

Truth in Taxation Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Heidi Balderree

House Sponsor: Colin W. Jack

LONG TITLE

General Description:

This bill addresses the public hearing requirements for increasing the property tax rate.

Highlighted Provisions:

This bill:

- defines "meeting" to align with the definition in the Open and Public Meetings Act to clarify that a public hearing on increasing the property tax rate above the certified tax rate requires the presence of a quorum of the taxing entity; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-919 (Effective 05/07/25) (Retrospective 01/01/25), as last amended by Laws of Utah 2024, Chapter 246

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

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

59-2-919 (Effective 05/07/25) (Retrospective 01/01/25). Notice and public hearing requirements for certain tax increases -- Exceptions -- Audit.

(1) As used in this section:

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

- (b) "Ad valorem tax revenue" means ad valorem property tax revenue not including revenue from:
- (i) eligible new growth as defined in Section 59-2-924; or
 - (ii) personal property that is:
 - (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - (B) semiconductor manufacturing equipment.
- (c) "Calendar year taxing entity" means a taxing entity that operates under a fiscal year that begins on January 1 and ends on December 31.
- (d) "County executive calendar year taxing entity" means a calendar year taxing entity that operates under the county executive-council form of government described in Section 17-52a-203.
- (e) "Current calendar year" means the calendar year immediately preceding the calendar year for which a calendar year taxing entity seeks to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate.
- (f) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July 1 and ends on June 30.
- (g) "Meeting" means the same as that term is defined in Section 52-4-103.
- ~~[(g)]~~ (h) "Last year's property tax budgeted revenue" does not include:
- (i) revenue received by a taxing entity from a debt service levy voted on by the public;
 - (ii) revenue generated by the combined basic rate as defined in Section 53F-2-301; or
 - (iii) revenue generated by the charter school levy described in Section 53F-2-703.
- (2) A taxing entity may not levy a tax rate that exceeds the taxing entity's certified tax rate unless the taxing entity meets:
- (a) the requirements of this section that apply to the taxing entity; and
 - (b) all other requirements as may be required by law.
- (3)(a) Subject to Subsection (3)(b) and except as provided in Subsection (5), a calendar year taxing entity may levy a tax rate that exceeds the calendar year taxing entity's certified tax rate if the calendar year taxing entity:
- (i) 14 or more days before the date of the regular general election or municipal general election held in the current calendar year, states at a public meeting:
 - (A) that the calendar year taxing entity intends to levy a tax rate that exceeds the calendar year taxing entity's certified tax rate;
 - (B) the dollar amount of and purpose for additional ad valorem tax revenue that

- 63 would be generated by the proposed increase in the certified tax rate; and
64 (C) the approximate percentage increase in ad valorem tax revenue for the taxing
65 entity based on the proposed increase described in Subsection (3)(a)(i)(B);
66 (ii) provides notice for the public meeting described in Subsection (3)(a)(i) in
67 accordance with Title 52, Chapter 4, Open and Public Meetings Act, including
68 providing a separate item on the meeting agenda that notifies the public that the
69 calendar year taxing entity intends to make the statement described in Subsection
70 (3)(a)(i);
71 (iii) meets the advertisement requirements of Subsections (6) and (7) before the
72 calendar year taxing entity conducts the public hearing required by Subsection
73 (3)(a)(v);
74 (iv) provides notice by mail:
75 (A) seven or more days before the regular general election or municipal general
76 election held in the current calendar year; and
77 (B) as provided in Subsection (3)(c); and
78 (v) conducts a public hearing that is held:
79 (A) in accordance with Subsections (8) and (9); and
80 (B) in conjunction with the public hearing required by Section 17-36-13 or
81 17B-1-610.
82 (b)(i) For a county executive calendar year taxing entity, the statement described in
83 Subsection (3)(a)(i) shall be made by the:
84 (A) county council;
85 (B) county executive; or
86 (C) both the county council and county executive.
87 (ii) If the county council makes the statement described in Subsection (3)(a)(i) or the
88 county council states a dollar amount of additional ad valorem tax revenue that is
89 greater than the amount of additional ad valorem tax revenue previously stated by
90 the county executive in accordance with Subsection (3)(a)(i), the county executive
91 calendar year taxing entity shall:
92 (A) make the statement described in Subsection (3)(a)(i) 14 or more days before
93 the county executive calendar year taxing entity conducts the public hearing
94 under Subsection (3)(a)(v); and
95 (B) provide the notice required by Subsection (3)(a)(iv) 14 or more days before
96 the county executive calendar year taxing entity conducts the public hearing

- 97 required by Subsection (3)(a)(v).
- 98 (c) The notice described in Subsection (3)(a)(iv):
- 99 (i) shall be mailed to each owner of property:
- 100 (A) within the calendar year taxing entity; and
- 101 (B) listed on the assessment roll;
- 102 (ii) shall be printed on a separate form that:
- 103 (A) is developed by the commission;
- 104 (B) states at the top of the form, in bold upper-case type no smaller than 18 point
- 105 "NOTICE OF PROPOSED TAX INCREASE"; and
- 106 (C) may be mailed with the notice required by Section 59-2-1317;
- 107 (iii) shall contain for each property described in Subsection (3)(c)(i):
- 108 (A) the value of the property for the current calendar year;
- 109 (B) the tax on the property for the current calendar year; and
- 110 (C) subject to Subsection (3)(d), for the calendar year for which the calendar year
- 111 taxing entity seeks to levy a tax rate that exceeds the calendar year taxing
- 112 entity's certified tax rate, the estimated tax on the property;
- 113 (iv) shall contain the following statement:
- 114 "[Insert name of taxing entity] is proposing a tax increase for [insert applicable calendar
- 115 year]. This notice contains estimates of the tax on your property and the proposed tax increase
- 116 on your property as a result of this tax increase. These estimates are calculated on the basis of
- 117 [insert previous applicable calendar year] data. The actual tax on your property and proposed
- 118 tax increase on your property may vary from this estimate.";
- 119 (v) shall state the dollar amount of additional ad valorem tax revenue that would be
- 120 generated each year by the proposed increase in the certified tax rate;
- 121 (vi) shall include a brief statement of the primary purpose for the proposed tax
- 122 increase, including the taxing entity's intended use of additional ad valorem tax
- 123 revenue described in Subsection (3)(c)(v);
- 124 (vii) shall state the date, time, and place of the public hearing described in Subsection
- 125 (3)(a)(v);
- 126 (viii) shall state the Internet address for the taxing entity's public website;
- 127 (ix) may contain other information approved by the commission; and
- 128 (x) if sent in calendar year 2024, 2025, or 2026, shall contain:
- 129 (A) notice that the taxpayer may request electronic notice as described in
- 130 Subsection 17-21-6(1)(m); and

- 131 (B) instructions describing how to elect to receive a notice as described in
132 Subsection 17-21-6(1)(m).
- 133 (d) For purposes of Subsection (3)(c)(iii)(C), a calendar year taxing entity shall calculate
134 the estimated tax on property on the basis of:
135 (i) data for the current calendar year; and
136 (ii) the amount of additional ad valorem tax revenue stated in accordance with this
137 section.
- 138 (4) Except as provided in Subsection (5), a fiscal year taxing entity may levy a tax rate that
139 exceeds the fiscal year taxing entity's certified tax rate if the fiscal year taxing entity:
140 (a) provides notice by meeting the advertisement requirements of Subsections (6) and (7)
141 before the fiscal year taxing entity conducts the public meeting at which the fiscal
142 year taxing entity's annual budget is adopted; and
143 (b) conducts a public hearing in accordance with Subsections (8) and (9) before the
144 fiscal year taxing entity's annual budget is adopted.
- 145 (5)(a) A taxing entity is not required to meet the notice or public hearing requirements of
146 Subsection (3) or (4) if the taxing entity is expressly exempted by law from
147 complying with the requirements of this section.
- 148 (b) A taxing entity is not required to meet the notice requirements of Subsection (3) or
149 (4) if:
150 (i) Section 53F-8-301 allows the taxing entity to levy a tax rate that exceeds that
151 certified tax rate without having to comply with the notice provisions of this
152 section; or
153 (ii) the taxing entity:
154 (A) budgeted less than \$20,000 in ad valorem tax revenue for the previous fiscal
155 year; and
156 (B) sets a budget during the current fiscal year of less than \$20,000 of ad valorem
157 tax revenue.
- 158 (6)(a) Subject to Subsections (6)(d) and (7)(b), the advertisement described in this
159 section shall be published:
160 (i) subject to Section 45-1-101, in a newspaper or combination of newspapers of
161 general circulation in the taxing entity;
162 (ii) electronically in accordance with Section 45-1-101; and
163 (iii) for the taxing entity, as a class A notice under Section 63G-30-102, for at least
164 14 days before the day on which the taxing entity conducts the public hearing

- described in Subsection (3)(a)(v) or (4)(b).
- (b) The advertisement described in Subsection (6)(a)(i) shall:
- (i) be no less than 1/4 page in size;
 - (ii) use type no smaller than 18 point; and
 - (iii) be surrounded by a 1/4-inch border.
- (c) The advertisement described in Subsection (6)(a)(i) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.
- (d) It is the intent of the Legislature that:
- (i) whenever possible, the advertisement described in Subsection (6)(a)(i) appear in a newspaper that is published at least one day per week; and
 - (ii) the newspaper or combination of newspapers selected:
 - (A) be of general interest and readership in the taxing entity; and
 - (B) not be of limited subject matter.
- (e)(i) The advertisement described in Subsection (6)(a)(i) shall:
- (A) except as provided in Subsection (6)(f), be run once each week for the two weeks before a taxing entity conducts a public hearing described under Subsection (3)(a)(v) or (4)(b);
 - (B) state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be seven or more days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase; and
 - (C) state the Internet address for the taxing entity's public website.
- (ii) The advertisement described in Subsection (6)(a)(ii) shall:
- (A) be published two weeks before a taxing entity conducts a public hearing described in Subsection (3)(a)(v) or (4)(b);
 - (B) state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be seven or more days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase; and
 - (C) state the Internet address for the taxing entity's public website.
- (f) If a fiscal year taxing entity's public hearing information is published by the county auditor in accordance with Section 59-2-919.2, the fiscal year taxing entity is not subject to the requirement to run the advertisement twice, as required by Subsection (6)(e)(i), but shall run the advertisement once during the week before the fiscal year

taxing entity conducts a public hearing at which the taxing entity's annual budget is discussed.

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

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

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

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

The (name of the taxing entity) invites all concerned citizens to a public hearing for the purpose of hearing comments regarding the proposed tax increase and to explain the reasons for the proposed tax increase.

PUBLIC HEARING

Date/Time: (date) (time)

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

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

- (7) The commission:

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

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

- (i) the use of a weekly newspaper:

- (A) in a county having both daily and weekly newspapers if the weekly newspaper

- 233 would provide equal or greater notice to the taxpayer; and
- 234 (B) if the county petitions the commission for the use of the weekly newspaper; or
- 235 (ii) the use by a taxing entity of a commission approved direct notice to each taxpayer
- 236 if:
- 237 (A) the cost of the advertisement would cause undue hardship;
- 238 (B) the direct notice is different and separate from that provided for in Section
- 239 59-2-919.1; and
- 240 (C) the taxing entity petitions the commission for the use of a commission
- 241 approved direct notice.
- 242 (8)(a)(i) [A] On or before June 1, a fiscal year taxing entity shall~~[, on or before June 1,]~~
- 243 notify the commission and the county auditor of the date, time, and place of the
- 244 public hearing described in Subsection (4)(b).
- 245 (ii) [A] On or before October 1 of the current calendar year, a calendar year taxing
- 246 entity shall~~[, on or before October 1 of the current calendar year,]~~ notify the
- 247 commission and the county auditor of the date, time, and place of the public
- 248 hearing described in Subsection (3)(a)(v).
- 249 (b)(i) A public hearing described in Subsection (3)(a)(v) or (4)(b) shall be:
- 250 (A) open to the public; and
- 251 (B) held at a meeting of the taxing entity with no items on the agenda other than
- 252 discussion and action on the taxing entity's intent to levy a tax rate that exceeds
- 253 the taxing entity's certified tax rate, the taxing entity's budget, a special
- 254 district's or special service district's fee implementation or increase, or a
- 255 combination of these items.
- 256 (ii) The governing body of a taxing entity conducting a public hearing described in
- 257 Subsection (3)(a)(v) or (4)(b) shall:
- 258 (A) state the dollar amount of additional ad valorem tax revenue that would be
- 259 generated each year by the proposed increase in the certified tax rate;
- 260 (B) explain the reasons for the proposed tax increase, including the taxing entity's
- 261 intended use of additional ad valorem tax revenue described in Subsection
- 262 (8)(b)(ii)(A);
- 263 (C) if the county auditor compiles the list required by Section 59-2-919.2, present
- 264 the list at the public hearing and make the list available on the taxing entity's
- 265 public website; and
- 266 (D) provide an interested party desiring to be heard an opportunity to present oral

- 267 testimony within reasonable time limits and without unreasonable restriction
268 on the number of individuals allowed to make public comment.
- 269 (c)(i) Except as provided in Subsection (8)(c)(ii), a taxing entity may not schedule a
270 public hearing described in Subsection (3)(a)(v) or (4)(b) at the same time as the
271 public hearing of another overlapping taxing entity in the same county.
- 272 (ii) The taxing entities in which the power to set tax levies is vested in the same
273 governing board or authority may consolidate the public hearings described in
274 Subsection (3)(a)(v) or (4)(b) into one public hearing.
- 275 (d) The county auditor shall resolve any conflict in public hearing dates and times after
276 consultation with each affected taxing entity.
- 277 (e)(i) A taxing entity shall hold a public hearing described in Subsection (3)(a)(v) or
278 (4)(b) beginning at or after 6 p.m.
- 279 (ii) If a taxing entity holds a public meeting for the purpose of addressing general
280 business of the taxing entity on the same date as a public hearing described in
281 Subsection (3)(a)(v) or (4)(b), the public meeting addressing general business
282 items shall conclude before the beginning of the public hearing described in
283 Subsection (3)(a)(v) or (4)(b).
- 284 (f)(i) Except as provided in Subsection (8)(f)(ii), a taxing entity may not hold the
285 public hearing described in Subsection (3)(a)(v) or (4)(b) on the same date as
286 another public hearing of the taxing entity.
- 287 (ii) A taxing entity may hold the following hearings on the same date as a public
288 hearing described in Subsection (3)(a)(v) or (4)(b):
- 289 (A) a budget hearing;
- 290 (B) if the taxing entity is a special district or a special service district, a fee
291 hearing described in Section 17B-1-643;
- 292 (C) if the taxing entity is a town, an enterprise fund hearing described in Section
293 10-5-107.5; or
- 294 (D) if the taxing entity is a city, an enterprise fund hearing described in Section
295 10-6-135.5.
- 296 (9)(a) If a taxing entity does not make a final decision on budgeting additional ad
297 valorem tax revenue at a public hearing described in Subsection (3)(a)(v) or (4)(b),
298 the taxing entity shall:
- 299 (i) announce at that public hearing the scheduled time and place of the next public
300 meeting at which the taxing entity will consider budgeting the additional ad

- 301 valorem tax revenue; and
- 302 (ii) if the taxing entity is a fiscal year taxing entity, hold the public meeting described
- 303 in Subsection (9)(a)(i) before September 1.
- 304 (b) A calendar year taxing entity may not adopt a final budget that budgets an amount of
- 305 additional ad valorem tax revenue that exceeds the largest amount of additional ad
- 306 valorem tax revenue stated at a public meeting under Subsection (3)(a)(i).
- 307 (c) A public hearing on levying a tax rate that exceeds a fiscal year taxing entity's
- 308 certified tax rate may coincide with a public hearing on the fiscal year taxing entity's
- 309 proposed annual budget.
- 310 (10)(a) A county auditor may conduct an audit to verify a taxing entity's compliance
- 311 with Subsection (8).
- 312 (b) If the county auditor, after completing an audit, finds that a taxing entity has failed to
- 313 meet the requirements of Subsection (8), the county auditor shall prepare and submit
- 314 a report of the auditor's findings to the commission.
- 315 (c) The commission may not certify a tax rate that exceeds a taxing entity's certified tax
- 316 rate if, on or before September 15 of the year in which the taxing entity is required to
- 317 hold the public hearing described in Subsection (3)(a)(v) or (4)(b), the commission
- 318 determines that the taxing entity has failed to meet the requirements of Subsection (8).

319 Section 2. **Effective Date.**

320 This bill takes effect on May 7, 2025.

321 Section 3. **Retrospective operation.**

322 This bill has retrospective operation to January 1, 2025.