

Daniel McCay proposes the following substitute bill:

Truth in Taxation Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen M. Peterson

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill addresses property tax increases through truth in taxation.

Highlighted Provisions:

This bill:

- defines terms;
- requires fiscal year taxing entities proposing a property tax rate increase to make a preliminary statement in a public meeting regarding the taxing entity's consideration of a tax rate increase;
- clarifies notice and publication requirements for towns proposing a tax rate increase that do not have public websites;
- clarifies the State Tax Commission's authority to deny a taxing entity's proposed tax rate increase for failing to meet truth in taxation requirements;
- provides for a one-year period in which the State Tax Commission is not required to deny a fiscal year taxing entity's proposed tax rate increase for failure to comply with certain truth in taxation requirements;
- requires fiscal year taxing entities proposing a property tax increase to:
 - prepare and adopt an interim budget that includes a property tax impact schedule; and
 - reserve a certain amount of the taxing entity's general fund revenue in a restricted budget account for a limited period of time;
- includes a coordination clause to incorporate changes made to Section 59-2-919 in S.B. 238, Property Tax Adjustments; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

29 This bill provides a coordination clause.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **59-2-919**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

33 **59-2-923**, as last amended by Laws of Utah 2009, Chapter 204

34 **59-2-924**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

35 **Utah Code Sections affected by Coordination Clause:**

36 **59-2-919 (05/06/26)**, as last amended by Laws of Utah 2025, First Special Session,

37 Chapter 17

38

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

40 *The following section is affected by a coordination clause at the end of this bill.*

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

42 **59-2-919 . Notice and public hearing requirements for certain tax increases --**

43 **Exceptions -- Audit.**

44 (1) As used in this section:

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

48 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including
49 revenue from:

50 (i) eligible new growth; or

51 (ii) personal property that is:

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

54 (B) semiconductor manufacturing equipment.

55 (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal
56 year in which the taxing entity first adopted a budget below last year's property tax
57 budgeted revenue.

58 (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding
59 eligible new growth, for the base year.

60 (e) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year
61 that begins on January 1 and ends on December 31.

62 (f) "County executive calendar year taxing entity" means a calendar year taxing entity

- 63 that operates under the county executive-council form of government described in
64 Section 17-62-203.
- 65 (g) "Current calendar year" means the calendar year immediately preceding the calendar
66 year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the
67 calendar year taxing entity's certified tax rate.
- 68 (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.
- 69 (i) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that
70 begins on July 1 and ends on June 30.
- 71 (j) "Meeting" means the same as that term is defined in Section 52-4-103.
- 72 (k) "Last year's property tax budgeted revenue" does not include:
- 73 (i) revenue received by a taxing entity from a debt service levy voted on by the public;
74 (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or
75 (iii) revenue generated by the charter school levy described in Section 53F-2-703.
- 76 (l) "Truth-in-taxation exemption period" means a six-year period that begins with the
77 base year.
- 78 (2) Except as provided in Subsection (11), a taxing entity may not levy a tax rate that
79 exceeds the taxing entity's certified tax rate unless the taxing entity meets:
- 80 (a) the requirements of this section that apply to the taxing entity; and
81 (b) all other requirements as may be required by law.
- 82 (3)(a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar
83 year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's
84 certified tax rate if the calendar year taxing entity:
- 85 (i) 14 or more days before the date of the regular general election or municipal
86 general election held in the current calendar year, states at a public meeting:
- 87 (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the
88 calendar year taxing entity's certified tax rate;
- 89 (B) the dollar amount of and purpose for additional ad valorem tax revenue that
90 would be generated by the proposed increase in the certified tax rate; and
91 (C) the approximate percentage increase in ad valorem tax revenue for the taxing
92 entity based on the proposed increase described in Subsection (3)(a)(i)(B);
- 93 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in
94 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including
95 providing a separate item on the meeting agenda that notifies the public that the
96 calendar year taxing entity intends to make the statement described in Subsection

- 97 (3)(a)(i);
- 98 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
- 99 calendar year taxing entity conducts the public hearing required by Subsection
- 100 (3)(a)(v);
- 101 (iv) provides notice by mail:
- 102 (A) seven or more days before the regular general election or municipal general
- 103 election held in the current calendar year; and
- 104 (B) as provided in Subsection (3)(c); and
- 105 (v) conducts a public hearing that is held:
- 106 (A) in accordance with Subsections (8) and (9); and
- 107 (B) in conjunction with the public hearing required by Section 17-63-304 or
- 108 17B-1-610.
- 109 (b)(i) For a county executive calendar year taxing entity, the statement described in
- 110 Subsection (3)(a)(i) shall be made by the:
- 111 (A) county council;
- 112 (B) county executive; or
- 113 (C) both the county council and county executive.
- 114 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
- 115 county council states a dollar amount of additional ad valorem tax revenue that is
- 116 greater than the amount of additional ad valorem tax revenue previously stated by
- 117 the county executive in accordance with Subsection (3)(a)(i), the county executive
- 118 calendar year taxing entity shall:
- 119 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before
- 120 the county executive calendar year taxing entity conducts the public hearing
- 121 under Subsection (3)(a)(v); and
- 122 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before
- 123 the county executive calendar year taxing entity conducts the public hearing
- 124 required by Subsection (3)(a)(v).
- 125 (c) The notice described in Subsection (3)(a)(iv):
- 126 (i) shall be mailed to each owner of property:
- 127 (A) within the calendar year taxing entity; and
- 128 (B) listed on the assessment roll;
- 129 (ii) shall be printed on a separate form that:
- 130 (A) is developed by the commission;

- 131 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
132 "NOTICE OF PROPOSED TAX INCREASE"; and
- 133 (C) may be mailed with the notice required by Section 59-2-1317;
- 134 (iii) shall contain for each property described in Subsection (3)(c)(i):
- 135 (A) the value of the property for the current calendar year;
- 136 (B) the tax on the property for the current calendar year; and
- 137 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
138 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing
139 entity's certified tax rate, the estimated tax on the property;
- 140 (iv) shall contain the following statement:
- 141 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
142 year]. This notice contains estimates of the tax on your property and the proposed tax increase
143 on your property as a result of this tax increase. These estimates are calculated on the basis of
144 [insert previous applicable calendar year] data. The actual tax on your property and proposed
145 tax increase on your property may vary from this estimate.";
- 146 (v) shall state the dollar amount of additional ad valorem tax revenue that would be
147 generated each year by the proposed increase in the certified tax rate;
- 148 (vi) shall include a brief statement of the primary purpose for the proposed tax
149 increase, including the taxing entity's intended use of additional ad valorem tax
150 revenue described in Subsection (3)(c)(v);
- 151 (vii) shall state the date, time, and place of the public hearing described in Subsection
152 (3)(a)(v);
- 153 (viii) shall state the Internet address for the taxing entity's public website;
- 154 (ix) may contain other information approved by the commission; and
- 155 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
- 156 (A) notice that the taxpayer may request electronic notice as described in
157 Subsection 17-71-302(1)(m); and
- 158 (B) instructions describing how to elect to receive a notice as described in
159 Subsection 17-71-302(1)(m).
- 160 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate
161 the estimated tax on property on the basis of:
- 162 (i) data for the current calendar year; and
- 163 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
164 section.

- 165 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate that
 166 exceeds the fiscal year taxing entity's certified tax rate if[~~the fiscal year taxing entity~~],
 167 before the fiscal year taxing entity conducts the public meeting at which the fiscal year
 168 taxing entity's budget is adopted:
- 169 [~~(a) provides notice by meeting the advertisement requirements of Subsections (6) and~~
 170 ~~(7) before the fiscal year taxing entity conducts the public meeting at which the fiscal~~
 171 ~~year taxing entity's annual budget is adopted; and]~~
- 172 (a)(i) in the public meeting at which the taxing entity's tentative budget is first
 173 presented to the governing body of the taxing entity, an executive officer of the
 174 taxing entity states that the tentative budget includes a proposed tax rate increase ~~§~~
 174a **and presents a property tax impact schedule as defined in Section 59-2-924 ~~←§~~** ;
 175 and
- 176 (ii) the fiscal year taxing entity includes, on the agenda for the public meeting
 177 described in Subsection (4)(a)(i), a separate item notifying the public that an
 178 executive officer of the taxing entity intends to state in the public meeting that the
 179 tentative budget includes a proposed tax rate increase;
- 180 (b)(i) on or after May 1 but on or before June 13, the fiscal year taxing entity states at
 181 a ~~§~~ [~~subsequent~~] ~~←§~~ public meeting:
- 182 (A) that the fiscal year taxing entity is considering levying a tax rate that exceeds
 183 the fiscal year taxing entity's certified tax rate;
- 184 (B) the approximate dollar amount of and purpose for additional ad valorem tax
 185 revenue that would be generated by the proposed tax rate increase described in
 186 Subsection (4)(b)(i)(A);
- 187 (C) the approximate percentage increase in ad valorem tax revenue for the fiscal
 188 year taxing entity based on the proposed tax rate increase described in
 189 Subsection (4)(b)(i)(A); and
- 190 (D) that if the fiscal year taxing entity proceeds with the proposed tax rate
 191 increase, the fiscal year taxing entity will provide notice of and conduct a
 192 public hearing, as required by Subsection (4)(b), at which members of the
 193 public will have an opportunity to provide comments on the proposed tax rate
 194 increase; and
- 195 (ii) the fiscal year taxing entity provides notice for the public meeting described in
 196 Subsection (4)(b)(i) in accordance with Title 52, Chapter 4, Open and Public
 197 Meetings Act, including providing a separate item on the meeting agenda that

198 notifies the public that the fiscal year taxing entity intends to make the statement
 199 described in Subsection (4)(b)(i);

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

203 (d) the fiscal year taxing entity provides notice for the public hearing described in
 204 Subsection (4)(c) by meeting the advertisement requirements of Subsections (6) and
 205 (7).

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

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

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

214 (ii) the taxing entity:

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

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

218a **§→ (c)(i) A fiscal year taxing entity is required to meet the requirements of**
 218b **Subsection (4)(a) only if an executive officer of the taxing entity initiates the**
 218c **taxing entity's proposed tax rate increase.**

218d **(ii) If a fiscal year taxing entity's proposed tax rate increase is initiated by the**
 218e **taxing entity's governing body:**

218f **(A) the requirements of Subsection (4)(a) do not apply; and**

218g **(B) the taxing entity shall comply with the requirements of Subsections (4)(b)**
 218h **through (d).** ←**§**

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

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

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

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

- 225 (i) be published for at least 14 days before the day on which the taxing entity
 226 conducts the public hearing described in Subsection (3)(a)(v) or (4)(b); and
 227 (ii) substantially be in the following form and content:

228 "NOTICE OF PROPOSED TAX INCREASE
 229 (NAME OF TAXING ENTITY)

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

- 231 • The (name of the taxing entity) tax on a (insert the average value of a residence in
 232 the taxing entity rounded to the nearest thousand dollars) residence would increase from
 233 \$_____ to \$_____, which is \$_____ per year.
- 234 • The (name of the taxing entity) tax on a (insert the value of a business having the
 235 same value as the average value of a residence in the taxing entity) business would increase
 236 from \$_____ to \$_____, which is \$_____ per year.
- 237 • If the proposed budget is approved, (name of the taxing entity) would receive an
 238 additional \$_____ in property tax revenue per year as a result of the tax increase.
- 239 • If the proposed budget is approved, (name of the taxing entity) would increase its
 240 property tax budgeted revenue by ___% above last year's property tax budgeted revenue
 241 excluding eligible new growth.

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

246 PUBLIC HEARING

247 Date/Time: (date) (time)

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

249 Virtual Meeting Link: (Internet address for remote participation and live streaming
 250 options)

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

254 (c)(i) This Subsection (6)(c) applies to a fiscal year taxing entity that:

255 (A) is a municipality classified by population as a town under Section 10-2-301;

256 and

257 (B) does not have a public website as of May 1 of the calendar year in which the

258 taxing entity proposes a tax rate increase.

259 (ii) Notwithstanding the other provisions of this section:

260 (A) if a provision of this section requires a fiscal year taxing entity to state the
261 internet address for the taxing entity's public website, a fiscal year taxing entity
262 described in Subsection (6)(c)(i) shall instead state the physical address of the
263 fiscal year taxing entity's town hall or principal place of business; and

264 (B) if a provision of this section requires a fiscal year taxing entity to post
265 information on the taxing entity's public website within a specific time frame, a
266 fiscal year taxing entity described in Subsection (6)(c)(i) shall instead post that
267 information at the fiscal year taxing entity's town hall or principal place of
268 business within that specific time frame.

269 (iii) A fiscal year taxing entity described in Subsection (6)(c)(i) shall provide to the
270 commission evidence of compliance with the requirements of Subsection (6)(c)(ii),
271 as required by the commission.

272 (7) The commission:

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

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

278 (i) the direct notice is different and separate from the notice required under Section
279 59-2-919.1; and

280 (ii) the taxing entity petitions the commission for the use of a commission-approved
281 direct notice.

282 (8)(a)(i) On or before June 1, a fiscal year taxing entity shall notify the commission
283 and the county auditor of the date, time, and place of the public hearing described
284 in Subsection (4)(b).

285 (ii) On or before October 1 of the current calendar year, a calendar year taxing entity
286 shall notify the commission and the county auditor of the date, time, and place of
287 the public hearing described in Subsection (3)(a)(v).

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

289 (A) open to the public;

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

- 292 the taxing entity's certified tax rate, the taxing entity's budget, a special
293 district's or special service district's fee implementation or increase, or a
294 combination of these items; and
- 295 (C) available for individuals to attend or participate either in person or remotely
296 through electronic means.
- 297 (ii) The governing body of a taxing entity conducting a public hearing described in
298 Subsection (3)(a)(v) or (4)(b) shall:
- 299 (A) state the dollar amount of additional ad valorem tax revenue that would be
300 generated each year by the proposed increase in the certified tax rate;
- 301 (B) explain the reasons for the proposed tax increase, including the taxing entity's
302 intended use of additional ad valorem tax revenue described in Subsection
303 (8)(b)(ii)(A);
- 304 (C) if the county auditor compiles the list required by Section 59-2-919.2, present
305 the list at the public hearing and make the list available on the taxing entity's
306 public website; and
- 307 (D) provide an interested party desiring to be heard an opportunity to present oral
308 testimony within reasonable time limits and without unreasonable restriction
309 on the number of individuals allowed to make public comment.
- 310 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a
311 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the
312 public hearing of another overlapping taxing entity in the same county.
- 313 (ii) The taxing entities in which the power to set tax levies is vested in the same
314 governing board or authority may consolidate the public hearings described in
315 Subsection (3)(a)(v) or (4)(b) into one public hearing.
- 316 (d) The county auditor shall resolve any conflict in public hearing dates and times after
317 consultation with each affected taxing entity.
- 318 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or
319 (4)(b) beginning at or after 6 p.m.
- 320 (ii) If a taxing entity holds a public meeting for the purpose of addressing general
321 business of the taxing entity on the same date as a public hearing described in
322 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business
323 items shall conclude before the beginning of the public hearing described in
324 Subsection (3)(a)(v) or (4)(b).
- 325 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the

- 326 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as
327 another public hearing of the taxing entity.
- 328 (ii) A taxing entity may hold the following hearings on the same date as a public
329 hearing described in Subsection (3)(a)(v) or (4)(b):
- 330 (A) a budget hearing;
- 331 (B) if the taxing entity is a special district or a special service district, a fee
332 hearing described in Section 17B-1-643;
- 333 (C) if the taxing entity is a town, an enterprise fund hearing described in Section
334 10-5-107.5; or
- 335 (D) if the taxing entity is a city, an enterprise fund hearing described in Section
336 10-6-135.5.
- 337 (9)(a) If a taxing entity does not make a final decision on budgeting additional ad
338 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b),
339 the taxing entity shall:
- 340 (i) announce at that public hearing the scheduled time and place of the next public
341 meeting at which the taxing entity will consider budgeting the additional ad
342 valorem tax revenue; and
- 343 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described
344 in Subsection (9)(a)(i) before September 1.
- 345 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of
346 additional ad valorem tax revenue that exceeds the largest amount of additional ad
347 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- 348 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
349 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's
350 proposed annual budget.
- 351 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance
352 with Subsection (8).
- 353 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to
354 meet the requirements of Subsection (8), the county auditor shall prepare and submit
355 a report of the auditor's findings to the commission.
- 356 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax
357 rate if, on or before September 15 of the year in which the taxing entity is required to
358 hold the public hearing described in Subsection (3)(a)(v) or (4)(b), the commission
359 determines that the taxing entity has failed to meet the requirements of [Subsection

360 (8)] this section.

361 (11) For a fiscal year within a truth-in-taxation exemption period, a taxing entity may adopt
362 a budget that is equal to or less than the base year budgeted revenue without complying
363 with this section.

364 (12) Notwithstanding Subsection (10)(c), if the commission determines that a fiscal year
365 taxing entity proposing a tax rate increase for the fiscal year beginning on July 1, 2026,
366 has failed to meet the requirements of Subsection (4)(a) or (b):

367 (a) Subsection (10)(c) does not apply, unless the commission determines that the taxing
368 entity has failed to meet a requirement in this section other than the requirements of
369 Subsection (4)(a) or (b); and

370 (b) the commission shall provide notice to the taxing entity:

371 (i) notifying the taxing entity of the taxing entity's failure to meet the requirements of
372 Subsection (4)(a) or (b); and

373 (ii) explaining to the taxing entity that failure to meet the requirements of Subsection
374 (4)(a) or (b) for a subsequent fiscal year will result in the commission not
375 certifying the taxing entity's proposed tax rate increase.

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

377 **59-2-923 . Expenditures of money prior to adoption of budget or tax rate.**

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

381 (1) tentative budget after adoption of the tentative budget; or

382 (2) prior year's adopted final budget as amended, which shall be readopted by resolution at
383 a meeting of the taxing entity's governing body.

384 Section 3. Section **59-2-924** is amended to read:

385 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
386 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
387 **rate -- Rulemaking authority -- Budgeting requirements -- Notice provided by the**
388 **commission.**

389 (1) As used in this section:

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

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

- 394 (ii) "Ad valorem property tax revenue" does not include:
 395 (A) interest;
 396 (B) penalties;
 397 (C) collections from redemptions; or
 398 (D) revenue received by a taxing entity from personal property that is
 399 semiconductor manufacturing equipment assessed by a county assessor in
 400 accordance with Part 3, County Assessment.
- 401 ~~[(b)]~~ (c) "Adjusted tax increment" means the same as that term is defined in Section
 402 17C-1-102.
- 403 ~~[(e)]~~ (d)(i) "Aggregate taxable value of all property taxed" means:
 404 (A) the aggregate taxable value of all real property a county assessor assesses in
 405 accordance with Part 3, County Assessment, for the current year;
 406 (B) the aggregate taxable value of all real and personal property the commission
 407 assesses in accordance with Part 2, Assessment of Property, for the current
 408 year; and
 409 (C) the aggregate year end taxable value of all personal property a county assessor
 410 assesses in accordance with Part 3, County Assessment, contained on the prior
 411 year's tax rolls of the taxing entity.
- 412 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
 413 year end taxable value of personal property that is:
 414 (A) semiconductor manufacturing equipment assessed by a county assessor in
 415 accordance with Part 3, County Assessment; and
 416 (B) contained on the prior year's tax rolls of the taxing entity.
- 417 ~~[(d)]~~ (e) "Base taxable value" means:
 418 (i) for an authority created under Section 11-58-201, the same as that term is defined
 419 in Section 11-58-102;
 420 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
 421 the same as that term is defined in Section 11-59-207;
 422 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
 423 11-70-201, the same as that term is defined in Section 11-70-101;
 424 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
 425 defined in Section 17C-1-102;
 426 (v) for an authority created under Section 63H-1-201, the same as that term is defined
 427 in Section 63H-1-102;

- 428 (vi) for a host local government, the same as that term is defined in Section
 429 63N-2-502;
- 430 (vii) for a housing and transit reinvestment zone or convention center reinvestment
 431 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
 432 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 433 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
 434 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
 435 Part 5, Home Ownership Promotion Zone, a property's taxable value as shown
 436 upon the assessment roll last equalized during the base year, as that term is
 437 defined in Section 10-21-101 or Section 17-80-101;
- 438 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
 439 First Home Investment Zone Act, a property's taxable value as shown upon the
 440 assessment roll last equalized during the base year, as that term is defined in
 441 Section 63N-3-1601;
- 442 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
 443 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown
 444 upon the assessment roll last equalized during the property tax base year, as that
 445 term is defined in Section 63N-3-1701; or
- 446 (xi) for an electrical energy development zone created under Section 79-6-1104, the
 447 value of the property within an electrical energy development zone, as shown on
 448 the assessment roll last equalized before the creation of the electrical development
 449 zone, as that term is defined in Section 79-6-1104.
- 450 [(e)] (f) "Centrally assessed benchmark value" means an amount equal to the average
 451 year end taxable value of real and personal property the commission assesses in
 452 accordance with Part 2, Assessment of Property, for the previous three calendar
 453 years, adjusted for taxable value attributable to:
- 454 (i) an annexation to a taxing entity;
- 455 (ii) an incorrect allocation of taxable value of real or personal property the
 456 commission assesses in accordance with Part 2, Assessment of Property; or
- 457 (iii) a change in value as a result of a change in the method of apportioning the value
 458 prescribed by the Legislature, a court, or the commission in an administrative rule
 459 or administrative order.
- 460 [(f)] (g) "Centrally assessed industry" means the following industry classes the
 461 commission assesses in accordance with Part 2, Assessment of Property:

- 462 (i) air carrier;
- 463 (ii) coal;
- 464 (iii) coal load out property;
- 465 (iv) electric generation;
- 466 (v) electric rural;
- 467 (vi) electric utility;
- 468 (vii) gas utility;
- 469 (viii) ground access property;
- 470 (ix) land only property;
- 471 (x) liquid pipeline;
- 472 (xi) metalliferous mining;
- 473 (xii) nonmetalliferous mining;
- 474 (xiii) oil and gas gathering;
- 475 (xiv) oil and gas production;
- 476 (xv) oil and gas water disposal;
- 477 (xvi) railroad;
- 478 (xvii) sand and gravel; and
- 479 (xviii) uranium.

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

- 481 (A) for each centrally assessed industry, zero; or
- 482 (B) the amount calculated by subtracting the centrally assessed benchmark value
- 483 for each centrally assessed industry, adjusted for prior year end incremental
- 484 value, from the taxable value of real and personal property the commission
- 485 assesses in accordance with Part 2, Assessment of Property, for each centrally
- 486 assessed industry for the current year, adjusted for current year incremental
- 487 value.
- 488 (ii) "Centrally assessed new growth" does not include a change in value for a
- 489 centrally assessed industry as a result of a change in the method of apportioning
- 490 the value prescribed by the Legislature, a court, or the commission in an
- 491 administrative rule or administrative order.

492 [~~(h)~~] (i) "Certified tax rate" means a tax rate that will provide the same ad valorem

493 property tax revenue for a taxing entity as was budgeted by that taxing entity for the

494 prior year.

495 [~~(i)~~] (j) "Community reinvestment agency" means the same as that term is defined in

496 Section 17C-1-102.

497 (k) "Department" means a functional unit within a taxing entity that, in accordance with
498 the Uniform Accounting Manual for Utah Cities, carries on a specific activity.

499 [(+)] (l) "Eligible new growth" means the greater of:

500 (i) zero; or

501 (ii) the sum of:

502 (A) locally assessed new growth;

503 (B) centrally assessed new growth; and

504 (C) project area new growth or hotel property new growth.

505 (m) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that
506 begins on July 1 and ends on June 30.

507 [(k)] (n) "Host local government" means the same as that term is defined in Section
508 63N-2-502.

509 [(+)] (o) "Hotel property" means the same as that term is defined in Section 63N-2-502.

510 [(m)] (p) "Hotel property new growth" means an amount equal to the incremental value
511 that is no longer provided to a host local government as incremental property tax
512 revenue.

513 [(n)] (q) "Incremental property tax revenue" means the same as that term is defined in
514 Section 63N-2-502.

515 [(+)] (r) "Incremental value" means:

516 (i) for an authority created under Section 11-58-201, the amount calculated by
517 multiplying:

518 (A) the difference between the taxable value and the base taxable value of the
519 property that is located within a project area and on which property tax
520 differential is collected; and

521 (B) the number that represents the percentage of the property tax differential that
522 is paid to the authority;

523 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
524 an amount calculated by multiplying:

525 (A) the difference between the current assessed value of the property and the base
526 taxable value; and

527 (B) the number that represents the percentage of the property tax augmentation, as
528 defined in Section 11-59-207, that is paid to the Point of the Mountain State
529 Land Authority;

- 530 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
531 11-70-201, the amount calculated by multiplying:
- 532 (A) the difference between the taxable value for the current year and the base
533 taxable value of the property that is located within a project area; and
534 (B) the number that represents the percentage of enhanced property tax revenue,
535 as defined in Section 11-70-101;
- 536 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
537 multiplying:
- 538 (A) the difference between the taxable value and the base taxable value of the
539 property located within a project area and on which tax increment is collected;
540 and
541 (B) the number that represents the adjusted tax increment from that project area
542 that is paid to the agency;
- 543 (v) for an authority created under Section 63H-1-201, the amount calculated by
544 multiplying:
- 545 (A) the difference between the taxable value and the base taxable value of the
546 property located within a project area and on which property tax allocation is
547 collected; and
548 (B) the number that represents the percentage of the property tax allocation from
549 that project area that is paid to the authority;
- 550 (vi) for a housing and transit reinvestment zone or convention center reinvestment
551 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
552 Reinvestment Zone Act, an amount calculated by multiplying:
- 553 (A) the difference between the taxable value and the base taxable value of the
554 property that is located within a housing and transit reinvestment zone or
555 convention center reinvestment zone and on which tax increment is collected;
556 and
557 (B) the number that represents the percentage of the tax increment that is paid to
558 the housing and transit reinvestment zone or convention center reinvestment
559 zone;
- 560 (vii) for a host local government, an amount calculated by multiplying:
- 561 (A) the difference between the taxable value and the base taxable value of the
562 hotel property on which incremental property tax revenue is collected; and
563 (B) the number that represents the percentage of the incremental property tax

- 564 revenue from that hotel property that is paid to the host local government;
- 565 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
566 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
567 Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
568 (A) the difference between the taxable value and the base taxable value of the
569 property that is located within a home ownership promotion zone and on which
570 tax increment is collected; and
571 (B) the number that represents the percentage of the tax increment that is paid to
572 the home ownership promotion zone;
- 573 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
574 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
575 (A) the difference between the taxable value and the base taxable value of the
576 property that is located within a first home investment zone and on which tax
577 increment is collected; and
578 (B) the number that represents the percentage of the tax increment that is paid to
579 the first home investment zone;
- 580 (x) for a major sporting event venue zone created [~~pursuant to~~] in accordance with
581 Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount
582 calculated by multiplying:
583 (A) the difference between the taxable value and the base taxable value of the
584 property located within a qualified development zone for a major sporting
585 event venue zone and upon which property tax increment is collected; and
586 (B) the number that represents the percentage of tax increment that is paid to the
587 major sporting event venue zone, as approved by a major sporting event venue
588 zone committee described in Section 63N-1a-1706; or
- 589 (xi) for an electrical energy development zone created under Section 79-6-1104, the
590 amount calculated by multiplying:
591 (A) the difference between the taxable value and the base taxable value of the
592 property that is located within the electrical energy developmental zone; and
593 (B) the number that represents the percentage of the tax increment that is paid to a
594 community reinvestment agency and the Electrical Energy Development
595 Investment Fund created in Section 79-6-1105.
- 596 (s) "Interim budget" means the final tentative budget for a fiscal year taxing entity that in
597 accordance with Subsection (8)(a), proposes a tax rate increase for the ensuing fiscal

598 year period that is in effect for the period beginning July 1 and ending after the date
599 on which the taxing entity, before September 1, adopts a final budget.

600 [~~(p)~~] (t)(i) "Locally assessed new growth" means the greater of:

601 (A) zero; or

602 (B) the amount calculated by subtracting the year end taxable value of real
603 property the county assessor assesses in accordance with Part 3, County
604 Assessment, for the previous year, adjusted for prior year end incremental
605 value from the taxable value of real property the county assessor assesses in
606 accordance with Part 3, County Assessment, for the current year, adjusted for
607 current year incremental value.

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

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

611 (B) assessed value based on whether a property is allowed a residential exemption
612 for a primary residence under Section 59-2-103;

613 (C) assessed value based on whether a property is assessed under Part 5, Farmland
614 Assessment Act; or

615 (D) assessed value based on whether a property is assessed under Part 17, Urban
616 Farming Assessment Act.

617 [~~(q)~~] (u) "Project area" means:

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

620 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
621 11-70-201, the same as that term is defined in Section 11-70-101;

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

624 (iv) for an authority created under Section 63H-1-201, the same as that term is
625 defined in Section 63H-1-102;

626 (v) for a housing and transit reinvestment zone or convention center reinvestment
627 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
628 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

629 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
630 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
631 5, Home Ownership Promotion Zone, the same as that term is defined in Section

- 632 10-21-101 or Section 17-80-101;
- 633 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 634 First Home Investment Zone Act, the same as that term is defined in Section
- 635 63N-3-1601; or
- 636 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3,
- 637 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
- 638 as defined in Section 63N-3-1701.
- 639 ~~(†)~~ (v) "Project area new growth" means:
- 640 (i) for an authority created under Section 11-58-201, an amount equal to the
- 641 incremental value that is no longer provided to an authority as property tax
- 642 differential;
- 643 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 644 an amount equal to the incremental value that is no longer provided to the Point of
- 645 the Mountain State Land Authority as property tax augmentation, as defined in
- 646 Section 11-59-207;
- 647 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 648 11-70-201, an amount equal to the incremental value that is no longer provided to
- 649 the Utah Fairpark Area Investment and Restoration District;
- 650 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
- 651 incremental value that is no longer provided to an agency as tax increment;
- 652 (v) for an authority created under Section 63H-1-201, an amount equal to the
- 653 incremental value that is no longer provided to an authority as property tax
- 654 allocation;
- 655 (vi) for a housing and transit reinvestment zone or convention center reinvestment
- 656 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 657 Reinvestment Zone Act, an amount equal to the incremental value that is no
- 658 longer provided to a housing and transit reinvestment zone or convention center
- 659 reinvestment zone as tax increment;
- 660 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
- 661 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
- 662 5, Home Ownership Promotion Zone, an amount equal to the incremental value
- 663 that is no longer provided to a home ownership promotion zone as tax increment;
- 664 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 665 First Home Investment Zone Act, an amount equal to the incremental value that is

- 666 no longer provided to a first home investment zone as tax increment; or
- 667 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
- 668 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental
- 669 value that is no longer provided to the creating entity of a major sporting event
- 670 venue zone as property tax increment.
- 671 [~~(s)~~] (w) "Project area incremental revenue" means the same as that term is defined in
- 672 Section 17C-1-1001.
- 673 [~~(t)~~] (x) "Property tax allocation" means the same as that term is defined in Section
- 674 63H-1-102.
- 675 [~~(u)~~] (y) "Property tax differential" means the same as that term is defined in Sections
- 676 11-58-102 and 79-6-1104.
- 677 (z) "Property tax impact schedule" means a schedule of expenditures that, in accordance
- 678 with Subsection (8)(b), is included in the interim budget for a fiscal year taxing entity
- 679 that proposes a tax rate increase for the ensuing fiscal year period.
- 680 [~~(v)~~] (aa) "Tax increment" means:
- 681 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
- 682 in Section 17C-1-102;
- 683 (ii) for a housing and transit reinvestment zone or convention center reinvestment
- 684 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 685 Reinvestment Zone Act, the same as the term "property tax increment" is defined
- 686 in Section 63N-3-602;
- 687 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
- 688 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
- 689 5, Home Ownership Promotion Zone, the same as that term is defined in Section
- 690 10-21-101 or Section 17-80-101;
- 691 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 692 First Home Investment Zone Act, the same as that term is defined in Section
- 693 63N-3-1601; or
- 694 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
- 695 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is
- 696 defined in Section 63N-3-1701.
- 697 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and
- 698 the commission the following statements:
- 699 (a) a statement containing the aggregate valuation of all taxable real property a county

- 700 assessor assesses in accordance with Part 3, County Assessment, for each taxing
701 entity; and
- 702 (b) a statement containing the taxable value of all personal property a county assessor
703 assesses in accordance with Part 3, County Assessment, from the prior year end
704 values.
- 705 (3) The county auditor shall, on or before June [8] 13, transmit to the governing body of
706 each taxing entity:
- 707 (a) the statements described in Subsections (2)(a) and (b);
- 708 (b) an estimate of the revenue from personal property;
- 709 (c) the certified tax rate; and
- 710 (d) all forms necessary to submit a tax levy request.
- 711 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be
712 calculated by dividing the ad valorem property tax revenue that a taxing entity
713 budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 714 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
715 calculate an amount as follows:
- 716 (i) calculate for the taxing entity the difference between:
- 717 (A) the aggregate taxable value of all property taxed; and
- 718 (B) any adjustments for current year incremental value;
- 719 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
720 determined by increasing or decreasing the amount calculated under Subsection
721 (4)(b)(i) by the average of the percentage net change in the value of taxable
722 property for the equalization period for the three calendar years immediately
723 preceding the current calendar year;
- 724 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
725 product of:
- 726 (A) the amount calculated under Subsection (4)(b)(ii); and
- 727 (B) the percentage of property taxes collected for the five calendar years
728 immediately preceding the current calendar year; and
- 729 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
730 amount determined by:
- 731 (A) multiplying the percentage of property taxes collected for the five calendar
732 years immediately preceding the current calendar year by eligible new growth;
733 and

- 734 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
735 amount calculated under Subsection (4)(b)(iii).
- 736 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
737 as follows:
- 738 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
739 tax rate is zero;
- 740 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 741 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
742 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services
743 to Unincorporated Areas; and
- 744 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
745 purposes and such other levies imposed solely for the municipal-type services
746 identified in Section 17-78-501 and Subsection 17-63-101(23);
- 747 (c) for a community reinvestment agency that received all or a portion of a taxing
748 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
749 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
750 Subsection (4) except that the commission shall treat the total revenue transferred to
751 the community reinvestment agency as ad valorem property tax revenue that the
752 taxing entity budgeted for the prior year; and
- 753 (d) for debt service voted on by the public, the certified tax rate is the actual levy
754 imposed by that section, except that a certified tax rate for the following levies shall
755 be calculated in accordance with Section 59-2-913 and this section:
- 756 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
757 (ii) a levy to pay for the costs of state legislative mandates or judicial or
758 administrative orders under Section 59-2-1602.
- 759 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or
760 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy
761 one or more eligible judgments.
- 762 (b) The ad valorem property tax revenue generated by a judgment levy described in
763 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
764 certified tax rate.
- 765 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 766 (i) the taxable value of real property:
- 767 (A) the county assessor assesses in accordance with Part 3, County Assessment;

- 768 and
- 769 (B) contained on the assessment roll;
- 770 (ii) the year end taxable value of personal property:
- 771 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 772 (B) contained on the prior year's assessment roll; and
- 773 (iii) the taxable value of real and personal property the commission assesses in
- 774 accordance with Part 2, Assessment of Property.
- 775 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
- 776 growth.
- 777 (8)(a) On or before June 30~~[of each year]~~, a fiscal year taxing entity that proposes an
- 778 increase to the certified tax rate for the ensuing fiscal year period shall~~[adopt a~~
- 779 tentative budget.] :
- 780 (i) prepare and adopt an interim budget that:
- 781 (A) is based on the taxing entity's proposed tax rate increase;
- 782 (B) includes a property tax impact schedule, subject to the requirements of
- 783 Subsection (8)(b); and
- 784 (C) is in effect for the period beginning on July 1 and ending after the date on
- 785 which the taxing entity, subject to the requirements of Section 59-2-919, adopts
- 786 a budget;
- 787 (ii) present and make available to the public the property tax impact schedule
- 788 described in Subsection (8)(a)(i)(B):
- 789 (A) at each public hearing ~~§~~ → ~~[-or meeting]~~ ← ~~§~~ held prior to June 30 at which the
- 789a taxing
- 790 entity discusses the taxing entity's proposed ~~§~~ → **general fund** ← ~~§~~ budget for the
- 790a ensuing fiscal year
- 791 period; and
- 792 (B) as a separate document from all other budget documents; and
- 793 (iii) subject to Subsection (8)(c), set aside, in a restricted budget account, an amount
- 794 of the taxing entity's general fund revenue that is no less than the amount of
- 795 additional ad valorem tax revenue that would be generated by the taxing entity's
- 796 proposed tax rate increase.
- 797 (b) The property tax impact schedule described in Subsection (8)(a)(i)(B) shall:
- 798 (i) specify:
- 799 (A) the approximate dollar amount of additional ad valorem tax revenue that

- 800 would be generated by the proposed tax rate increase;
- 801 (B) the approximate percentage increase in tax revenue based on the proposed tax
- 802 rate increase;
- 803 (C) the approximate percentage increase to the amount of property taxes paid on
- 804 an average residence per year as a result of the proposed tax rate increase; and
- 805 (D) the approximate percentage increase to the amount of property taxes paid on
- 806 an average commercial property per year as a result of the proposed tax rate
- 807 increase; and
- 808 (ii) for each department of the taxing entity whose budget would be affected by the
- 809 proposed tax rate increase:
- 810 (A) outline the budget increase or decrease to the department as a result of the
- 811 proposed tax rate increase; and
- 812 (B) articulate the operational impact to the department ~~§~~ → [in the event that]
- 812a if ← ~~§~~ the taxing
- 813 entity ~~§~~ → [does not approve] approves ← ~~§~~ the proposed tax rate increase.
- 814 (c) A taxing entity subject to this Subsection (8) may not expend or otherwise obligate
- 815 the revenue that the taxing entity sets aside in a restricted budget account, as required
- 816 by Subsection (8)(a)(iii), for the period beginning on July 1 and ending after the date
- 817 on which the taxing entity, subject to the requirements of Section 59-2-919, adopts a
- 818 budget.
- 819 (d) A county shall include the property tax impact schedule described in Subsection
- 820 (8)(a)(i)(B) as part of the county notice provided under Section 59-2-919.1, if
- 821 requested and paid for by the taxing entity.
- 822 [(b)] (e) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
- 823 notify the county auditor of:
- 824 (i) the taxing entity's intent to exceed the certified tax rate; and
- 825 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 826 [(e)] (f) The county auditor shall notify property owners of any intent to levy a tax rate
- 827 that exceeds the certified tax rate in accordance with Sections 59-2-919 and
- 828 59-2-919.1.
- 829 (9) On or before June 30, a fiscal year taxing entity shall adopt a budget if the taxing entity
- 830 does not propose an increase to the certified tax rate for the ensuing fiscal year period.
- 831 [(9)] (10)(a) Subject to Subsection [(9)(d)] (10)(d), the commission shall provide notice,
- 832 through electronic means on or before July 31, to a taxing entity and the Revenue and

833 Taxation Interim Committee if:

834 (i) the amount calculated under Subsection [~~(9)(b)~~] (10)(b) is 10% or more of the year
835 end taxable value of the real and personal property the commission assesses in
836 accordance with Part 2, Assessment of Property, for the previous year, adjusted
837 for prior year end incremental value; and

838 (ii) the amount calculated under Subsection [~~(9)(e)~~] (10)(c) is 50% or more of the total
839 year end taxable value of the real and personal property of a taxpayer the
840 commission assesses in accordance with Part 2, Assessment of Property, for the
841 previous year.

842 (b) For purposes of Subsection [~~(9)(a)(i)~~] (10)(a)(i), the commission shall calculate an
843 amount by subtracting the taxable value of real and personal property the commission
844 assesses in accordance with Part 2, Assessment of Property, for the current year,
845 adjusted for current year incremental value, from the year end taxable value of the
846 real and personal property the commission assesses in accordance with Part 2,
847 Assessment of Property, for the previous year, adjusted for prior year end
848 incremental value.

849 (c) For purposes of Subsection [~~(9)(a)(ii)~~] (10)(a)(ii), the commission shall calculate an
850 amount by subtracting the total taxable value of real and personal property of a
851 taxpayer the commission assesses in accordance with Part 2, Assessment of Property,
852 for the current year, from the total year end taxable value of the real and personal
853 property of a taxpayer the commission assesses in accordance with Part 2,
854 Assessment of Property, for the previous year.

855 (d) The notification under Subsection [~~(9)(a)~~] (10)(a) shall include a list of taxpayers that
856 meet the requirement under Subsection [~~(9)(a)(ii)~~] (10)(a)(ii).

857 **Section 4. Effective Date.**

858 This bill takes effect on May 6, 2026.

859 **Section 5. Coordinating H.B. 236 with S.B. 238.**

860 If H.B. 236, Truth in Taxation Amendments, and S.B. 238, Property Tax Adjustments,
861 both pass and become law, the Legislature intends that, on May 6, 2026, Subsection
862 59-2-919(12), enacted in H.B. 236, be renumbered and amended to read:

863 "(13) Notwithstanding Subsection (12)(c), if the commission determines that a fiscal year
864 taxing entity proposing a tax rate increase for the fiscal year beginning on July 1, 2026, has
865 failed to meet the requirements of Subsection (4)(a) or (b):

866 (a) Subsection (12)(c) does not apply, unless the commission determines that the taxing

_ 867 entity has failed to meet a requirement in this section other than the requirements of
_ 868 Subsection (4)(a) or (b); and
_ 869 (b) the commission shall provide notice to the taxing entity:
_ 870 (i) notifying the taxing entity of the taxing entity's failure to meet the requirements of
_ 871 Subsection (4)(a) or (b); and
_ 872 (ii) explaining to the taxing entity that failure to meet the requirements of Subsection (4)(a)
_ 873 or (b) for a subsequent fiscal year will result in the commission not certifying the taxing
_ 874 entity's proposed tax rate increase."