

Karen M. Peterson proposes the following substitute bill:

Truth in Taxation Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen M. Peterson

Senate Sponsor:

LONG TITLE

General Description:

This bill addresses property tax increases through truth in taxation.

Highlighted Provisions:

This bill:

- defines terms;
- requires certain taxing entities proposing a property tax increase to make a preliminary statement in a public meeting regarding the taxing entity's consideration of a tax increase;
- clarifies the State Tax Commission's authority to deny a taxing entity's proposed property tax increase for failing to meet truth in taxation requirements;
- requires taxing entities proposing a property tax increase to:
 - adopt and utilize a tentative operating budget that does not include revenue derived from the proposed tax increase before a tax increase is approved; and
 - present an alternative tentative budget that includes the additional revenue that would be derived from the proposed tax increase, if later approved; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-6-106, as last amended by Laws of Utah 2019, Chapter 136

10-6-111, as last amended by Laws of Utah 2016, Chapter 353

10-6-118, as last amended by Laws of Utah 2019, Chapter 322

59-2-919, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

29 **59-2-923**, as last amended by Laws of Utah 2009, Chapter 204

30 **59-2-924**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

31

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

33 Section 1. Section **10-6-106** is amended to read:

34 **10-6-106 . Definitions.**

35 As used in this chapter:

36 (1) "Account group" is defined by generally accepted accounting principles as reflected in
37 the Uniform Accounting Manual for Utah Cities.

38 (2) "Additional ad valorem tax revenue" means the same at that term is defined in Section
39 59-2-919.

40 [~~(2)~~] (3) "Appropriation" means an allocation of money by the governing body for a specific
41 purpose.

42 [~~(3)~~] (4)(a) "Budget" means a plan of financial operations for a fiscal period which
43 embodies estimates of proposed expenditures for given purposes and the proposed
44 means of financing them.

45 (b) "Budget" may refer to the budget of a particular fund for which a budget is required
46 by law or it may refer collectively to the budgets for all such funds.

47 [~~(4)~~] (5) "Budget officer" means the city auditor in a city of the first and second class, the
48 mayor or some person appointed by the mayor with the approval of the city council in a
49 city of the third, fourth, or fifth class, the mayor in the council-mayor optional form of
50 government, or the person designated by the charter in a charter city.

51 [~~(5)~~] (6) "Budget period" means the fiscal period for which a budget is prepared.

52 [~~(6)~~] (7) "Budgetary fund" means a fund for which a budget is required.

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

54 [~~(7)~~] (9) "Check" means an order in a specific amount drawn upon a depository by an
55 authorized officer of a city.

56 [~~(8)~~] (10) "City general fund" means the general fund used by a city.

57 [~~(9)~~] (11) "Current period" means the fiscal period in which a budget is prepared and
58 adopted, i.e., the fiscal period next preceding the budget period.

59 [~~(10)~~] (12) "Department" means any functional unit within a fund that carries on a specific
60 activity, such as a fire or police department within a city general fund.

61 [~~(11)~~] (13) "Encumbrance system" means a method of budgetary control in which part of an
62 appropriation is reserved to cover a specific expenditure by charging obligations, such as

63 purchase orders, contracts, or salary commitments to an appropriation account at their
64 time of origin. Such obligations cease to be encumbrances when paid or when the actual
65 liability is entered on the city's books of account.

66 [(12)] (14) "Enterprise fund" means a fund as defined by the Governmental Accounting
67 Standards Board that is used by a municipality to report an activity for which a fee is
68 charged to users for goods or services.

69 [(13)] (15) "Estimated revenue" means the amount of revenue estimated to be received from
70 all sources during the budget period in each fund for which a budget is being prepared.

71 [(14)] (16) "Financial officer" means the mayor in the council-mayor optional form of
72 government or the city official as authorized by Section 10-6-158.

73 [(15)] (17) "Fiscal period" means the annual or biennial period for accounting for fiscal
74 operations in each city.

75 [(16)] (18) "Fund" is as defined by generally accepted accounting principles as reflected in
76 the Uniform Accounting Manual for Utah Cities.

77 [(17)] (19) "Fund balance," "retained earnings," and "deficit" have the meanings commonly
78 accorded such terms under generally accepted accounting principles as reflected in the
79 Uniform Accounting Manual for Utah Cities.

80 [(18)] (20) "General fund" is as defined by the Governmental Accounting Standards Board
81 as reflected in the Uniform Accounting Manual for All Local Governments prepared by
82 the Office of the Utah State Auditor.

83 [(19)] (21) "Governing body" means a city council, or city commission, as the case may be,
84 but the authority to make any appointment to any position created by this chapter is
85 vested in the mayor in the council-mayor optional form of government.

86 [(20)] (22) "Interfund loan" means a loan of cash from one fund to another, subject to future
87 repayment.

88 [(21)] (23) "Last completed fiscal period" means the fiscal period next preceding the current
89 period.

90 [(22)] (24)(a) "Public funds" means any money or payment collected or received by an
91 officer or employee of the city acting in an official capacity and includes money or
92 payment to the officer or employee for services or goods provided by the city, or the
93 officer or employee while acting within the scope of employment or duty.

94 (b) "Public funds" does not include money or payments collected or received by an
95 officer or employee of a city for charitable purposes if the mayor or city council has
96 consented to the officer's or employee's participation in soliciting contributions for a

97 charity.

98 [~~(23)~~] (25) "Special fund" means any fund other than the city general fund.

99 [~~(24)~~] (26) "Utility" means a utility owned by a city, in whole or in part, that provides
100 electricity, gas, water, or sewer, or any combination of them.

101 [~~(25)~~] (27) "Warrant" means an order drawn upon the city treasurer, in the absence of
102 sufficient money in the city's depository, by an authorized officer of a city for the
103 purpose of paying a specified amount out of the city treasury to the person named or to
104 the bearer as money becomes available.

105 Section 2. Section **10-6-111** is amended to read:

106 **10-6-111 . Tentative budget to be prepared -- Contents -- Estimate of**
107 **expenditures -- Budget message -- Review by governing body.**

108 (1)(a) [~~On~~] Except as provided in Subsection (5), on or before the first regularly
109 scheduled meeting of the governing body in the last May of the current period, the
110 budget officer shall, in accordance with Subsection (1)(b), prepare for the ensuing
111 fiscal period, and file with the governing body, a tentative budget for each fund for
112 which a budget is required.

113 (b) The tentative budget of each fund shall set forth in tabular form:

- 114 (i) the actual revenues and expenditures in the last completed fiscal period;
115 (ii) the estimated total revenues and expenditures for the current fiscal period;
116 (iii) the budget officer's estimates of revenues and expenditures for the budget period,
117 computed as provided in Subsection (1)(c); and
118 (iv) if the governing body elects, the actual performance experience to the extent
119 established by Section 10-6-154 and available in work units, unit costs, man
120 hours, or man years for each budgeted fund on an actual basis for the last
121 completed fiscal period, and estimated for the current fiscal period and for the
122 ensuing budget period.

123 (c)(i) In making estimates of revenues and expenditures under Subsection (1)(b)(iii),
124 the budget officer shall estimate:

125 (A) on the basis of demonstrated need, the expenditures for the budget period,
126 after:

127 (I) hearing each department head; and

128 (II) reviewing the budget requests and estimates of the department heads; and

129 (B)(I) the amount of revenue available to serve the needs of each fund;

130 (II) the portion of revenue to be derived from all sources other than general

- 131 property taxes; and
- 132 (III) the portion of revenue that shall be derived from general property taxes.
- 133 (ii) The budget officer may revise any department's estimate under Subsection
- 134 (1)(c)(i)(A)(II) that the officer considers advisable for the purpose of presenting
- 135 the budget to the governing body.
- 136 (iii) From the estimate made under Subsection (1)(c)(i)(B)(III), the budget officer
- 137 shall compute and disclose in the budget the lowest rate of property tax levy that
- 138 will raise the required amount of revenue, calculating the levy upon the latest
- 139 taxable value.
- 140 (2)(a)(i) Each tentative budget, when filed by the budget officer with the governing
- 141 body, shall contain the estimates of expenditures submitted by department heads,
- 142 together with specific work programs and such other supporting data as this
- 143 chapter requires or the governing body may request.
- 144 (ii) Each city of the first or second class shall, and a city of the third, fourth, or fifth
- 145 class may, submit a supplementary estimate of all capital projects which each
- 146 department head believes should be undertaken within the next three succeeding
- 147 years.
- 148 (b) Each tentative budget submitted by the budget officer to the governing body shall be
- 149 accompanied by a budget message that:
- 150 (i) explains the budget;
- 151 (ii) contains an outline of the proposed financial policies of the city for the budget
- 152 period;
- 153 (iii) describes the important features of the budgetary plan;
- 154 (iv) provides the reasons for salient changes from the previous fiscal period in
- 155 appropriation and revenue items; and
- 156 (v) explains any major changes in financial policy.
- 157 (3)(a) Subject to Subsection (3)(b), a governing body in any regular public hearing or
- 158 special public hearing:
- 159 (i) shall review, consider, and tentatively adopt each tentative budget; and
- 160 (ii) may, before the public hearing described in Section 10-6-114, amend or revise
- 161 each tentative budget.
- 162 (b) A governing body may not reduce an appropriation required for debt retirement and
- 163 interest or reduction of any existing deficits in accordance with Section 10-6-117, or
- 164 otherwise required by law or ordinance, below the required minimums.

- 165 (4)(a) If the municipality is acting in accordance with Section 10-2a-218, the tentative
 166 budget shall:
- 167 (i) be submitted to the governing body-elect as soon as practicable; and
 168 (ii) cover each fund for which a budget is required from the date of incorporation to
 169 the end of the fiscal year.
- 170 (b) The governing body shall substantially comply with all other provisions of this
 171 chapter, and the budget shall be passed upon incorporation.
- 172 (5)(a) The requirement for a municipality to prepare and file a tentative budget on or
 173 before the governing body's first regularly scheduled meeting in the last May of the
 174 current period, as specified in Subsection (1)(a), applies only to a municipality that
 175 does not intend to exceed the certified tax rate.
- 176 (b) A municipality that intends to exceed the certified tax rate is subject to the budgeting
 177 requirements of Subsection 59-2-924(8).

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

179 **10-6-118 . Adoption of final budget -- Certification and filing.**

- 180 (1) [Before] Subject to Subsection (3), on or before June 30 of each fiscal period, or, in the
 181 case of a property tax increase under Sections 59-2-919 through 59-2-923, before
 182 September 1 of the year for which a property tax increase is proposed, the governing
 183 body shall by resolution or ordinance adopt a budget for the ensuing fiscal period for
 184 each fund for which a budget is required under this chapter.
- 185 (2) The budget officer of the governing body shall certify a copy of the final budget and file
 186 the copy with the state auditor within 30 days after adoption.
- 187 (3) In accordance with Subsection 59-2-924(8), a municipality that intends to exceed the
 188 certified tax rate shall, on or before June 30 of the current period:
- 189 (a) prepare and adopt a tentative operating budget that governs the municipality's
 190 expenditures from the start of the next fiscal year until the date on which the
 191 municipality makes a final determination on the proposed tax increase; and
 192 (b) present and make public an alternative tentative budget that addresses the additional
 193 ad valorem tax revenue that the municipality anticipates receiving from the proposed
 194 tax increase.

195 Section 4. Section **59-2-919** is amended to read:

196 **59-2-919 . Notice and public hearing requirements for certain tax increases --**

197 **Exceptions -- Audit.**

- 198 (1) As used in this section:

- 199 (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue
200 generated by the portion of the tax rate that exceeds the taxing entity's certified tax
201 rate.
- 202 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including
203 revenue from:
- 204 (i) eligible new growth; or
205 (ii) personal property that is:
- 206 (A) assessed by a county assessor in accordance with Part 3, County Assessment;
207 and
208 (B) semiconductor manufacturing equipment.
- 209 (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal
210 year in which the taxing entity first adopted a budget below last year's property tax
211 budgeted revenue.
- 212 (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding
213 eligible new growth, for the base year.
- 214 (e) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year
215 that begins on January 1 and ends on December 31.
- 216 (f) "County executive calendar year taxing entity" means a calendar year taxing entity
217 that operates under the county executive-council form of government described in
218 Section 17-62-203.
- 219 (g) "Current calendar year" means the calendar year immediately preceding the calendar
220 year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the
221 calendar year taxing entity's certified tax rate.
- 222 (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.
- 223 (i) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that
224 begins on July 1 and ends on June 30.
- 225 (j) "Meeting" means the same as that term is defined in Section 52-4-103.
- 226 (k) "Last year's property tax budgeted revenue" does not include:
- 227 (i) revenue received by a taxing entity from a debt service levy voted on by the public;
228 (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or
229 (iii) revenue generated by the charter school levy described in Section 53F-2-703.
- 230 (l) "Truth-in-taxation exemption period" means a six-year period that begins with the
231 base year.
- 232 (2) Except as provided in Subsection (11), a taxing entity may not levy a tax rate that

- 233 exceeds the taxing entity's certified tax rate unless the taxing entity meets:
- 234 (a) the requirements of this section that apply to the taxing entity; and
- 235 (b) all other requirements as may be required by law.
- 236 (3)(a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar
- 237 year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's
- 238 certified tax rate if the calendar year taxing entity:
- 239 (i) 14 or more days before the date of the regular general election or municipal
- 240 general election held in the current calendar year, states at a public meeting:
- 241 (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the
- 242 calendar year taxing entity's certified tax rate;
- 243 (B) the dollar amount of and purpose for additional ad valorem tax revenue that
- 244 would be generated by the proposed increase in the certified tax rate; and
- 245 (C) the approximate percentage increase in ad valorem tax revenue for the taxing
- 246 entity based on the proposed increase described in Subsection (3)(a)(i)(B);
- 247 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in
- 248 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including
- 249 providing a separate item on the meeting agenda that notifies the public that the
- 250 calendar year taxing entity intends to make the statement described in Subsection
- 251 (3)(a)(i);
- 252 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
- 253 calendar year taxing entity conducts the public hearing required by Subsection
- 254 (3)(a)(v);
- 255 (iv) provides notice by mail:
- 256 (A) seven or more days before the regular general election or municipal general
- 257 election held in the current calendar year; and
- 258 (B) as provided in Subsection (3)(c); and
- 259 (v) conducts a public hearing that is held:
- 260 (A) in accordance with Subsections (8) and (9); and
- 261 (B) in conjunction with the public hearing required by Section 17-63-304 or
- 262 17B-1-610.
- 263 (b)(i) For a county executive calendar year taxing entity, the statement described in
- 264 Subsection (3)(a)(i) shall be made by the:
- 265 (A) county council;
- 266 (B) county executive; or

- 267 (C) both the county council and county executive.
- 268 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
269 county council states a dollar amount of additional ad valorem tax revenue that is
270 greater than the amount of additional ad valorem tax revenue previously stated by
271 the county executive in accordance with Subsection (3)(a)(i), the county executive
272 calendar year taxing entity shall:
- 273 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before
274 the county executive calendar year taxing entity conducts the public hearing
275 under Subsection (3)(a)(v); and
- 276 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before
277 the county executive calendar year taxing entity conducts the public hearing
278 required by Subsection (3)(a)(v).
- 279 (c) The notice described in Subsection (3)(a)(iv):
- 280 (i) shall be mailed to each owner of property:
- 281 (A) within the calendar year taxing entity; and
- 282 (B) listed on the assessment roll;
- 283 (ii) shall be printed on a separate form that:
- 284 (A) is developed by the commission;
- 285 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
286 "NOTICE OF PROPOSED TAX INCREASE"; and
- 287 (C) may be mailed with the notice required by Section 59-2-1317;
- 288 (iii) shall contain for each property described in Subsection (3)(c)(i):
- 289 (A) the value of the property for the current calendar year;
- 290 (B) the tax on the property for the current calendar year; and
- 291 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
292 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing
293 entity's certified tax rate, the estimated tax on the property;
- 294 (iv) shall contain the following statement:
- 295 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
296 year]. This notice contains estimates of the tax on your property and the proposed tax increase
297 on your property as a result of this tax increase. These estimates are calculated on the basis of
298 [insert previous applicable calendar year] data. The actual tax on your property and proposed
299 tax increase on your property may vary from this estimate.";
- 300 (v) shall state the dollar amount of additional ad valorem tax revenue that would be

- 301 generated each year by the proposed increase in the certified tax rate;
- 302 (vi) shall include a brief statement of the primary purpose for the proposed tax
- 303 increase, including the taxing entity's intended use of additional ad valorem tax
- 304 revenue described in Subsection (3)(c)(v);
- 305 (vii) shall state the date, time, and place of the public hearing described in Subsection
- 306 (3)(a)(v);
- 307 (viii) shall state the Internet address for the taxing entity's public website;
- 308 (ix) may contain other information approved by the commission; and
- 309 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
- 310 (A) notice that the taxpayer may request electronic notice as described in
- 311 Subsection 17-71-302(1)(m); and
- 312 (B) instructions describing how to elect to receive a notice as described in
- 313 Subsection 17-71-302(1)(m).
- 314 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate
- 315 the estimated tax on property on the basis of:
- 316 (i) data for the current calendar year; and
- 317 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
- 318 section.
- 319 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate that
- 320 exceeds the fiscal year taxing entity's certified tax rate if, before the fiscal year taxing
- 321 entity conducts the public meeting at which the fiscal year taxing entity's annual budget
- 322 is adopted, the fiscal year taxing entity:
- 323 [~~(a) provides notice by meeting the advertisement requirements of Subsections (6) and~~
- 324 ~~(7) before the fiscal year taxing entity conducts the public meeting at which the fiscal~~
- 325 ~~year taxing entity's annual budget is adopted; and]~~
- 326 (a)(i) on or after May 1 but on or before June 8, states at a public meeting:
- 327 (A) that the fiscal year taxing entity is considering levying a tax rate that exceeds
- 328 the fiscal year taxing entity's certified tax rate;
- 329 (B) the approximate dollar amount of and purpose for additional ad valorem tax
- 330 revenue that would be generated by the proposed tax rate increase described in
- 331 Subsection (4)(a)(i)(A);
- 332 (C) the approximate percentage increase in ad valorem tax revenue for the fiscal
- 333 year taxing entity based on the proposed tax rate increase described in
- 334 Subsection (4)(a)(i)(A); and

335 (D) that if the fiscal year taxing entity proceeds with the proposed tax rate
336 increase, the fiscal year taxing entity will provide notice of and conduct a
337 public hearing, as required by Subsection (4)(b), at which members of the
338 public will have an opportunity to provide comments on the proposed tax rate
339 increase; and

340 (ii) provides notice for the public meeting described in Subsection (4)(a)(i) in
341 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including
342 providing a separate item on the meeting agenda that notifies the public that the
343 fiscal year taxing entity intends to make the statement described in Subsection
344 (4)(a)(i);

345 (b) conducts a public hearing in accordance with Subsections (8) and (9)[~~before the~~
346 ~~fiscal year taxing entity's annual budget is adopted~~] ; and

347 (c) provides notice for the public hearing described in Subsection (4)(b) by meeting the
348 advertisement requirements of Subsections (6) and (7).

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

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

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

357 (ii) the taxing entity:

358 (A) budgeted less than \$20,000 in ad valorem tax revenue for the previous fiscal
359 year; and

360 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem
361 tax revenue.

362 (6)(a) Before holding the public hearing described in Subsection (3)(a)(v) or (4)(b), a
363 taxing entity proposing a tax rate increase under this section shall publish an
364 advertisement regarding the proposed tax increase:

365 (i) electronically in accordance with Section 45-1-101; and

366 (ii) as a class A notice under Section 63G-30-102.

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

368 (i) be published for at least 14 days before the day on which the taxing entity

369 conducts the public hearing described in Subsection (3)(a)(v) or (4)(b); and
370 (ii) substantially be in the following form and content:

371 "NOTICE OF PROPOSED TAX INCREASE
372 (NAME OF TAXING ENTITY)

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

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

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

380 • If the proposed budget is approved, (name of the taxing entity) would receive an
381 additional \$_____ in property tax revenue per year as a result of the tax increase.

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

385 The (name of the taxing entity) invites all concerned citizens to a public hearing for the
386 purpose of hearing comments regarding the proposed tax increase and to explain the reasons
387 for the proposed tax increase. You have the option to attend or participate in the public hearing
388 in person or online.

389 PUBLIC HEARING

390 Date/Time: (date) (time)

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

392 Virtual Meeting Link: (Internet address for remote participation and live streaming
393 options)

394 To obtain more information regarding the tax increase, citizens may contact the (name
395 of the taxing entity) at (phone number of taxing entity) or visit (Internet address for the taxing
396 entity's public website)."

397 (7) The commission:

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

401 (b) subject to Section 45-1-101, may authorize a taxing entity's use of a
402 commission-approved direct notice to each taxpayer if:

- 403 (i) the direct notice is different and separate from the notice required under Section
404 59-2-919.1; and
- 405 (ii) the taxing entity petitions the commission for the use of a commission-approved
406 direct notice.
- 407 (8)(a)(i) On or before June 1, a fiscal year taxing entity shall notify the commission
408 and the county auditor of the date, time, and place of the public hearing described
409 in Subsection (4)(b).
- 410 (ii) On or before October 1 of the current calendar year, a calendar year taxing entity
411 shall notify the commission and the county auditor of the date, time, and place of
412 the public hearing described in Subsection (3)(a)(v).
- 413 (b)(i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be:
- 414 (A) open to the public;
- 415 (B) held at a meeting of the taxing entity with no items on the agenda other than
416 discussion and action on the taxing entity's intent to levy a tax rate that exceeds
417 the taxing entity's certified tax rate, the taxing entity's budget, a special
418 district's or special service district's fee implementation or increase, or a
419 combination of these items; and
- 420 (C) available for individuals to attend or participate either in person or remotely
421 through electronic means.
- 422 (ii) The governing body of a taxing entity conducting a public hearing described in
423 Subsection (3)(a)(v) or (4)(b) shall:
- 424 (A) state the dollar amount of additional ad valorem tax revenue that would be
425 generated each year by the proposed increase in the certified tax rate;
- 426 (B) explain the reasons for the proposed tax increase, including the taxing entity's
427 intended use of additional ad valorem tax revenue described in Subsection
428 (8)(b)(ii)(A);
- 429 (C) if the county auditor compiles the list required by Section 59-2-919.2, present
430 the list at the public hearing and make the list available on the taxing entity's
431 public website; and
- 432 (D) provide an interested party desiring to be heard an opportunity to present oral
433 testimony within reasonable time limits and without unreasonable restriction
434 on the number of individuals allowed to make public comment.
- 435 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a
436 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the

- 437 public hearing of another overlapping taxing entity in the same county.
- 438 (ii) The taxing entities in which the power to set tax levies is vested in the same
439 governing board or authority may consolidate the public hearings described in
440 Subsection (3)(a)(v) or (4)(b) into one public hearing.
- 441 (d) The county auditor shall resolve any conflict in public hearing dates and times after
442 consultation with each affected taxing entity.
- 443 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or
444 (4)(b) beginning at or after 6 p.m.
- 445 (ii) If a taxing entity holds a public meeting for the purpose of addressing general
446 business of the taxing entity on the same date as a public hearing described in
447 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business
448 items shall conclude before the beginning of the public hearing described in
449 Subsection (3)(a)(v) or (4)(b).
- 450 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the
451 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as
452 another public hearing of the taxing entity.
- 453 (ii) A taxing entity may hold the following hearings on the same date as a public
454 hearing described in Subsection (3)(a)(v) or (4)(b):
- 455 (A) a budget hearing;
- 456 (B) if the taxing entity is a special district or a special service district, a fee
457 hearing described in Section 17B-1-643;
- 458 (C) if the taxing entity is a town, an enterprise fund hearing described in Section
459 10-5-107.5; or
- 460 (D) if the taxing entity is a city, an enterprise fund hearing described in Section
461 10-6-135.5.
- 462 (9)(a) If a taxing entity does not make a final decision on budgeting additional ad
463 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b),
464 the taxing entity shall:
- 465 (i) announce at that public hearing the scheduled time and place of the next public
466 meeting at which the taxing entity will consider budgeting the additional ad
467 valorem tax revenue; and
- 468 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described
469 in Subsection (9)(a)(i) before September 1.
- 470 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of

- 471 additional ad valorem tax revenue that exceeds the largest amount of additional ad
 472 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- 473 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
 474 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's
 475 proposed annual budget.
- 476 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance
 477 with Subsection (8).
- 478 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to
 479 meet the requirements of Subsection (8), the county auditor shall prepare and submit
 480 a report of the auditor's findings to the commission.
- 481 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax
 482 rate if, on or before September 15 of the year in which the taxing entity is required to
 483 hold the public hearing described in Subsection (3)(a)(v) or (4)(b), the commission
 484 determines that the taxing entity has failed to meet the requirements of [~~Subsection~~
 485 ~~(8)~~] this section.
- 486 (11) For a fiscal year within a truth-in-taxation exemption period, a taxing entity may adopt
 487 a budget that is equal to or less than the base year budgeted revenue without complying
 488 with this section.

489 Section 5. Section **59-2-923** is amended to read:

490 **59-2-923 . Expenditures of money prior to adoption of budget or tax rate.**

491 [A] Except as provided in Subsection 59-2-924(8), a taxing entity may, before the taxing
 492 entity adopts a final annual budget or a tax rate, expend money on the basis of the taxing
 493 entity's:

- 494 (1) tentative budget after adoption of the tentative budget; or
 495 (2) prior year's adopted final budget as amended, which shall be readopted by resolution at
 496 a meeting of the taxing entity's governing body.

497 Section 6. Section **59-2-924** is amended to read:

498 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
 499 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
 500 **rate -- Rulemaking authority -- Tentative budget requirements -- Notice provided by the**
 501 **commission.**

502 (1) As used in this section:

- 503 (a) "Additional ad valorem tax revenue" means the same as that term is defined in
 504 Section 59-2-919.

505 ~~[(a)]~~ (b)(i) "Ad valorem property tax revenue" means revenue collected in accordance
506 with this chapter.

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

508 (A) interest;

509 (B) penalties;

510 (C) collections from redemptions; or

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

514 ~~[(b)]~~ (c) "Adjusted tax increment" means the same as that term is defined in Section
515 17C-1-102.

516 ~~[(e)]~~ (d)(i) "Aggregate taxable value of all property taxed" means:

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

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

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

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

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

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

530 ~~[(d)]~~ (e) "Base taxable value" means:

531 (i) for an authority created under Section 11-58-201, the same as that term is defined
532 in Section 11-58-102;

533 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
534 the same as that term is defined in Section 11-59-207;

535 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
536 11-70-201, the same as that term is defined in Section 11-70-101;

537 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
538 defined in Section 17C-1-102;

- 539 (v) for an authority created under Section 63H-1-201, the same as that term is defined
 540 in Section 63H-1-102;
- 541 (vi) for a host local government, the same as that term is defined in Section
 542 63N-2-502;
- 543 (vii) for a housing and transit reinvestment zone or convention center reinvestment
 544 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
 545 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 546 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
 547 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
 548 Part 5, Home Ownership Promotion Zone, a property's taxable value as shown
 549 upon the assessment roll last equalized during the base year, as that term is
 550 defined in Section 10-21-101 or Section 17-80-101;
- 551 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
 552 First Home Investment Zone Act, a property's taxable value as shown upon the
 553 assessment roll last equalized during the base year, as that term is defined in
 554 Section 63N-3-1601;
- 555 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
 556 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown
 557 upon the assessment roll last equalized during the property tax base year, as that
 558 term is defined in Section 63N-3-1701; or
- 559 (xi) for an electrical energy development zone created under Section 79-6-1104, the
 560 value of the property within an electrical energy development zone, as shown on
 561 the assessment roll last equalized before the creation of the electrical development
 562 zone, as that term is defined in Section 79-6-1104.
- 563 [(e)] (f) "Centrally assessed benchmark value" means an amount equal to the average
 564 year end taxable value of real and personal property the commission assesses in
 565 accordance with Part 2, Assessment of Property, for the previous three calendar
 566 years, adjusted for taxable value attributable to:
- 567 (i) an annexation to a taxing entity;
- 568 (ii) an incorrect allocation of taxable value of real or personal property the
 569 commission assesses in accordance with Part 2, Assessment of Property; or
- 570 (iii) a change in value as a result of a change in the method of apportioning the value
 571 prescribed by the Legislature, a court, or the commission in an administrative rule
 572 or administrative order.

573 ~~[(f)]~~ (g) "Centrally assessed industry" means the following industry classes the
574 commission assesses in accordance with Part 2, Assessment of Property:

- 575 (i) air carrier;
576 (ii) coal;
577 (iii) coal load out property;
578 (iv) electric generation;
579 (v) electric rural;
580 (vi) electric utility;
581 (vii) gas utility;
582 (viii) ground access property;
583 (ix) land only property;
584 (x) liquid pipeline;
585 (xi) metalliferous mining;
586 (xii) nonmetalliferous mining;
587 (xiii) oil and gas gathering;
588 (xiv) oil and gas production;
589 (xv) oil and gas water disposal;
590 (xvi) railroad;
591 (xvii) sand and gravel; and
592 (xviii) uranium.

593 ~~[(g)]~~ (h)(i) "Centrally assessed new growth" means the greater of:

- 594 (A) for each centrally assessed industry, zero; or
595 (B) the amount calculated by subtracting the centrally assessed benchmark value
596 for each centrally assessed industry, adjusted for prior year end incremental
597 value, from the taxable value of real and personal property the commission
598 assesses in accordance with Part 2, Assessment of Property, for each centrally
599 assessed industry for the current year, adjusted for current year incremental
600 value.

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

605 ~~[(h)]~~ (i) "Certified tax rate" means a tax rate that will provide the same ad valorem
606 property tax revenue for a taxing entity as was budgeted by that taxing entity for the

- 607 prior year.
- 608 ~~[(+)]~~ (j) "Community reinvestment agency" means the same as that term is defined in
609 Section 17C-1-102.
- 610 ~~[(+)]~~ (k) "Eligible new growth" means the greater of:
611 (i) zero; or
612 (ii) the sum of:
613 (A) locally assessed new growth;
614 (B) centrally assessed new growth; and
615 (C) project area new growth or hotel property new growth.
- 616 (l) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that
617 begins on July 1 and ends on June 30.
- 618 ~~[(k)]~~ (m) "Host local government" means the same as that term is defined in Section
619 63N-2-502.
- 620 ~~[(+)]~~ (n) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 621 ~~[(m)]~~ (o) "Hotel property new growth" means an amount equal to the incremental value
622 that is no longer provided to a host local government as incremental property tax
623 revenue.
- 624 ~~[(n)]~~ (p) "Incremental property tax revenue" means the same as that term is defined in
625 Section 63N-2-502.
- 626 ~~[(+)]~~ (q) "Incremental value" means:
627 (i) for an authority created under Section 11-58-201, the amount calculated by
628 multiplying:
629 (A) the difference between the taxable value and the base taxable value of the
630 property that is located within a project area and on which property tax
631 differential is collected; and
632 (B) the number that represents the percentage of the property tax differential that
633 is paid to the authority;
634 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
635 an amount calculated by multiplying:
636 (A) the difference between the current assessed value of the property and the base
637 taxable value; and
638 (B) the number that represents the percentage of the property tax augmentation, as
639 defined in Section 11-59-207, that is paid to the Point of the Mountain State
640 Land Authority;

- 641 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
642 11-70-201, the amount calculated by multiplying:
- 643 (A) the difference between the taxable value for the current year and the base
644 taxable value of the property that is located within a project area; and
- 645 (B) the number that represents the percentage of enhanced property tax revenue,
646 as defined in Section 11-70-101;
- 647 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
648 multiplying:
- 649 (A) the difference between the taxable value and the base taxable value of the
650 property located within a project area and on which tax increment is collected;
651 and
- 652 (B) the number that represents the adjusted tax increment from that project area
653 that is paid to the agency;
- 654 (v) for an authority created under Section 63H-1-201, the amount calculated by
655 multiplying:
- 656 (A) the difference between the taxable value and the base taxable value of the
657 property located within a project area and on which property tax allocation is
658 collected; and
- 659 (B) the number that represents the percentage of the property tax allocation from
660 that project area that is paid to the authority;
- 661 (vi) for a housing and transit reinvestment zone or convention center reinvestment
662 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
663 Reinvestment Zone Act, an amount calculated by multiplying:
- 664 (A) the difference between the taxable value and the base taxable value of the
665 property that is located within a housing and transit reinvestment zone or
666 convention center reinvestment zone and on which tax increment is collected;
667 and
- 668 (B) the number that represents the percentage of the tax increment that is paid to
669 the housing and transit reinvestment zone or convention center reinvestment
670 zone;
- 671 (vii) for a host local government, an amount calculated by multiplying:
- 672 (A) the difference between the taxable value and the base taxable value of the
673 hotel property on which incremental property tax revenue is collected; and
- 674 (B) the number that represents the percentage of the incremental property tax

- 675 revenue from that hotel property that is paid to the host local government;
- 676 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
 677 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
 678 Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
 679 (A) the difference between the taxable value and the base taxable value of the
 680 property that is located within a home ownership promotion zone and on which
 681 tax increment is collected; and
 682 (B) the number that represents the percentage of the tax increment that is paid to
 683 the home ownership promotion zone;
- 684 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
 685 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
 686 (A) the difference between the taxable value and the base taxable value of the
 687 property that is located within a first home investment zone and on which tax
 688 increment is collected; and
 689 (B) the number that represents the percentage of the tax increment that is paid to
 690 the first home investment zone;
- 691 (x) for a major sporting event venue zone created [~~pursuant to~~] in accordance with
 692 Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount
 693 calculated by multiplying:
 694 (A) the difference between the taxable value and the base taxable value of the
 695 property located within a qualified development zone for a major sporting
 696 event venue zone and upon which property tax increment is collected; and
 697 (B) the number that represents the percentage of tax increment that is paid to the
 698 major sporting event venue zone, as approved by a major sporting event venue
 699 zone committee described in Section 63N-1a-1706; or
- 700 (xi) for an electrical energy development zone created under Section 79-6-1104, the
 701 amount calculated by multiplying:
 702 (A) the difference between the taxable value and the base taxable value of the
 703 property that is located within the electrical energy developmental zone; and
 704 (B) the number that represents the percentage of the tax increment that is paid to a
 705 community reinvestment agency and the Electrical Energy Development
 706 Investment Fund created in Section 79-6-1105.
- 707 [~~(p)~~] (r)(i) "Locally assessed new growth" means the greater of:
 708 (A) zero; or

- 709 (B) the amount calculated by subtracting the year end taxable value of real
 710 property the county assessor assesses in accordance with Part 3, County
 711 Assessment, for the previous year, adjusted for prior year end incremental
 712 value from the taxable value of real property the county assessor assesses in
 713 accordance with Part 3, County Assessment, for the current year, adjusted for
 714 current year incremental value.
- 715 (ii) "Locally assessed new growth" does not include a change in:
- 716 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
 717 or another adjustment;
- 718 (B) assessed value based on whether a property is allowed a residential exemption
 719 for a primary residence under Section 59-2-103;
- 720 (C) assessed value based on whether a property is assessed under Part 5, Farmland
 721 Assessment Act; or
- 722 (D) assessed value based on whether a property is assessed under Part 17, Urban
 723 Farming Assessment Act.
- 724 ~~(q)~~ (s) "Project area" means:
- 725 (i) for an authority created under Section 11-58-201, the same as that term is defined
 726 in Section 11-58-102;
- 727 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
 728 11-70-201, the same as that term is defined in Section 11-70-101;
- 729 (iii) for an agency created under Section 17C-1-201.5, the same as that term is
 730 defined in Section 17C-1-102;
- 731 (iv) for an authority created under Section 63H-1-201, the same as that term is
 732 defined in Section 63H-1-102;
- 733 (v) for a housing and transit reinvestment zone or convention center reinvestment
 734 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
 735 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 736 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
 737 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
 738 5, Home Ownership Promotion Zone, the same as that term is defined in Section
 739 10-21-101 or Section 17-80-101;
- 740 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
 741 First Home Investment Zone Act, the same as that term is defined in Section
 742 63N-3-1601; or

- 743 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3,
744 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
745 as defined in Section 63N-3-1701.
- 746 [(+) (t) "Project area new growth" means:
- 747 (i) for an authority created under Section 11-58-201, an amount equal to the
748 incremental value that is no longer provided to an authority as property tax
749 differential;
- 750 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
751 an amount equal to the incremental value that is no longer provided to the Point of
752 the Mountain State Land Authority as property tax augmentation, as defined in
753 Section 11-59-207;
- 754 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
755 11-70-201, an amount equal to the incremental value that is no longer provided to
756 the Utah Fairpark Area Investment and Restoration District;
- 757 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
758 incremental value that is no longer provided to an agency as tax increment;
- 759 (v) for an authority created under Section 63H-1-201, an amount equal to the
760 incremental value that is no longer provided to an authority as property tax
761 allocation;
- 762 (vi) for a housing and transit reinvestment zone or convention center reinvestment
763 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
764 Reinvestment Zone Act, an amount equal to the incremental value that is no
765 longer provided to a housing and transit reinvestment zone or convention center
766 reinvestment zone as tax increment;
- 767 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
768 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
769 5, Home Ownership Promotion Zone, an amount equal to the incremental value
770 that is no longer provided to a home ownership promotion zone as tax increment;
- 771 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
772 First Home Investment Zone Act, an amount equal to the incremental value that is
773 no longer provided to a first home investment zone as tax increment; or
- 774 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
775 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental
776 value that is no longer provided to the creating entity of a major sporting event

- 777 venue zone as property tax increment.
- 778 ~~[(s)]~~ (u) "Project area incremental revenue" means the same as that term is defined in
779 Section 17C-1-1001.
- 780 ~~[(t)]~~ (v) "Property tax allocation" means the same as that term is defined in Section
781 63H-1-102.
- 782 ~~[(u)]~~ (w) "Property tax differential" means the same as that term is defined in Sections
783 11-58-102 and 79-6-1104.
- 784 ~~[(v)]~~ (x) "Tax increment" means:
- 785 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
786 in Section 17C-1-102;
- 787 (ii) for a housing and transit reinvestment zone or convention center reinvestment
788 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
789 Reinvestment Zone Act, the same as the term "property tax increment" is defined
790 in Section 63N-3-602;
- 791 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
792 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
793 5, Home Ownership Promotion Zone, the same as that term is defined in Section
794 10-21-101 or Section 17-80-101;
- 795 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
796 First Home Investment Zone Act, the same as that term is defined in Section
797 63N-3-1601; or
- 798 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
799 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is
800 defined in Section 63N-3-1701.
- 801 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and
802 the commission the following statements:
- 803 (a) a statement containing the aggregate valuation of all taxable real property a county
804 assessor assesses in accordance with Part 3, County Assessment, for each taxing
805 entity; and
- 806 (b) a statement containing the taxable value of all personal property a county assessor
807 assesses in accordance with Part 3, County Assessment, from the prior year end
808 values.
- 809 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
810 taxing entity:

- 811 (a) the statements described in Subsections (2)(a) and (b);
- 812 (b) an estimate of the revenue from personal property;
- 813 (c) the certified tax rate; and
- 814 (d) all forms necessary to submit a tax levy request.
- 815 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be
- 816 calculated by dividing the ad valorem property tax revenue that a taxing entity
- 817 budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 818 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
- 819 calculate an amount as follows:
- 820 (i) calculate for the taxing entity the difference between:
- 821 (A) the aggregate taxable value of all property taxed; and
- 822 (B) any adjustments for current year incremental value;
- 823 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
- 824 determined by increasing or decreasing the amount calculated under Subsection
- 825 (4)(b)(i) by the average of the percentage net change in the value of taxable
- 826 property for the equalization period for the three calendar years immediately
- 827 preceding the current calendar year;
- 828 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
- 829 product of:
- 830 (A) the amount calculated under Subsection (4)(b)(ii); and
- 831 (B) the percentage of property taxes collected for the five calendar years
- 832 immediately preceding the current calendar year; and
- 833 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
- 834 amount determined by:
- 835 (A) multiplying the percentage of property taxes collected for the five calendar
- 836 years immediately preceding the current calendar year by eligible new growth;
- 837 and
- 838 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
- 839 amount calculated under Subsection (4)(b)(iii).
- 840 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
- 841 as follows:
- 842 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
- 843 tax rate is zero;
- 844 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

- 845 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
846 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services
847 to Unincorporated Areas; and
- 848 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
849 purposes and such other levies imposed solely for the municipal-type services
850 identified in Section 17-78-501 and Subsection 17-63-101(23);
- 851 (c) for a community reinvestment agency that received all or a portion of a taxing
852 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
853 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
854 Subsection (4) except that the commission shall treat the total revenue transferred to
855 the community reinvestment agency as ad valorem property tax revenue that the
856 taxing entity budgeted for the prior year; and
- 857 (d) for debt service voted on by the public, the certified tax rate is the actual levy
858 imposed by that section, except that a certified tax rate for the following levies shall
859 be calculated in accordance with Section 59-2-913 and this section:
- 860 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
861 (ii) a levy to pay for the costs of state legislative mandates or judicial or
862 administrative orders under Section 59-2-1602.
- 863 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or
864 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy
865 one or more eligible judgments.
- 866 (b) The ad valorem property tax revenue generated by a judgment levy described in
867 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
868 certified tax rate.
- 869 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 870 (i) the taxable value of real property:
- 871 (A) the county assessor assesses in accordance with Part 3, County Assessment;
872 and
- 873 (B) contained on the assessment roll;
- 874 (ii) the year end taxable value of personal property:
- 875 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
876 (B) contained on the prior year's assessment roll; and
- 877 (iii) the taxable value of real and personal property the commission assesses in
878 accordance with Part 2, Assessment of Property.

- 879 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
880 growth.
- 881 (8)~~(a)~~ On or before June 30~~[of each year]~~, a fiscal year taxing entity that intends to
882 exceed the certified tax rate shall: [adopt a tentative budget.]
- 883 (a) prepare and adopt a tentative operating budget:
- 884 (i) that is based solely on revenue that the taxing entity estimates to be generated by
885 the certified tax rate, eligible new growth, and any other existing revenue sources;
- 886 (ii) that does not include the additional ad valorem tax revenue that would be
887 generated by the taxing entity's proposed tax rate increase;
- 888 (iii) that ensures the taxing entity is able to function at the beginning of the next fiscal
889 year; and
- 890 (iv) from which the taxing entity's expenditures are based before the taxing entity
891 approves any tax rate increase after meeting the notice and public hearing
892 requirements of Section 59-2-919; and
- 893 (b) present an alternative tentative budget:
- 894 (i) that, in addition to budgeting for revenue described in Subsection (8)(a)(i),
895 outlines the taxing entity's anticipated expenditures and funding priorities for the
896 additional ad valorem tax revenue that would be generated by the taxing entity's
897 proposed tax rate increase;
- 898 (ii) that the taxing entity's governing body prepares in good faith and makes available
899 to the public; and
- 900 (iii) from which the taxing entity's final adopted budget can be derived only if, after
901 meeting the notice and public hearing requirements of Section 59-2-919, the
902 taxing entity approves a tax rate increase.
- 903 ~~(b)~~ (9)(a) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
904 notify the county auditor of:
- 905 (i) the taxing entity's intent to exceed the certified tax rate; and
- 906 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 907 ~~(e)~~ (b) The county auditor shall notify property owners of any intent to levy a tax rate
908 that exceeds the certified tax rate in accordance with Sections 59-2-919 and
909 59-2-919.1.
- 910 ~~(9)~~ (10)(a) Subject to Subsection ~~[(9)(d)]~~ (10)(d), the commission shall provide notice,
911 through electronic means on or before July 31, to a taxing entity and the Revenue and
912 Taxation Interim Committee if:

- 913 (i) the amount calculated under Subsection [~~(9)(b)~~] (10)(b) is 10% or more of the year
914 end taxable value of the real and personal property the commission assesses in
915 accordance with Part 2, Assessment of Property, for the previous year, adjusted
916 for prior year end incremental value; and
- 917 (ii) the amount calculated under Subsection [~~(9)(e)~~] (10)(c) is 50% or more of the total
918 year end taxable value of the real and personal property of a taxpayer the
919 commission assesses in accordance with Part 2, Assessment of Property, for the
920 previous year.
- 921 (b) For purposes of Subsection [~~(9)(a)(i)~~] (10)(a)(i), the commission shall calculate an
922 amount by subtracting the taxable value of real and personal property the commission
923 assesses in accordance with Part 2, Assessment of Property, for the current year,
924 adjusted for current year incremental value, from the year end taxable value of the
925 real and personal property the commission assesses in accordance with Part 2,
926 Assessment of Property, for the previous year, adjusted for prior year end
927 incremental value.
- 928 (c) For purposes of Subsection [~~(9)(a)(ii)~~] (10)(a)(ii), the commission shall calculate an
929 amount by subtracting the total taxable value of real and personal property of a
930 taxpayer the commission assesses in accordance with Part 2, Assessment of Property,
931 for the current year, from the total year end taxable value of the real and personal
932 property of a taxpayer the commission assesses in accordance with Part 2,
933 Assessment of Property, for the previous year.
- 934 (d) The notification under Subsection [~~(9)(a)~~] (10)(a) shall include a list of taxpayers that
935 meet the requirement under Subsection [~~(9)(a)(ii)~~] (10)(a)(ii).

936 **Section 7. Effective Date.**

937 This bill takes effect on May 6, 2026.