

**TRUTH IN TAXATION REVISIONS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tyler Clancy**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies requirements for property tax increases.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires voter approval for taxing entities to impose property tax increases in specified tax years; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**59-2-919**, as last amended by Laws of Utah 2023, Chapters 16, 435

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

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

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

**Exceptions.**



28 (1) As used in this section:

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

31 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including  
32 revenue from:

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

34 (ii) personal property that is:

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

36 (B) semiconductor manufacturing equipment.

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

39 (d) "County executive calendar year taxing entity" means a calendar year taxing entity  
40 that operates under the county executive-council form of government described in Section  
41 17-52a-203.

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

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

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

49 (h) "Specified tax year" means:

50 (i) for a calendar year taxing entity, a taxable year beginning on or after January 1,  
51 2024, but beginning on or before December 31, 2026; and

52 (ii) for a fiscal year taxing entity, a taxable year beginning on or after July 1, 2024, but  
53 beginning on or before June 30, 2027.

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

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

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

58 (3) (a) Subject to Subsection (3)(b) and except as provided in ~~Subsection (5)]~~

59 Subsections (5) and (10), a calendar year taxing entity may levy a tax rate that exceeds the  
60 calendar year taxing entity's certified tax rate if the calendar year taxing entity:

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

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

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

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

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

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

75 (iv) provides notice by mail:

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

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

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

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

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

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

84 (A) county council;

85 (B) county executive; or

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

87 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the  
88 county council states a dollar amount of additional ad valorem tax revenue that is greater than  
89 the amount of additional ad valorem tax revenue previously stated by the county executive in

90 accordance with Subsection (3)(a)(i), the county executive calendar year taxing entity shall:

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

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

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

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

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

100 (B) listed on the assessment roll;

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

102 (A) is developed by the commission;

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

104 "NOTICE OF PROPOSED TAX INCREASE"; and

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

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

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

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

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

112 (iv) shall contain the following statement:

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

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

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

- 121 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall  
122 calculate the estimated tax on property on the basis of:
- 123 (i) data for the current calendar year; and  
124 (ii) the amount of additional ad valorem tax revenue stated in accordance with this  
125 section.
- 126 (4) Except as provided in [~~Subsection (5)~~] Subsections (5) and (10), a fiscal year taxing  
127 entity may levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate if the  
128 fiscal year taxing entity:
- 129 (a) provides notice by meeting the advertisement requirements of Subsections (6) and  
130 (7) before the fiscal year taxing entity conducts the public meeting at which the fiscal year  
131 taxing entity's annual budget is adopted; and  
132 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the  
133 fiscal year taxing entity's annual budget is adopted.
- 134 (5) (a) A taxing entity is not required to meet the notice or public hearing requirements  
135 of Subsection (3) or (4) if the taxing entity is expressly exempted by law from complying with  
136 the requirements of this section.
- 137 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or  
138 (4) if:
- 139 (i) Section [53F-8-301](#) allows the taxing entity to levy a tax rate that exceeds that  
140 certified tax rate without having to comply with the notice provisions of this section; or  
141 (ii) the taxing entity:
- 142 (A) budgeted less than \$20,000 in ad valorem tax revenue for the previous fiscal year;  
143 and  
144 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem tax  
145 revenue.
- 146 (6) (a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this  
147 section shall be published:
- 148 (i) subject to Section [45-1-101](#), in a newspaper or combination of newspapers of  
149 general circulation in the taxing entity;  
150 (ii) electronically in accordance with Section [45-1-101](#); and  
151 (iii) for the taxing entity, as a class A notice under Section [63G-30-102](#), for at least 14

152 days.

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

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

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

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

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

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

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

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

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

164 (B) not be of limited subject matter.

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

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

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

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

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

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

180 (f) If a fiscal year taxing entity's public hearing information is published by the county  
181 auditor in accordance with Section [59-2-919.2](#), the fiscal year taxing entity is not subject to the  
182 requirement to run the advertisement twice, as required by Subsection (6)(e)(i), but shall run

183 the advertisement once during the week before the fiscal year taxing entity conducts a public  
184 hearing at which the taxing entity's annual budget is discussed.

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

187 "NOTICE OF PROPOSED TAX INCREASE  
188 (NAME OF TAXING ENTITY)

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

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

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

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

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

200 PUBLIC HEARING

201 Date/Time: (date) (time)

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

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

205 (7) The commission:

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

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

210 (i) the use of a weekly newspaper:

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

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

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

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

217 (B) the direct notice is different and separate from that provided for in Section  
218 [59-2-919.1](#); and

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

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

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

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

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

232 (A) open to the public; and

233 (B) held at a meeting of the taxing entity with no items on the agenda other than  
234 discussion and action on the taxing entity's intent to levy a tax rate that exceeds the taxing  
235 entity's certified tax rate, the taxing entity's budget, a special district's or special service  
236 district's fee implementation or increase, or a combination of these items.

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

240 (A) within reasonable time limits; and

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

243 (c) (i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a  
244 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the public hearing

245 of another overlapping taxing entity in the same county.

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

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

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

253 (ii) If a taxing entity holds a public meeting for the purpose of addressing general  
254 business of the taxing entity on the same date as a public hearing described in Subsection  
255 (3)(a)(v) or (4)(b), the public meeting addressing general business items shall conclude before  
256 the beginning of the public hearing described in Subsection (3)(a)(v) or (4)(b).

257 (f) (i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the  
258 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as another public  
259 hearing of the taxing entity.

260 (ii) A taxing entity may hold the following hearings on the same date as a public  
261 hearing described in Subsection (3)(a)(v) or (4)(b):

262 (A) a budget hearing;

263 (B) if the taxing entity is a special district or a special service district, a fee hearing  
264 described in Section [17B-1-643](#);

265 (C) if the taxing entity is a town, an enterprise fund hearing described in Section  
266 [10-5-107.5](#); or

267 (D) if the taxing entity is a city, an enterprise fund hearing described in Section  
268 [10-6-135.5](#).

269 (9) (a) If a taxing entity does not make a final decision on budgeting additional ad  
270 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b), the taxing  
271 entity shall:

272 (i) announce at that public hearing the scheduled time and place of the next public  
273 meeting at which the taxing entity will consider budgeting the additional ad valorem tax  
274 revenue; and

275 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described

276 in Subsection (9)(a)(i) before September 1.

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

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

283 (10) Notwithstanding the other provisions of this section, for a specified tax year, a  
284 taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax rate unless:

285 (a) the taxing entity first submits the proposal for a tax increase to voters within the  
286 taxing entity; and

287 (b) the tax increase is approved by a majority of the registered voters of the taxing  
288 entity voting at a special or general election.

289 **Section 2. Effective date.**

290 This bill takes effect on May 1, 2024.

291 **Section 3. Retrospective operation.**

292 This bill has retrospective operation for a taxable year beginning on or after January 1,  
293 2024.