

**Taxation Notification Requirements**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Thomas W. Peterson**

Senate Sponsor:

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**LONG TITLE****General Description:**

This bill modifies truth-in-taxation notice requirements for a fiscal year taxing entity that anticipates increasing the amount of revenue generated by property tax.

**Highlighted Provisions:**

This bill:

- requires a fiscal year taxing entity to provide notice of the fiscal year taxing entity's intent to levy a property tax rate that exceeds the certified tax rate, and the approximate amount of the revenue increase and purpose of the revenue increase, before the fiscal year taxing entity begins the budgeting process;

- limits the fiscal year taxing entity's tax rate to a rate that will not generate more than the revenue increase amount stated in the notice;

- prohibits the State Tax Commission from certifying a fiscal year taxing entity's proposed property tax increase if the fiscal year taxing entity fails to meet the notice requirement;

and

- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:****AMENDS:**

**11-13-509**, as last amended by Laws of Utah 2023, Chapter 435

**17B-1-609**, as last amended by Laws of Utah 2023, Chapters 15, 435

**59-2-911**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

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

**63G-7-704**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

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

32 Section 1. Section **11-13-509** is amended to read:

33 **11-13-509 . Hearing to consider adoption -- Notice.**

34 (1) At the meeting at which the tentative budget is adopted, the governing board shall:

35 (a) establish the time and place of a public hearing to consider [its] the budget's adoption;  
36 and

37 (b) except as provided in Subsection (2), order that notice of the hearing be published,  
38 for at least seven days before the day of the hearing, for the interlocal entity's service  
39 area, as a class A notice under Section 63G-30-102.

40 (2) If the budget hearing is held in conjunction with a tax increase hearing, the notice  
41 required in Subsection (1)(b):

42 (a) may be combined with the notice required under [~~Section 59-2-919~~] Subsection  
43 59-2-919(3) or (4)(a)(iii); and

44 (b) shall be published in accordance with the advertisement provisions of Section  
45 59-2-919.

46 (3) Proof that notice was given in accordance with Subsection (1)(b), or (2) is prima facie  
47 evidence that notice was properly given.

48 (4) If a notice required under Subsection (1)(b), or (2) is not challenged within 30 days after  
49 the day on which the hearing is held, the notice is adequate and proper.

50 Section 2. Section **17B-1-609** is amended to read:

51 **17B-1-609 . Hearing to consider adoption -- Notice.**

52 (1) At the meeting at which the tentative budget is adopted, the board of trustees shall:

53 (a) establish the time and place of a public hearing to consider [its] the budget's adoption;  
54 and

55 (b) except as provided in Subsection (6) or (7), order that notice of the hearing be  
56 published for the district, as a class A notice under Section 63G-30-102, for at least  
57 seven days before the day of the hearing.

58 (2) If the budget hearing is held in conjunction with a tax increase hearing, the notice  
59 required in Subsection (1)(b):

60 (a) may be combined with the notice required under [~~Section 59-2-919~~] Subsection  
61 59-2-919(3) or (4)(a)(iii); and

62 (b) shall be published in accordance with the advertisement provisions of Section  
63 59-2-919.

64 (3) If the budget hearing is to be held in conjunction with a fee increase hearing, the notice

- 65 required in Subsection (1)(b):
- 66 (a) may be combined with the notice required under Section 17B-1-643; and
- 67 (b) shall be published or mailed in accordance with the notice provisions of Section
- 68 17B-1-643.
- 69 (4) Proof that notice was given in accordance with Subsection (1)(b), (2), (3), or (6) is
- 70 prima facie evidence that notice was properly given.
- 71 (5) If a notice required under Subsection (1)(b), (2), (3), or (6) is not challenged within 30
- 72 days after the day on which the hearing is held, the notice is adequate and proper.
- 73 (6) A board of trustees of a special district with an annual operating budget of less than
- 74 \$250,000 may satisfy the notice requirements in Subsection (1)(b) by:
- 75 (a) mailing a written notice, postage prepaid, to each voter in the special district; and
- 76 (b) posting the notice in three public places within the district.
- 77 (7) The notice described in this section is exempt from the physical posting requirement
- 78 described in Subsection 63G-30-102(1)(c).

79 Section 3. Section **59-2-911** is amended to read:

80 **59-2-911 . Exceptions to maximum levy limitation.**

- 81 (1) The maximum levies set forth in Section 59-2-908 do not apply to and do not include:
- 82 (a) levies made to pay outstanding judgment debts;
- 83 (b) levies made in any special improvement districts;
- 84 (c) levies made for extended services in any county service area;
- 85 (d) levies made for county library services;
- 86 (e) levies made for county animal welfare services;
- 87 (f) levies made to be used for storm water, flood, and water quality control;
- 88 (g) levies made to share disaster recovery expenses for public facilities and structures as
- 89 a condition of state assistance when a Presidential Declaration has been issued under
- 90 the Disaster Relief Act of 1974, 42 U.S.C. Sec. 5121;
- 91 (h) levies made to pay interest and provide for a sinking fund in connection with any
- 92 bonded or voter authorized indebtedness, including the bonded or voter authorized
- 93 indebtedness of county service areas, special service districts, and special
- 94 improvement districts;
- 95 (i) levies made to fund local health departments;
- 96 (j) levies made to fund public transit districts;
- 97 (k) levies made to establish, maintain, and replenish special improvement guaranty
- 98 funds;

- 99 (l) levies made in any special service district;
- 100 (m) levies made to fund municipal-type services to unincorporated areas of counties  
101 under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services to  
102 Unincorporated Areas;
- 103 (n) levies made to fund the purchase of paramedic or ambulance facilities and equipment  
104 and to defray administration, personnel, and other costs of providing emergency  
105 medical and paramedic services, but this exception only applies to those counties in  
106 which a resolution setting forth the intention to make those levies has been duly  
107 adopted by the county legislative body and approved by a majority of the voters of  
108 the county voting at a special or general election;
- 109 (o) the multicounty and county assessing and collecting levies under Section 59-2-1602;  
110 and
- 111 (p) all other exceptions to the maximum levy limitation pursuant to statute.
- 112 (2)(a) Upon the retirement of bonds issued for the development of a convention complex  
113 described in Section 17-63-904, and notwithstanding Section 59-2-908, any county of  
114 the first class may continue to impose a property tax levy equivalent to the average  
115 property tax levy previously imposed to pay debt service on those retired bonds.
- 116 (b) Notwithstanding that the imposition of the levy described in Subsection (2)(a) may  
117 not result in an increased amount of ad valorem tax revenue, the levy is subject to the  
118 notice requirements of [~~Section 59-2-919~~] Subsection 59-2-919(3).
- 119 (c) The revenue from this continued levy shall be used only for the funding of  
120 convention facilities as defined in Section 59-12-602.

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

122 **59-2-919 . Notice and public hearing requirements for certain tax increases --**

123 **Exceptions -- Audit.**

- 124 (1) As used in this section:
- 125 (a) "Additional ad valorem tax revenue" means ad valorem property tax revenue  
126 generated by the portion of the tax rate that exceeds the taxing entity's certified tax  
127 rate.
- 128 (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including  
129 revenue from:
- 130 (i) eligible new growth; or
- 131 (ii) personal property that is:
- 132 (A) assessed by a county assessor in accordance with Part 3, County Assessment;

- 133                                   and
- 134                                   (B) semiconductor manufacturing equipment.
- 135           (c) "Base year" means a taxing entity's fiscal year that immediately precedes the fiscal
- 136                                   year in which the taxing entity first adopted a budget below last year's property tax
- 137                                   budgeted revenue.
- 138           (d) "Base year budgeted revenue" means the property tax budgeted revenue, excluding
- 139                                   eligible new growth, for the base year.
- 140           (e) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year
- 141                                   that begins on January 1 and ends on December 31.
- 142           (f) "County executive calendar year taxing entity" means a calendar year taxing entity
- 143                                   that operates under the county executive-council form of government described in
- 144                                   Section 17-62-203.
- 145           (g) "Current calendar year" means the calendar year immediately preceding the calendar
- 146                                   year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the
- 147                                   calendar year taxing entity's certified tax rate.
- 148           (h) "Eligible new growth" means the same as that term is defined in Section 59-2-924.
- 149           (i) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that
- 150                                   begins on July 1 and ends on June 30.
- 151           (j) "Meeting" means the same as that term is defined in Section 52-4-103.
- 152           (k) "Last year's property tax budgeted revenue" does not include:
- 153                                   (i) revenue received by a taxing entity from a debt service levy voted on by the public;
- 154                                   (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or
- 155                                   (iii) revenue generated by the charter school levy described in Section 53F-2-703.
- 156           (l) "Truth-in-taxation exemption period" means a six-year period that begins with the
- 157                                   base year.
- 158   (2) Except as provided in Subsection (11), a taxing entity may not levy a tax rate that
- 159                                   exceeds the taxing entity's certified tax rate unless the taxing entity meets:
- 160                                   (a) the requirements of this section that apply to the taxing entity; and
- 161                                   (b) all other requirements as may be required by law.
- 162   (3)(a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar
- 163                                   year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's
- 164                                   certified tax rate if the calendar year taxing entity:
- 165                                   (i) 14 or more days before the date of the regular general election or municipal
- 166                                   general election held in the current calendar year, states at a public meeting:

- 167 (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the  
168 calendar year taxing entity's certified tax rate;
- 169 (B) the dollar amount of and purpose for additional ad valorem tax revenue that [  
170 ~~would be generated~~] the calendar year taxing entity would generate by the  
171 proposed increase in the certified tax rate; and
- 172 (C) the approximate percentage increase in ad valorem tax revenue for the taxing  
173 entity based on the proposed increase described in Subsection (3)(a)(i)(B);
- 174 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in  
175 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including  
176 providing a separate item on the meeting agenda that notifies the public that the  
177 calendar year taxing entity intends to make the statement described in Subsection  
178 (3)(a)(i);
- 179 (iii) meets the advertisement requirements of Subsections (6) and (7) before the  
180 calendar year taxing entity conducts the public hearing [~~required by~~] Subsection  
181 (3)(a)(v) requires;
- 182 (iv) provides notice by mail:
- 183 (A) seven or more days before the regular general election or municipal general  
184 election held in the current calendar year; and
- 185 (B) as provided in Subsection (3)(c); and
- 186 (v) conducts a public hearing that is held:
- 187 (A) in accordance with Subsections (8) and (9); and
- 188 (B) in conjunction with the public hearing required by Section 17-63-304 or  
189 17B-1-610.
- 190 (b)(i) For a county executive calendar year taxing entity, the statement described in  
191 Subsection (3)(a)(i) shall be made by the:
- 192 (A) county council;
- 193 (B) county executive; or
- 194 (C) both the county council and county executive.
- 195 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the  
196 county council states a dollar amount of additional ad valorem tax revenue that is  
197 greater than the amount of additional ad valorem tax revenue previously stated by  
198 the county executive in accordance with Subsection (3)(a)(i), the county executive  
199 calendar year taxing entity shall:
- 200 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before

201 the county executive calendar year taxing entity conducts the public hearing  
202 under Subsection (3)(a)(v); and

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

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

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

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

209 (B) listed on the assessment roll;

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

211 (A) is developed by the commission;

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

213 "NOTICE OF PROPOSED TAX INCREASE"; and

214 (C) may be mailed with the notice required by Section 59-2-1317;

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

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

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

218 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year

219 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing

220 entity's certified tax rate, the estimated tax on the property;

221 (iv) shall contain the following statement:

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

227 (v) shall state the dollar amount of additional ad valorem tax revenue that would be  
228 generated each year by the proposed increase in the certified tax rate;

229 (vi) shall include a brief statement of the primary purpose for the proposed tax

230 increase, including the taxing entity's intended use of additional ad valorem tax

231 revenue described in Subsection (3)(c)(v);

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

233 (3)(a)(v);

234 (viii) shall state the Internet address for the taxing entity's public website;

- 235 (ix) may contain other information approved by the commission; and  
 236 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
- 237 (A) notice that the taxpayer may request electronic notice as described in  
 238 Subsection 17-71-302(1)(m); and  
 239 (B) instructions describing how to elect to receive a notice as described in  
 240 Subsection 17-71-302(1)(m).
- 241 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate  
 242 the estimated tax on property on the basis of:
- 243 (i) data for the current calendar year; and  
 244 (ii) the amount of additional ad valorem tax revenue stated in accordance with this  
 245 section.
- 246 (4)(a) Except as provided in ~~[Subsection]~~ Subsections (4)(b) and (5), a fiscal year taxing  
 247 entity may levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate  
 248 if the fiscal year taxing entity:
- 249 ~~[(a)]~~ (i) [provides notice by meeting the advertisement requirements of Subsections (6)  
 250 and (7) before the fiscal year taxing entity conducts the public meeting at which  
 251 the fiscal year taxing entity's annual budget is adopted; and] on or before April 1 of  
 252 the year in which a fiscal year taxing entity intends to levy a tax rate that exceeds  
 253 the fiscal year taxing entity's certified tax rate, publishes a notice that provides the  
 254 fiscal year taxing entity's name and the approximate dollar amount of and purpose  
 255 for the additional ad valorem tax revenue that the fiscal year taxing entity intends  
 256 to collect:
- 257 (A) electronically in accordance with Section 45-1-101; and  
 258 (B) as a class A notice under Section ~~H~~ → [63G-30-1021] 63G-30-102 ← H ;
- 259 ~~[(b)]~~ (ii) conducts a public hearing in accordance with Subsections (8) and (9) before  
 260 the fiscal year taxing entity's annual budget is adopted; and
- 261 (iii) provides notice for the public hearing described in Subsection (4)(a)(ii) by  
 262 meeting the advertisement requirements of Subsections (6) and (7).
- 263 (b)(i) A fiscal year taxing entity may not impose a rate that would generate more than  
 264 the additional ad valorem property tax revenue that the fiscal year entity states in  
 265 the notice described in Subsection (4)(a)(i).
- 266 (ii) A fiscal year taxing entity may impose a rate that would generate less than the  
 267 additional ad valorem property tax revenue that the fiscal year entity states in the  
 268 notice described in Subsection (4)(a)(i).

- 269 (5)(a) A taxing entity is not required to meet the notice or public hearing requirements of  
 270 Subsection (3) or (4) if the taxing entity is expressly exempted by law from  
 271 complying with the requirements of this section.
- 272 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or  
 273 (4) if:
- 274 (i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that  
 275 certified tax rate without having to comply with the notice provisions of this  
 276 section; or
- 277 (ii) the taxing entity:
- 278 (A) budgeted less than \$20,000 in ad valorem tax revenue for the previous fiscal  
 279 year; and
- 280 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem  
 281 tax revenue.

- 282 (6)(a) Before holding the public hearing described in Subsection (3)(a)(v) or [~~(4)(b)~~]  
 283 (4)(a)(ii), a taxing entity proposing a tax rate increase under this section shall publish  
 284 an advertisement regarding the proposed tax increase:
- 285 (i) electronically in accordance with Section 45-1-101; and  
 286 (ii) as a class A notice under Section 63G-30-102.
- 287 (b) The advertisement described in Subsection (6)(a) shall:
- 288 (i) be published for at least 14 days before the day on which the taxing entity  
 289 conducts the public hearing described in Subsection (3)(a)(v) or [~~(4)(b)~~] (4)(a)(ii);  
 290 and

- 291 (ii) substantially be in the following form and content:

292 "NOTICE OF PROPOSED TAX INCREASE

293 (NAME OF TAXING ENTITY)

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

- 295 • The (name of the taxing entity) tax on a (insert the average value of a residence in  
 296 the taxing entity rounded to the nearest thousand dollars) residence would increase from  
 297 \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.
- 298 • The (name of the taxing entity) tax on a (insert the value of a business having the  
 299 same value as the average value of a residence in the taxing entity) business would increase  
 300 from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.
- 301 • If the proposed budget is approved, (name of the taxing entity) would receive an  
 302 additional \$\_\_\_\_\_ in property tax revenue per year as a result of the tax increase.

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

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

#### PUBLIC HEARING

310           Date/Time:   (date) (time)

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

312           Virtual Meeting Link:   (Internet address for remote participation and live streaming  
 313 options)

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

317           (7) The commission:

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

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

323           (i) the direct notice is different and separate from the notice required under Section  
 324 59-2-919.1; and

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

327           (8)(a)(i) On or before June 1, a fiscal year taxing entity shall notify the commission  
 328 and the county auditor of the date, time, and place of the public hearing described  
 329 in Subsection [~~(4)(b)~~] (4)(a)(ii).

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

333           (b)(i) A public hearing described in Subsection (3)(a)(v) or [~~(4)(b)~~] (4)(a)(ii) shall be:

334           (A) open to the public;

335           (B) held at a meeting of the taxing entity with no items on the agenda other than  
 336

- 337 discussion and action on the taxing entity's intent to levy a tax rate that exceeds  
338 the taxing entity's certified tax rate, the taxing entity's budget, a special  
339 district's or special service district's fee implementation or increase, or a  
340 combination of these items; and
- 341 (C) available for individuals to attend or participate either in person or remotely  
342 through electronic means.
- 343 (ii) The governing body of a taxing entity conducting a public hearing described in  
344 Subsection (3)(a)(v) or [(4)(b)] (4)(a)(ii) shall:
- 345 (A) state the dollar amount of additional ad valorem tax revenue that would be  
346 generated each year by the proposed increase in the certified tax rate;
- 347 (B) explain the reasons for the proposed tax increase, including the taxing entity's  
348 intended use of additional ad valorem tax revenue described in Subsection  
349 (8)(b)(ii)(A);
- 350 (C) if the county auditor compiles the list required by Section 59-2-919.2, present  
351 the list at the public hearing and make the list available on the taxing entity's  
352 public website; and
- 353 (D) provide an interested party desiring to be heard an opportunity to present oral  
354 testimony within reasonable time limits and without unreasonable restriction  
355 on the number of individuals allowed to make public comment.
- 356 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a  
357 public hearing described in Subsection (3)(a)(v) or [(4)(b)] (4)(a)(ii) at the same  
358 time as the public hearing of another overlapping taxing entity in the same county.
- 359 (ii) The taxing entities in which the power to set tax levies is vested in the same  
360 governing board or authority may consolidate the public hearings described in  
361 Subsection (3)(a)(v) or [(4)(b)] (4)(a)(ii) into one public hearing.
- 362 (d) The county auditor shall resolve any conflict in public hearing dates and times after  
363 consultation with each affected taxing entity.
- 364 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or [  
365 (4)(b)] (4)(a)(ii) beginning at or after 6 p.m.
- 366 (ii) If a taxing entity holds a public meeting for the purpose of addressing general  
367 business of the taxing entity on the same date as a public hearing described in  
368 Subsection (3)(a)(v) or [(4)(b)] (4)(a)(ii), the public meeting addressing general  
369 business items shall conclude before the beginning of the public hearing described  
370 in Subsection (3)(a)(v) or [(4)(b)] (4)(a)(ii).

- 371 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the  
372 public hearing described in Subsection (3)(a)(v) or [~~(4)(b)~~] (4)(a)(ii) on the same  
373 date as another public hearing of the taxing entity.
- 374 (ii) A taxing entity may hold the following hearings on the same date as a public  
375 hearing described in Subsection (3)(a)(v) or [~~(4)(b)~~] (4)(a)(ii):
- 376 (A) a budget hearing;
- 377 (B) if the taxing entity is a special district or a special service district, a fee  
378 hearing described in Section 17B-1-643;
- 379 (C) if the taxing entity is a town, an enterprise fund hearing described in Section  
380 10-5-107.5; or
- 381 (D) if the taxing entity is a city, an enterprise fund hearing described in Section  
382 10-6-135.5.
- 383 (9)(a) If a taxing entity does not make a final decision on budgeting additional ad  
384 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or [~~(4)(b)~~]  
385 (4)(a)(ii), the taxing entity shall:
- 386 (i) announce at that public hearing the scheduled time and place of the next public  
387 meeting at which the taxing entity will consider budgeting the additional ad  
388 valorem tax revenue; and
- 389 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described  
390 in Subsection (9)(a)(i) before September 1.
- 391 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of  
392 additional ad valorem tax revenue that exceeds the largest amount of additional ad  
393 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- 394 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's  
395 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's  
396 proposed annual budget.
- 397 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance  
398 with Subsection (8).
- 399 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to  
400 meet the requirements of Subsection (8), the county auditor shall prepare and submit  
401 a report of the auditor's findings to the commission.
- 402 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax  
403 rate if, on or before September 15 of the year in which the taxing entity is required to  
404 hold the public hearing described in Subsection (3)(a)(v) or [~~(4)(b)~~] (4)(a)(ii), the

405 commission determines that the taxing entity has failed to meet;  
 406 (i) the requirements of Subsection (8); and  
 407 (ii) for a fiscal year taxing entity, the requirements of Subsection (4)(a)(i).

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

411 Section 5. Section **63G-7-704** is amended to read:

412 **63G-7-704 . Tax levy by political subdivisions for payment of claims, judgments,**  
 413 **or insurance premiums.**

414 (1) Notwithstanding any provision of law to the contrary, a political subdivision may levy  
 415 an annual property tax sufficient to pay:

416 (a) any claim, settlement, or judgment, including interest payments and issuance costs  
 417 for bonds issued under Subsection 11-14-103(1)(d) to pay the portion of any claim,  
 418 settlement, or judgment that exceeds \$3,000,000;

419 (b) the costs to defend against any claim, settlement, or judgment; or

420 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
 421 settlements, or judgments that may be reasonably anticipated.

422 (2)(a) The payments authorized to pay for punitive damages or to pay the premium for  
 423 authorized insurance is money spent for a public purpose within the meaning of this  
 424 section and Utah Constitution, Article XIII, [~~Sec.~~] Section 5, even though, as a result  
 425 of the levy, the maximum levy as otherwise restricted by law is exceeded.

426 (b)(i) Except as provided in Subsection (2)(b)(ii), a levy under this section may not  
 427 exceed .0001 per dollar of taxable value of taxable property.

428 (ii) A levy under Subsection (1)(a) to pay the portion of any claim, settlement, or  
 429 judgment that exceeds \$3,000,000 may not exceed .001 per dollar of taxable value  
 430 of taxable property.

431 (c) Except as provided in Subsection 17-63-808(2), the revenues derived from this levy  
 432 may not be used for any purpose other than those specified in this section.

433 (3) Beginning January 1, 2012, a local school board may not levy a tax in accordance with  
 434 this section.

435 (4) A political subdivision that levies an annual property tax under Subsection (1)(a) to pay  
 436 the portion of any claim, settlement, or judgment that exceeds \$3,000,000:

437 (a) shall comply with the notice and public hearing requirements under [~~Section~~  
 438 ~~59-2-919~~] Subsections 59-2-919(4)(a)(ii) and (4)(a)(iii); and

439 (b) may levy the annual property tax until the bonds' maturity dates expire.

440 Section 6. **Effective Date.**

441 This bill takes effect on January 1, 2027.