition of surrounding property; or
- 575 (I) proximity to markets;
- 576 (iii) value attributable to the identification of an improvement to real property,
- 577 including:
- 578 (A) reputation of the designer, builder, or architect of the improvement;
- 579 (B) a name given to, or associated with, the improvement; or
- 580 (C) the historic significance of an improvement; or
- 581 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 582 of the existing tangible property in place working together as a unit.
- 583 (17) "Governing body" means:
- 584 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 585 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
- 586 Local Districts, the local district's board of trustees;
- 587 (c) for a school district, the local board of education; or
- 588 (d) for a special service district under Title 17D, Chapter 1, Special Service District
- 589 Act:

590 (i) the legislative body of the county or municipality that created the special service
591 district, to the extent that the county or municipal legislative body has not delegated authority
592 to an administrative control board established under Section 17D-1-301; or

593 (ii) the administrative control board, to the extent that the county or municipal
594 legislative body has delegated authority to an administrative control board established under
595 Section 17D-1-301.

596 (18) (a) For purposes of Section 59-2-103:

597 (i) "household" means the association of persons who live in the same dwelling,
598 sharing its furnishings, facilities, accommodations, and expenses; and

599 (ii) "household" includes married individuals, who are not legally separated, that have
600 established domiciles at separate locations within the state.

601 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
602 commission may make rules defining the term "domicile."

603 (19) (a) Except as provided in Subsection (19)(c), "improvement" means a building,
604 structure, fixture, fence, or other item that is permanently attached to land, regardless of
605 whether the title has been acquired to the land, if:

606 (i) (A) attachment to land is essential to the operation or use of the item; and

607 (B) the manner of attachment to land suggests that the item will remain attached to the
608 land in the same place over the useful life of the item; or

609 (ii) removal of the item would:

610 (A) cause substantial damage to the item; or

611 (B) require substantial alteration or repair of a structure to which the item is attached.

612 (b) "Improvement" includes:

613 (i) an accessory to an item described in Subsection (19)(a) if the accessory is:

614 (A) essential to the operation of the item described in Subsection (19)(a); and

615 (B) installed solely to serve the operation of the item described in Subsection (19)(a);

616 and

617 (ii) an item described in Subsection (19)(a) that:

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

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

674 otherwise removing a mineral from a mine.

675 (26) (a) "Mobile flight equipment" means tangible personal property that is:

676 (i) owned or operated by an:

677 (A) air charter service;

678 (B) air contract service; or

679 (C) airline; and

680 (ii) (A) capable of flight;

681 (B) attached to an aircraft that is capable of flight; or

682 (C) contained in an aircraft that is capable of flight if the tangible personal property is

683 intended to be used:

684 (I) during multiple flights;

685 (II) during a takeoff, flight, or landing; and

686 (III) as a service provided by an air charter service, air contract service, or airline.

687 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare

688 engine that is rotated:

689 (A) at regular intervals; and

690 (B) with an engine that is attached to the aircraft.

691 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

692 commission may make rules defining the term "regular intervals."

693 (27) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,

694 sand, rock, gravel, and all carboniferous materials.

695 (28) "Part-year residential property" means property that is not residential property on

696 January 1 of a calendar year but becomes residential property after January 1 of the calendar

697 year.

698 (29) "Personal property" includes:

699 (a) every class of property as defined in Subsection (30) that is the subject of

700 ownership and not included within the meaning of the terms "real estate" and "improvements";

701 (b) gas and water mains and pipes laid in roads, streets, or alleys;

- 702 (c) bridges and ferries;
- 703 (d) livestock; and
- 704 (e) outdoor advertising structures as defined in Section 72-7-502.

705 (30) (a) "Property" means property that is subject to assessment and taxation according
706 to its value.

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

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

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

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

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

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

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

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

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

729 (b) all mines, minerals, and quarries in and under the land, all timber belonging to

730 individuals or corporations growing or being on the lands of this state or the United States, and
731 all rights and privileges appertaining to these; and

732 (c) improvements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

757 (ii) an entity with an ownership interest in the land surface rights of the property where

758 the wellhead is located;

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

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

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

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

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

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

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

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

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

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

782 Section 9. Section 59-2-913 is amended to read:

783 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**
784 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**
785 **establishing tax levies -- Format of statement.**

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

- 788 (a) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 789 (b) semiconductor manufacturing equipment.

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

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

793 (i) before June 22; or

794 (ii) with the approval of the commission, on a subsequent date prior to the date
795 required by Section 59-2-1317 for the county treasurer to provide the notice under Section
796 59-2-1317.

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

799 (3) For purposes of establishing the levy set for each of a taxing entity's applicable
800 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing
801 the budgeted property tax revenues, specified in a budget which has been adopted and
802 approved prior to setting the levy, by the amount calculated under Subsections
803 59-2-924~~[(3)(c)(ii)(A) through (C)]~~ (4)(b)(i) through (iii).

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

805 (a) be determined by the commission; and

806 (b) cite any applicable statutory provisions that:

807 (i) require a specific levy; or

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

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

811 Section 10. Section 59-2-919 is amended to read:

812 **59-2-919. Notice and public hearing requirements for certain tax increases --**
813 **Exceptions.**

814 (1) As used in this section:

815 (a) "Ad valorem tax revenue" means ad valorem property tax revenue not including
816 revenue from:

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

818 (ii) personal property that is:

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

820 (B) semiconductor manufacturing equipment.

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

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

825 (d) "County executive calendar year taxing entity" means a calendar year taxing entity
826 that operates under the county executive-council form of government described in Section
827 [17-52-504](#).

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

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

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

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

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

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

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

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

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

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

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

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

854 (iv) provides notice by mail:

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

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

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

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

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

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

863 (A) county council;

864 (B) county executive; or

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

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

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

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

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

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

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

879 (B) listed on the assessment roll;

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

881 (A) is developed by the commission;

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

883 "NOTICE OF PROPOSED TAX INCREASE"; and

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

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

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

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

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

891 (iv) shall contain the following statement:

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

897 (v) shall state the date, time, and place of the public hearing described in Subsection

898 (3)(a)(v); and
899 (vi) may contain other property tax information approved by the commission.
900 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall
901 calculate the estimated tax on property on the basis of:
902 (i) data for the current calendar year; and
903 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
904 section.
905 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate
906 that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:
907 (a) provides notice by meeting the advertisement requirements of Subsections (6) and
908 (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year
909 taxing entity's annual budget is adopted; and
910 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
911 fiscal year taxing entity's annual budget is adopted.
912 (5) (a) A taxing entity is not required to meet the notice or public hearing requirements
913 of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with
914 the requirements of this section.
915 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or
916 (4) if:
917 (i) Section [53A-17a-133](#) allows the taxing entity to levy a tax rate that exceeds that
918 certified tax rate without having to comply with the notice provisions of this section; or
919 (ii) the taxing entity:
920 (A) budgeted less than \$20,000 in ad valorem tax revenues for the previous fiscal year;
921 and
922 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax
923 revenues.
924 (6) (a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this
925 section shall be published:

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

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

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

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

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

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

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

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

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

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

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

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

941 (B) not be of limited subject matter.

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

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

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

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

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

953 (B) state that the taxing entity will meet on a certain day, time, and place fixed in the

954 advertisement, which shall be seven or more days after the day the first advertisement is
955 published, for the purpose of hearing comments regarding any proposed increase and to explain
956 the reasons for the proposed increase.

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

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

964 "NOTICE OF PROPOSED TAX INCREASE
965 (NAME OF TAXING ENTITY)

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

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

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

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

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

977 PUBLIC HEARING

978 Date/Time: (date) (time)

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

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

982 (7) The commission:

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

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

987 (i) the use of a weekly newspaper:

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

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

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

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

994 (B) the direct notice is different and separate from that provided for in Section
995 59-2-919.1; and

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

998 (8) (a) (i) (A) A fiscal year taxing entity shall, on or before March 1, notify the county
999 legislative body in which the fiscal year taxing entity is located of the date, time, and place of
1000 the first public hearing at which the fiscal year taxing entity's annual budget will be discussed.

1001 (B) A county that receives notice from a fiscal year taxing entity under Subsection
1002 (8)(a)(i)(A) shall include on the notice required by Section 59-2-919.1 the date, time, and place
1003 of the public hearing described in Subsection (8)(a)(i)(A).

1004 (ii) A calendar year taxing entity shall, on or before October 1 of the current calendar
1005 year, notify the county legislative body in which the calendar year taxing entity is located of the
1006 date, time, and place of the first public hearing at which the calendar year taxing entity's annual
1007 budget will be discussed.

1008 (b) (i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be open to the
1009 public.

1010 (ii) The governing body of a taxing entity conducting a public hearing described in
1011 Subsection (3)(a)(v) or (4)(b) shall provide an interested party desiring to be heard an
1012 opportunity to present oral testimony within reasonable time limits.

1013 (c) (i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a
1014 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing
1015 of another overlapping taxing entity in the same county.

1016 (ii) The taxing entities in which the power to set tax levies is vested in the same
1017 governing board or authority may consolidate the public hearings described in Subsection
1018 (3)(a)(v) or (4)(b) into one public hearing.

1019 (d) A county legislative body shall resolve any conflict in public hearing dates and
1020 times after consultation with each affected taxing entity.

1021 (e) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or
1022 (4)(b) beginning at or after 6 p.m.

1023 (9) (a) If a taxing entity does not make a final decision on budgeting additional ad
1024 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b), the taxing
1025 entity shall announce at that public hearing the scheduled time and place of the next public
1026 meeting at which the taxing entity will consider budgeting the additional ad valorem tax
1027 revenue.

1028 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount
1029 of additional ad valorem tax revenue that exceeds the largest amount of additional ad valorem
1030 tax revenue stated at a public meeting under Subsection (3)(a)(i).

1031 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
1032 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's proposed
1033 annual budget.

1034 Section 11. Section **59-2-924** is amended to read:

1035 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
1036 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
1037 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**

1038 **commission.**

1039 (1) As used in this section:

1040 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
1041 this chapter.

1042 (ii) "Ad valorem property tax revenue" does not include:

1043 (A) interest;

1044 (B) penalties;

1045 (C) collections from redemptions; or

1046 (D) revenue received by a taxing entity from personal property that is semiconductor
1047 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
1048 Assessment.

1049 (b) (i) "Aggregate taxable value of all property taxed" means:

1050 (A) the aggregate taxable value of all real property a county assessor assesses in
1051 accordance with Part 3, County Assessment, for the current year;

1052 (B) the aggregate taxable value of all real and personal property the commission
1053 assesses in accordance with Part 2, Assessment of Property, for the current year; and

1054 (C) the aggregate year end taxable value of all personal property a county assessor
1055 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
1056 of the taxing entity.

1057 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
1058 end taxable value of personal property that is:

1059 (A) semiconductor manufacturing equipment assessed by a county assessor in
1060 accordance with Part 3, County Assessment; and

1061 (B) contained on the prior year's tax rolls of the taxing entity.

1062 (c) "Centrally assessed benchmark value" means an amount equal to the highest year
1063 end taxable value of real and personal property the commission assesses in accordance with
1064 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
1065 2015, adjusted for taxable value attributable to:

1066 (i) an annexation to a taxing entity; or
1067 (ii) an incorrect allocation of taxable value of real or personal property the commission
1068 assesses in accordance with Part 2, Assessment of Property.

1069 (d) (i) "Centrally assessed new growth" means the greater of:
1070 (A) zero; or
1071 (B) the amount calculated by subtracting the centrally assessed benchmark value
1072 adjusted for prior year end incremental value from the taxable value of real and personal
1073 property the commission assesses in accordance with Part 2, Assessment of Property, for the
1074 current year, adjusted for current year incremental value.

1075 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
1076 change in the method of apportioning the value prescribed by the Legislature, a court, or the
1077 commission in an administrative rule or administrative order.

1078 (e) "Certified tax rate" means a tax rate that will provide the same ad valorem property
1079 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

1080 (f) "Eligible new growth" means the greater of:

1081 (i) zero; or

1082 (ii) the sum of:

1083 (A) locally assessed new growth;

1084 (B) centrally assessed new growth; and

1085 (C) project area new growth.

1086 (g) "Incremental value" means the same as that term is defined in Section [17C-1-102](#)

1087 except that incremental value applies to property located within a project area, regardless of the
1088 type of project area.

1089 (h) (i) "Locally assessed new growth" means the greater of:

1090 (A) zero; or

1091 (B) the amount calculated by subtracting the year end taxable value of real property the
1092 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
1093 adjusted for prior year end incremental value from the taxable value of real property the county

1094 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
1095 for current year incremental value.

1096 (ii) "Locally assessed new growth" does not include a change in:

1097 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or
1098 another adjustment; or

1099 (B) assessed value based on whether a property is allowed a residential exemption for a
1100 primary residence under Section 59-2-103.

1101 (i) "Project area" means the same as that term is defined in Section 17C-1-102.

1102 (j) "Project area new growth" means an amount equal to the incremental value that is
1103 no longer provided to an agency as tax increment.

1104 ~~[(+)]~~ (2) Before June 1 of each year, the county assessor of each county shall deliver to
1105 the county auditor and the commission the following statements:

1106 (a) a statement containing the aggregate valuation of all taxable real property [~~assessed~~
1107 ~~by~~] a county assessor assesses in accordance with Part 3, County Assessment, for each taxing
1108 entity; and

1109 (b) a statement containing the taxable value of all personal property [~~assessed by~~] a
1110 county assessor assesses in accordance with Part 3, County Assessment, from the prior year
1111 end values.

1112 ~~[(2)]~~ (3) The county auditor shall, on or before June 8, transmit to the governing body
1113 of each taxing entity:

1114 (a) the statements described in Subsections ~~[(+)]~~ (2)(a) and (b);

1115 (b) an estimate of the revenue from personal property;

1116 (c) the certified tax rate; and

1117 (d) all forms necessary to submit a tax levy request.

1118 ~~[(3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem~~
1119 ~~property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior~~
1120 ~~year.]~~

1121 ~~[(b) For purposes of this Subsection (3):]~~

1122 ~~[(i) "Ad valorem property tax revenues" do not include:]~~
 1123 ~~[(A) interest;]~~
 1124 ~~[(B) penalties; and]~~
 1125 ~~[(C) revenue received by a taxing entity from personal property that is:]~~
 1126 ~~[(F) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~
 1127 ~~[(H) semiconductor manufacturing equipment.]~~
 1128 ~~[(ii) "Aggregate taxable value of all property taxed" means:]~~
 1129 ~~[(A) the aggregate taxable value of all real property assessed by a county assessor in~~
 1130 ~~accordance with Part 3, County Assessment, for the current year;]~~
 1131 ~~[(B) the aggregate taxable year end value of all personal property assessed by a county~~
 1132 ~~assessor in accordance with Part 3, County Assessment, for the prior year; and]~~
 1133 ~~[(C) the aggregate taxable value of all real and personal property assessed by the~~
 1134 ~~commission in accordance with Part 2, Assessment of Property, for the current year.]~~
 1135 ~~[(c)(i)]~~ (4) (a) Except as otherwise provided in this section, the certified tax rate shall
 1136 be calculated by dividing the ad valorem property tax ~~[revenues]~~ revenue that a taxing entity
 1137 budgeted for the prior year ~~[by the taxing entity]~~ by the amount calculated under Subsection
 1138 ~~[(3)(c)(ii)]~~ (4)(b).
 1139 ~~[(ii)]~~ (b) For purposes of Subsection ~~[(3)(c)(i)]~~ (4)(a), the legislative body of a taxing
 1140 entity shall calculate an amount as follows:
 1141 ~~[(A)]~~ (i) calculate for the taxing entity the difference between:
 1142 ~~[(F)]~~ (A) the aggregate taxable value of all property taxed; and
 1143 ~~[(H)]~~ (B) any [redevelopment] adjustments for [the] current [calendar] year incremental
 1144 value;
 1145 ~~[(B)]~~ (ii) after making the calculation required by Subsection ~~[(3)(c)(ii)(A)]~~ (4)(b)(i),
 1146 calculate an amount determined by increasing or decreasing the amount calculated under
 1147 Subsection ~~[(3)(c)(ii)(A)]~~ (4)(b)(i) by the average of the percentage net change in the value of
 1148 taxable property for the equalization period for the three calendar years immediately preceding
 1149 the current calendar year;

1150 ~~[(C)]~~ (iii) after making the calculation required by Subsection ~~[(3)(c)(ii)(B)]~~ (4)(b)(ii),
1151 calculate the product of:

1152 ~~[(F)]~~ (A) the amount calculated under Subsection ~~[(3)(c)(ii)(B)]~~ (4)(b)(ii); and

1153 ~~[(H)]~~ (B) the percentage of property taxes collected for the five calendar years
1154 immediately preceding the current calendar year; and

1155 ~~[(D)]~~ (iv) after making the calculation required by Subsection ~~[(3)(c)(ii)(C)]~~ (4)(b)(iii),
1156 calculate an amount determined by subtracting eligible new growth from the amount calculated
1157 under ~~[Subsection (3)(c)(ii)(C) any new growth as defined in this section:]~~ Subsection
1158 (4)(b)(iii).

1159 ~~[(I) within the taxing entity; and]~~

1160 ~~[(H) for the following calendar year:]~~

1161 ~~[(Aa) for new growth from real property assessed by a county assessor in accordance~~
1162 ~~with Part 3, County Assessment and all property assessed by the commission in accordance~~
1163 ~~with Section 59-2-201, the current calendar year; and]~~

1164 ~~[(Bb) for new growth from personal property assessed by a county assessor in~~
1165 ~~accordance with Part 3, County Assessment, the prior calendar year.]~~

1166 ~~[(iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all~~
1167 ~~property taxed:]~~

1168 ~~[(A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in~~
1169 ~~Subsection (3)(b)(ii);]~~

1170 ~~[(B) does not include the total taxable value of personal property contained on the tax~~
1171 ~~rolls of the taxing entity that is:]~~

1172 ~~[(I) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1173 ~~[(H) semiconductor manufacturing equipment; and]~~

1174 ~~[(C) for personal property assessed by a county assessor in accordance with Part 3,~~

1175 ~~County Assessment, the taxable value of personal property is the year end value of the personal~~
1176 ~~property contained on the prior year's tax rolls of the entity.]~~

1177 ~~[(iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after~~

1178 ~~January 1, 2007, the value of taxable property does not include the value of personal property~~
1179 ~~that is:]~~

1180 ~~[(A) within the taxing entity assessed by a county assessor in accordance with Part 3,~~
1181 ~~County Assessment; and]~~

1182 ~~[(B) semiconductor manufacturing equipment.]~~

1183 ~~[(v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or~~
1184 ~~after January 1, 2007, the percentage of property taxes collected does not include property taxes~~
1185 ~~collected from personal property that is:]~~

1186 ~~[(A) within the taxing entity assessed by a county assessor in accordance with Part 3,~~
1187 ~~County Assessment; and]~~

1188 ~~[(B) semiconductor manufacturing equipment.]~~

1189 ~~[(vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after~~
1190 ~~January 1, 2009, the value of taxable property does not include the value of personal property~~
1191 ~~that is within the taxing entity assessed by a county assessor in accordance with Part 3, County~~
1192 ~~Assessment.]~~

1193 ~~[(vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
1194 ~~the commission may prescribe rules for calculating redevelopment adjustments for a calendar~~
1195 ~~year.]~~

1196 ~~[(viii) (A) Except as provided in Subsections (3)(c)(ix) and (x), for purposes of~~
1197 ~~Subsection (3)(c)(i), a taxing entity's ad valorem property tax revenues budgeted for the prior~~
1198 ~~year shall be decreased by an amount of revenue equal to the five-year average of the most~~
1199 ~~recent prior five years of redemptions adjusted by the five-year average redemption calculated~~
1200 ~~for the prior year as reported on the county treasurer's final annual settlement required under~~
1201 ~~Subsection 59-2-1365(2).]~~

1202 ~~[(B) A decrease under Subsection (3)(c)(viii)(A) does not apply to the multicounty~~
1203 ~~assessing and collecting levy authorized in Subsection 59-2-1602(2)(a), the certified revenue~~
1204 ~~levy, or the minimum basic tax rate established in Section 53A-17a-135.]~~

1205 ~~[(ix) As used in Subsection (3)(c)(x).]~~

1206 ~~[(A) "One-fourth of qualifying redemptions excess amount" means a qualifying~~
1207 ~~redemptions excess amount divided by four.]~~

1208 ~~[(B) "Qualifying redemptions" means that, for a calendar year, a taxing entity's total~~
1209 ~~amount of redemptions is greater than three times the five-year average of the most recent prior~~
1210 ~~five years of redemptions calculated for the prior year under Subsection (3)(c)(viii)(A).]~~

1211 ~~[(C) "Qualifying redemptions base amount" means an amount equal to three times the~~
1212 ~~five-year average of the most recent prior five years of redemptions for a taxing entity, as~~
1213 ~~reported on the county treasurer's final annual settlement required under Subsection~~
1214 ~~59-2-1365(2).]~~

1215 ~~[(D) "Qualifying redemptions excess amount" means the amount by which a taxing~~
1216 ~~entity's qualifying redemptions for a calendar year exceed the qualifying redemptions base~~
1217 ~~amount for that calendar year.]~~

1218 ~~[(x) (A) If, for a calendar year, a taxing entity has qualifying redemptions, the~~
1219 ~~redemption amount for purposes of calculating the five-year redemption average required by~~
1220 ~~Subsection (3)(c)(viii)(A) is as provided in Subsections (3)(c)(x)(B) and (C).]~~

1221 ~~[(B) For the initial calendar year a taxing entity has qualifying redemptions, the taxing~~
1222 ~~entity's redemption amount for that calendar year is the qualifying redemptions base amount.]~~

1223 ~~[(C) For each of the four calendar years after the calendar year described in Subsection~~
1224 ~~(3)(c)(x)(B), one-fourth of the qualifying redemptions excess amount shall be added to the~~
1225 ~~redemption amount.]~~

1226 ~~[(d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
1227 ~~the commission shall make rules determining the calculation of ad valorem property tax~~
1228 ~~revenues budgeted by a taxing entity.]~~

1229 ~~[(ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted~~
1230 ~~by a taxing entity shall be calculated in the same manner as budgeted property tax revenues are~~
1231 ~~calculated for purposes of Section 59-2-913.]~~

1232 ~~[(e) The certified tax rates for the taxing entities]~~

1233 (5) A certified tax rate for a taxing entity described in this Subsection [(3)(e)] (5) shall

1234 be calculated as follows:

1235 ~~[(i)]~~ (a) except as provided in Subsection ~~[(3)(e)(ii)]~~ (5)(b), for a new taxing [entities]
1236 entity, the certified tax rate is zero;

1237 ~~[(i)]~~ (b) for ~~[each]~~ a municipality incorporated on or after July 1, 1996, the certified
1238 tax rate is:

1239 ~~[(A)]~~ (i) in a county of the first, second, or third class, the levy imposed for
1240 municipal-type services under Sections 17-34-1 and 17-36-9; and

1241 ~~[(B)]~~ (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general
1242 county purposes and such other levies imposed solely for the municipal-type services identified
1243 in Section 17-34-1 and Subsection 17-36-3(22); and

1244 ~~[(iii)]~~ (c) for debt service voted on by the public, the certified tax rate ~~[shall be]~~ is the
1245 actual levy imposed by that section, except that ~~[the]~~ a certified tax ~~[rates]~~ rate for the
1246 following levies shall be calculated in accordance with Section 59-2-913 and this section:

1247 ~~[(A) school levies]~~ (i) a school levy provided for under ~~[Sections]~~ Section
1248 53A-16-113, 53A-17a-133, [and] or 53A-17a-164; and

1249 ~~[(B) levies]~~ (ii) a levy to pay for the costs of state legislative mandates or judicial or
1250 administrative orders under Section 59-2-1602.

1251 ~~[(f)(i)]~~ (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 ~~[shall~~
1252 ~~be established at that rate which]~~ may be imposed at a rate that is sufficient to generate only the
1253 revenue required to satisfy one or more eligible judgments~~[, as defined in Section 59-2-102]~~.

1254 ~~[(ii)]~~ (b) The ad valorem property tax revenue generated by ~~[the]~~ a judgment levy
1255 ~~[shall]~~ described in Subsection (6)(a) may not be considered in establishing ~~[the]~~ a taxing
1256 entity's aggregate certified tax rate.

1257 ~~[(g)]~~ (7) The ad valorem property tax revenue generated by the capital local levy
1258 described in Section 53A-16-113 within a taxing entity in a county of the first class:

1259 ~~[(i)]~~ (a) may not be considered in establishing the school district's aggregate certified
1260 tax rate; and

1261 ~~[(ii)]~~ (b) shall be included by the commission in establishing a certified tax rate for that

1262 capital ~~[outlay]~~ local levy determined in accordance with the calculation described in
1263 Subsection 59-2-913(3).

1264 ~~[(4)]~~ (8) (a) For the purpose of calculating the certified tax rate, the county auditor shall
1265 use:

1266 (i) the taxable value of real property ~~[assessed by a county assessor contained on the~~
1267 ~~assessment roll];~~

1268 (A) the county assessor assesses in accordance with Part 3, County Assessment; and

1269 (B) contained on the assessment roll;

1270 (ii) the year end taxable value of personal property:

1271 (A) a county assessor assesses in accordance with Part 3, County Assessment; and

1272 (B) contained on the prior year's assessment roll; and

1273 ~~[(ii)]~~ (iii) the taxable value of real and personal property ~~[assessed by]~~ the
1274 commission~~;~~ and assesses in accordance with Part 2, Assessment of Property.

1275 ~~[(iii) the taxable year end value of personal property assessed by a county assessor~~
1276 ~~contained on the prior year's assessment roll.]~~

1277 (b) For purposes of Subsection ~~[(4)(a)(i), the]~~ (8)(a), taxable value ~~[of real property on~~
1278 ~~the assessment roll]~~ does not include eligible new growth ~~[as defined in Subsection (4)(c)].~~

1279 ~~[(c) "New growth" means:]~~

1280 ~~[(i) the difference between the increase in taxable value of the following property of~~
1281 ~~the taxing entity from the previous calendar year to the current year:]~~

1282 ~~[(A) real property assessed by a county assessor in accordance with Part 3, County~~
1283 ~~Assessment; and]~~

1284 ~~[(B) property assessed by the commission under Section 59-2-201; plus]~~

1285 ~~[(ii) the difference between the increase in taxable year end value of personal property~~
1286 ~~of the taxing entity from the year prior to the previous calendar year to the previous calendar~~
1287 ~~year; minus]~~

1288 ~~[(iii) the amount of an increase in taxable value described in Subsection (4)(c).]~~

1289 ~~[(d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the~~

1290 ~~taxing entity does not include the taxable value of personal property that is:~~

1291 ~~[(i) contained on the tax rolls of the taxing entity if that property is assessed by a~~

1292 ~~county assessor in accordance with Part 3, County Assessment, and]~~

1293 ~~[(ii) semiconductor manufacturing equipment.]~~

1294 ~~[(e) Subsection (4)(c)(iii) applies to the following increases in taxable value:]~~

1295 ~~[(i) the amount of increase to locally assessed real property taxable values resulting~~

1296 ~~from factoring, reappraisal, or any other adjustments; or]~~

1297 ~~[(ii) the amount of an increase in the taxable value of property assessed by the~~

1298 ~~commission under Section 59-2-201 resulting from a change in the method of apportioning the~~

1299 ~~taxable value prescribed by:]~~

1300 ~~[(A) the Legislature;]~~

1301 ~~[(B) a court;]~~

1302 ~~[(C) the commission in an administrative rule; or]~~

1303 ~~[(D) the commission in an administrative order.]~~

1304 ~~[(f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal~~

1305 ~~property on the prior year's assessment roll does not include:]~~

1306 ~~[(i) new growth as defined in Subsection (4)(c); or]~~

1307 ~~[(ii) the total taxable year end value of personal property contained on the prior year's~~

1308 ~~tax rolls of the taxing entity that is:]~~

1309 ~~[(A) assessed by a county assessor in accordance with Part 3, County Assessment, and]~~

1310 ~~[(B) semiconductor manufacturing equipment.]~~

1311 ~~[(5)] (9) (a) On or before June 22, [each] a taxing entity shall annually adopt a tentative~~

1312 ~~budget.~~

1313 ~~(b) If [the] a taxing entity intends to exceed the certified tax rate, [it] the taxing entity~~

1314 ~~shall notify the county auditor of:~~

1315 ~~(i) [its] the taxing entity's intent to exceed the certified tax rate; and~~

1316 ~~(ii) the amount by which [it] the taxing entity proposes to exceed the certified tax rate.~~

1317 ~~(c) The county auditor shall notify property owners of any intent to levy a tax rate that~~

1318 exceeds the certified tax rate in accordance with Sections [59-2-919](#) and [59-2-919.1](#).

1319 (10) (a) Subject to Subsection (10)(d), the commission shall provide notice, through
1320 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
1321 Committee if:

1322 (i) the amount calculated under Subsection (10)(b) is 10% or more of the year end
1323 taxable value of the real and personal property the commission assesses in accordance with
1324 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
1325 value; and

1326 (ii) the amount calculated under Subsection (10)(c) is 50% or more of the total year
1327 end taxable value of the real and personal property of a taxpayer the commission assesses in
1328 accordance with Part 2, Assessment of Property, for the previous year.

1329 (b) For purposes of Subsection (10)(a)(i), the commission shall calculate an amount by
1330 subtracting the taxable value of real and personal property the commission assesses in
1331 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
1332 incremental value, from the year end taxable value of the real and personal property the
1333 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
1334 adjusted for prior year end incremental value.

1335 (c) For purposes of Subsection (10)(a)(ii), the commission shall calculate an amount by
1336 subtracting the total taxable value of real and personal property of a taxpayer the commission
1337 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
1338 year end taxable value of the real and personal property of a taxpayer the commission assesses
1339 in accordance with Part 2, Assessment of Property, for the previous year.

1340 (d) The notification under Subsection (10)(a) shall include a list of taxpayers that meet
1341 the requirement under Subsection (10)(a)(ii).

1342 Section 12. Section **59-2-924.3** is amended to read:

1343 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
1344 **district imposing a capital local levy in a county of the first class.**

1345 (1) As used in this section:

1346 (a) "Capital local levy increment" means the amount of revenue equal to the difference
1347 between:

1348 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1349 within a school district during a fiscal year; and

1350 (ii) the amount of revenue the school district received during the same fiscal year from
1351 the distribution described in Section 53A-16-114.

1352 (b) "Contributing school district" means a school district in a county of the first class
1353 that in a fiscal year receives less revenue from the distribution described in Section
1354 53A-16-114 than it would have received during the same fiscal year from a levy imposed
1355 within the school district of .0006 per dollar of taxable value.

1356 (c) "Receiving school district" means a school district in a county of the first class that
1357 in a fiscal year receives more revenue from the distribution described in Section 53A-16-114
1358 than it would have received during the same fiscal year from a levy imposed within the school
1359 district of .0006 per dollar of taxable value.

1360 (2) A receiving school district shall decrease its capital local levy certified tax rate
1361 under Subsection 59-2-924~~(3)(g)(ii)~~ (7)(b) by the amount required to offset the receiving
1362 school district's estimated capital local levy increment for the prior fiscal year.

1363 (3) A contributing school district is exempt from the notice and public hearing
1364 provisions of Section 59-2-919 for the school district's capital local levy certified tax rate
1365 calculated pursuant to Subsection 59-2-924~~(3)(g)(ii)~~ (7)(b) if:

1366 (a) the contributing school district budgets an increased amount of ad valorem property
1367 tax revenue exclusive of eligible new growth as defined in [~~Subsection~~] Section 59-2-924~~(4)~~
1368 for the capital local levy described in Section 53A-16-113; and

1369 (b) the increased amount of ad valorem property tax revenue described in Subsection
1370 (3)(a) is less than or equal to the difference between:

1371 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1372 imposed within the contributing school district during the current taxable year; and

1373 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value

1374 imposed within the contributing school district during the prior taxable year.

1375 (4) Regardless of the amount a school district receives from the revenue collected from
1376 the .0006 portion of the capital local levy required in Section 53A-16-113, the revenue
1377 generated within the school district from the .0006 portion of the capital local levy required in
1378 Section 53A-16-113 shall be considered to be budgeted ad valorem property tax revenues of
1379 the school district that levies the .0006 portion of the capital local levy for purposes of
1380 calculating the school district's certified tax rate in accordance with Subsection
1381 59-2-924[(3)(g)(ii)] (7)(b).

1382 Section 13. Section 59-2-926 is amended to read:

1383 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1384 If the state authorizes a levy pursuant to Section 53A-17a-135 that exceeds the certified
1385 revenue levy as defined in Section 53A-17a-103 or authorizes a levy pursuant to Section
1386 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the state shall
1387 publish a notice no later than 10 days after the last day of the annual legislative general session
1388 that meets the following requirements:

1389 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state
1390 authorized a levy that generates revenue in excess of the previous year's ad valorem tax
1391 revenue, plus eligible new growth as defined in Section 59-2-924, but exclusive of revenue
1392 from collections from redemptions, interest, and penalties:

1393 (i) in a newspaper of general circulation in the state; and

1394 (ii) as required in Section 45-1-101.

1395 (b) Except an advertisement published on a website, the advertisement described in
1396 Subsection (1)(a):

1397 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18
1398 point, and surrounded by a 1/4-inch border:

1399 (ii) may not be placed in that portion of the newspaper where legal notices and
1400 classified advertisements appear; and

1401 (iii) shall be run once.

1402 (2) The form and content of the notice shall be substantially as follows:

1403 "NOTICE OF TAX INCREASE

1404 The state has budgeted an increase in its property tax revenue from \$ _____ to
1405 \$ _____ or ____%. The increase in property tax revenues will come from the following
1406 sources (include all of the following provisions):

1407 (a) \$ _____ of the increase will come from (provide an explanation of the cause
1408 of adjustment or increased revenues, such as reappraisals or factoring orders);

1409 (b) \$ _____ of the increase will come from natural increases in the value of the
1410 tax base due to (explain cause of eligible new growth, such as new building activity,
1411 annexation, etc.);

1412 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for
1413 the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or
1414 both) paid \$ _____ in property taxes would pay the following:

1415 (i) \$ _____ if the state of Utah did not budget an increase in property tax revenue
1416 exclusive of eligible new growth; and

1417 (ii) \$ _____ under the increased property tax revenues exclusive of eligible new
1418 growth budgeted by the state of Utah."

1419 Section 14. Section **63I-1-259** is amended to read:

1420 **63I-1-259. Repeal dates, Title 59.**

1421 (1) Subsection ~~59-2-924(3)(g)~~ (7) is repealed on December 31, 2016.

1422 (2) Subsection 59-2-924.2(9) is repealed on December 31, 2017.

1423 (3) Section 59-2-924.3 is repealed on December 31, 2016.

1424 (4) Section 59-7-618 is repealed July 1, 2020.

1425 (5) Section 59-9-102.5 is repealed December 31, 2020.

1426 (6) Section 59-10-1033 is repealed July 1, 2020.

1427 (7) Subsection 59-12-2219(10) is repealed on June 30, 2020.

1428 Section 15. **Effective date.**

1429 This bill takes effect on January 1, 2017.

1430