

CERTIFIED TAX RATE AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to the certified tax rate.

Highlighted Provisions:

This bill:

- ▶ modifies the calculation of the certified tax rate by including an adjustment for inflation; 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
- 59-2-919**, as and further amended by Revisor Instructions, Laws of Utah 2014, Chapter 256 and last amended by Laws of Utah 2014, Chapter 256
- 59-2-924**, as last amended by Laws of Utah 2014, Chapter 270

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



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

29 **20A-7-613. Property tax referendum petition.**

30 (1) As used in this section:

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

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

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

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

40 (4) Notwithstanding Subsection 20A-7-606(1), the sponsors shall deliver each signed
41 and verified referendum packet to the county clerk of the county in which the packet was
42 circulated no later than 40 days after the day on which the local clerk complies with Subsection
43 (3).

44 (5) Notwithstanding Subsections 20A-7-606(2) and (3), the county clerk shall take the
45 actions required in Subsections 20A-7-606(2) and (3) within 10 working days after the day on
46 which the county clerk receives the signed and verified referendum packet as described in
47 Subsection (4).

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

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

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

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

58 (a) the election officer shall prepare absentee ballots for those voters who have

59 requested an absentee ballot as soon as possible after the ballot title is prepared as described in
60 Subsection (7); and

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

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

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

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

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

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

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

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

78 (c) If the tax rate is set in accordance with Subsection (11)(a)(ii), a fiscal year taxing
79 entity is not required to comply with the notice and public hearing requirements of Section
80 59-2-919 if the fiscal year taxing entity complies with those notice and public hearing
81 requirements before the referendum petition is filed.

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

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

89 (14) (a) An election officer shall include on a ballot a referendum that has not yet

90 qualified for placement on the ballot, if:

- 91 (i) sponsors file an application for a referendum described in this section;
- 92 (ii) the ballot will be used for the election for which the sponsors are attempting to
- 93 qualify the referendum; and
- 94 (iii) the deadline for qualifying the referendum for placement on the ballot occurs after
- 95 the day on which the ballot will be printed.

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

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

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

103 **53A-16-106. Annual certification of tax rate proposed by local school board --**
104 **Inclusion of school district budget -- Modified filing date.**

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

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

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

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

115 **59-2-919. Notice and public hearing requirements for certain tax increases --**
116 **Exceptions.**

117 (1) As used in this section:

118 (a) "Ad valorem tax revenue" means ad valorem property tax revenue not including
119 revenue from new growth as defined in Section **59-2-924**.

120 (b) "Additional ad valorem tax revenue" means ad valorem property tax revenue

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

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

124 (d) "Certified tax rate" means the same as that term is defined in Section 59-2-924.

125 ~~(e)~~ (e) "County executive calendar year taxing entity" means a calendar year taxing
126 entity that operates under the county executive-council form of government described in
127 Section 17-52-504.

128 ~~(f)~~ (f) "Current calendar year" means the calendar year immediately preceding the
129 calendar year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the
130 calendar year taxing entity's certified tax rate.

131 ~~(g)~~ (g) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal
132 year that begins on July 1 and ends on June 30.

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

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

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

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

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

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

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

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

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

152 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
153 calendar year taxing entity conducts the public hearing required by Subsection (3)(a)(v);
154 (iv) provides notice by mail:
155 (A) seven or more days before the regular general election or municipal general
156 election held in the current calendar year; and
157 (B) as provided in Subsection (3)(c); and
158 (v) conducts a public hearing that is held:
159 (A) in accordance with Subsections (8) and (9); and
160 (B) in conjunction with the public hearing required by Section [17-36-13](#) or [17B-1-610](#).
161 (b) (i) For a county executive calendar year taxing entity, the statement described in
162 Subsection (3)(a)(i) shall be made by the:
163 (A) county council;
164 (B) county executive; or
165 (C) both the county council and county executive.
166 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
167 county council states a dollar amount of additional ad valorem tax revenue that is greater than
168 the amount of additional ad valorem tax revenue previously stated by the county executive in
169 accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:
170 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before the
171 county executive calendar year taxing entity conducts the public hearing under Subsection
172 (3)(a)(v); and
173 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before the
174 county executive calendar year taxing entity conducts the public hearing required by
175 Subsection (3)(a)(v).
176 (c) The notice described in Subsection (3)(a)(iv):
177 (i) shall be mailed to each owner of property:
178 (A) within the calendar year taxing entity; and
179 (B) listed on the assessment roll;
180 (ii) shall be printed on a separate form that:
181 (A) is developed by the commission;
182 (B) states at the top of the form, in bold upper-case type no smaller than 18 point

183 "NOTICE OF PROPOSED TAX INCREASE"; and
184 (C) may be mailed with the notice required by Section 59-2-1317;
185 (iii) shall contain for each property described in Subsection (3)(c)(i):
186 (A) the value of the property for the current calendar year;
187 (B) the tax on the property for the current calendar year; and
188 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
189 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax
190 rate, the estimated tax on the property;
191 (iv) shall contain the following statement:
192 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
193 year]. This notice contains estimates of the tax on your property and the proposed tax increase
194 on your property as a result of this tax increase. These estimates are calculated on the basis of
195 [insert previous applicable calendar year] data. The actual tax on your property and proposed
196 tax increase on your property may vary from this estimate.";
197 (v) shall state the date, time, and place of the public hearing described in Subsection
198 (3)(a)(v); and
199 (vi) may contain other property tax information approved by the commission.
200 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall
201 calculate the estimated tax on property on the basis of:
202 (i) data for the current calendar year; and
203 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
204 section.
205 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate
206 that exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:
207 (a) provides notice by meeting the advertisement requirements of Subsections (6) and
208 (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year
209 taxing entity's annual budget is adopted; and
210 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
211 fiscal year taxing entity's annual budget is adopted.
212 (5) (a) A taxing entity is not required to meet the notice or public hearing requirements
213 of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with

214 the requirements of this section.

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

217 (i) Section 53A-17a-133 allows the taxing entity to levy a tax rate that exceeds that
218 certified tax rate without having to comply with the notice provisions of this section; or

219 (ii) the taxing entity:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

241 (B) not be of limited subject matter.

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

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

245 and

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

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

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

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

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

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

264 "NOTICE OF PROPOSED TAX INCREASE

265 (NAME OF TAXING ENTITY)

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

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

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

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

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

277 PUBLIC HEARING

278 Date/Time: (date) (time)

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

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

282 (7) The commission:

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

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

287 (i) the use of a weekly newspaper:

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

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

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

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

294 (B) the direct notice is different and separate from that provided for in Section
295 59-2-919.1; and

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

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

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

304 (ii) A calendar year taxing entity shall, on or before October 1 of the current calendar
305 year, notify the county legislative body in which the calendar year taxing entity is located of the
306 date, time, and place of the first public hearing at which the calendar year taxing entity's annual

307 budget will be discussed.

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

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

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

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

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

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

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

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

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

334 Section 4. Section **59-2-924** is amended to read:

335 **59-2-924. Report of valuation of property to county auditor and commission --**
336 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
337 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

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

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

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

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

348 (a) the statements described in Subsections (1)(a) and (b);

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

350 (c) the certified tax rate; and

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

352 (3) (a) (i) For purposes of Subsection (3)(a)(ii), "adjusted for inflation" means adding
353 to the amount of ad valorem property tax revenue a taxing entity budgeted for the prior year an
354 amount equal to the greater of:

355 (A) the amount calculated by multiplying the ad valorem property tax revenue a taxing
356 entity budgeted for the prior year by the actual percent change during the previous calendar
357 year in the Consumer Price Index for All Urban Consumers as published by the Bureau of
358 Labor Statistics of the United States Department of Labor; and

359 (B) zero.

360 (ii) The "certified tax rate" means a tax rate that will provide the same ad valorem
361 property tax [~~revenues~~] revenue for a taxing entity as [~~were~~] was budgeted by that taxing entity
362 for the prior year adjusted for inflation.

363 (b) For purposes of this Subsection (3):

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

365 (A) interest;

366 (B) penalties; and

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

368 (I) [~~assessed by~~] a county assessor assesses in accordance with Part 3, County

369 Assessment; and

370 (II) is semiconductor manufacturing equipment.

371 (ii) "Aggregate taxable value of all property taxed" means:

372 (A) the aggregate taxable value of all real property [~~assessed by~~] a county assessor
373 assesses in accordance with Part 3, County Assessment, for the current year;

374 (B) the aggregate taxable year end value of all personal property [~~assessed by~~] a county
375 assessor assesses in accordance with Part 3, County Assessment, for the prior year; and

376 (C) the aggregate taxable value of all real and personal property [~~assessed by~~] the
377 commission assesses in accordance with Part 2, Assessment of Property, for the current year.

378 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be
379 calculated by dividing the ad valorem property tax [~~revenues~~] revenue that a taxing entity
380 budgeted for the prior year [~~by the taxing entity~~] by the amount calculated under Subsection
381 (3)(c)(ii).

382 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall
383 calculate an amount as follows:

384 (A) calculate for the taxing entity the difference between:

385 (I) the aggregate taxable value of all property taxed; and

386 (II) any redevelopment adjustments for the current calendar year;

387 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
388 amount determined by increasing or decreasing the amount calculated under Subsection
389 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
390 equalization period for the three calendar years immediately preceding the current calendar
391 year;

392 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
393 product of:

394 (I) the amount calculated under Subsection (3)(c)(ii)(B); and

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

397 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
398 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)
399 any new growth as defined in this section:

- 400 (I) within the taxing entity; and
- 401 (II) for the following calendar year:
- 402 (Aa) for new growth from real property [~~assessed by~~] a county assessor assesses in
403 accordance with Part 3, County Assessment and all property [~~assessed by~~] the commission
404 assesses in accordance with Section 59-2-201, the current calendar year; and
- 405 (Bb) for new growth from personal property [~~assessed by~~] a county assessor assesses in
406 accordance with Part 3, County Assessment, the prior calendar year.
- 407 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all
408 property taxed:
- 409 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), [~~is as~~] means the
410 same as that term is defined in Subsection (3)(b)(ii);
- 411 (B) does not include the total taxable value of personal property contained on the tax
412 rolls of the taxing entity that [~~is~~]:
- 413 (I) [~~assessed by~~] a county assessor assesses in accordance with Part 3, County
414 Assessment; and
- 415 (II) is semiconductor manufacturing equipment; and
- 416 (C) for personal property [~~assessed by~~] a county assessor assesses in accordance with
417 Part 3, County Assessment, the taxable value of personal property is the year end value of the
418 personal property contained on the prior year's tax rolls of the entity.
- 419 (iv) For purposes of Subsection (3)(c)(ii)(B), for a calendar [~~years~~] year beginning on
420 or after January 1, 2007, the value of taxable property does not include the value of personal
421 property within the taxing entity that [~~is~~]:
- 422 (A) [~~within the taxing entity assessed by~~] a county assessor assesses in accordance with
423 Part 3, County Assessment; and
- 424 (B) is semiconductor manufacturing equipment.
- 425 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for a calendar [~~years~~] year beginning
426 on or after January 1, 2007, the percentage of property taxes collected does not include
427 property taxes collected from personal property within the taxing entity that [~~is~~]:
- 428 (A) [~~within the taxing entity assessed by~~] a county assessor assesses in accordance with
429 Part 3, County Assessment; and
- 430 (B) is semiconductor manufacturing equipment.

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

435 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
436 the commission may prescribe rules for calculating redevelopment adjustments for a calendar
437 year.

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

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

447 (ix) As used in Subsection (3)(c)(x):

448 (A) "One-fourth of qualifying redemptions excess amount" means a qualifying
449 redemptions excess amount divided by four.

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

453 (C) "Qualifying redemptions base amount" means an amount equal to three times the
454 five-year average of the most recent prior five years of redemptions for a taxing entity, as
455 reported on the county treasurer's final annual settlement required under Subsection
456 [59-2-1365\(2\)](#).

457 (D) "Qualifying redemptions excess amount" means the amount by which a taxing
458 entity's qualifying redemptions for a calendar year exceed the qualifying redemptions base
459 amount for that calendar year.

460 (x) (A) If, for a calendar year, a taxing entity has qualifying redemptions, the
461 redemption amount for purposes of calculating the five-year redemption average required by

462 Subsection (3)(c)(viii)(A) is as provided in Subsections (3)(c)(x)(B) and (C).

463 (B) For the initial calendar year a taxing entity has qualifying redemptions, the taxing
464 entity's redemption amount for that calendar year is the qualifying redemptions base amount.

465 (C) For each of the four calendar years after the calendar year described in Subsection
466 (3)(c)(x)(B), one-fourth of the qualifying redemptions excess amount shall be added to the
467 redemption amount.

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

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

474 (e) The certified tax [~~rates~~] rate for [~~the~~] a taxing [~~entities~~] entity described in this
475 Subsection (3)(e) shall be calculated as follows:

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

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

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

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

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

488 (A) a school [~~levies~~] levy provided for under [~~Sections~~] Section 53A-16-113,
489 53A-17a-133, [~~and~~] or 53A-17a-164; and

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

492 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 [~~shall be~~]

493 ~~established at that rate which~~ may be imposed at a rate that is sufficient to generate only the
 494 revenue required to satisfy one or more eligible judgments~~[-as defined in Section 59-2-102].~~

495 (ii) The ad valorem property tax revenue generated by ~~the~~ a judgment levy described
 496 in Subsection (3)(f)(i) shall not be considered in establishing ~~the~~ a taxing entity's aggregate
 497 certified tax rate.

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

500 (i) may not be considered in establishing the school district's aggregate certified tax
 501 rate; and

502 (ii) shall be included by the commission in establishing a certified tax rate for that
 503 capital ~~outlay~~ local levy determined in accordance with the calculation described in
 504 Subsection 59-2-913(3).

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

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

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

509 (B) contained on the assessment roll;

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

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

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

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

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

517 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the
 518 assessment roll does not include new growth as defined in Subsection (4)(c).

519 (c) "New growth" means:

520 (i) the difference between the increase in taxable value of the following property of the
 521 taxing entity from the previous calendar year to the current year:

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

524 (B) property ~~[assessed by]~~ the commission assesses under Section 59-2-201; plus
525 (ii) the difference between the increase in taxable year end value of personal property
526 of the taxing entity from the year prior to the previous calendar year to the previous calendar
527 year; minus
528 (iii) the amount of an increase in taxable value described in Subsection (4)(e).
529 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the
530 taxing entity does not include the taxable value of personal property that is:
531 (i) contained on the tax rolls of the taxing entity if ~~[that]~~ a county assessor assesses the
532 property ~~[is assessed by a county assessor]~~ in accordance with Part 3, County Assessment; and
533 (ii) semiconductor manufacturing equipment.
534 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:
535 (i) the amount of increase to locally assessed real property taxable values resulting
536 from factoring, reappraisal, or any other adjustments; or
537 (ii) the amount of an increase in the taxable value of property ~~[assessed by]~~ the
538 commission assesses under Section 59-2-201 resulting from a change in the method of
539 apportioning the taxable value prescribed by:
540 (A) the Legislature;
541 (B) a court;
542 (C) the commission in an administrative rule; or
543 (D) the commission in an administrative order.
544 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal
545 property on the prior year's assessment roll does not include:
546 (i) new growth as defined in Subsection (4)(c); or
547 (ii) the total taxable year end value of personal property contained on the prior year's
548 tax rolls of the taxing entity that ~~[is]~~:
549 (A) ~~[assessed by]~~ a county assessor assesses in accordance with Part 3, County
550 Assessment; and
551 (B) is semiconductor manufacturing equipment.
552 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.
553 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
554 auditor of:

- 555 (i) its intent to exceed the certified tax rate; and
556 (ii) the amount by which it proposes to exceed the certified tax rate.
557 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
558 exceeds the certified tax rate in accordance with Sections [59-2-919](#) and [59-2-919.1](#).
559 Section 5. **Effective date.**
560 This bill takes effect on January 1, 2017.
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Legislative Review Note
Office of Legislative Research and General Counsel