

Tax Rate Certification

Standards of Practice

10

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Section X.I

General Information

Purpose

These standards address the procedures, processes, time frames and statutory responsibilities for computing and implementing ad valorem property tax rates. They provide a reference for uniform methods for setting property tax rates.

Scope

These standards provide the statutory and administrative framework for setting property tax rates including certified and proposed tax rates. Included are definitions, property tax rate calculation procedures beginning with the budget process, certified tax rate calculation procedures, information on various rates (levies), guidelines for the “Notice of Property Valuation and Tax Changes”, requirements for increasing taxes, final approval of the rates and community development and renewal agency/community reinvestment agency (CDRA/CRA) information. These standards are not intended as detailed instructions for computing tax rates.

Constitutional Authority

Art. XIII, § 6, of the Utah Constitution states that the State Tax Commission shall: “review proposed bond issues, revise local tax levies, and equalize the assessment and valuation of property within the counties.”

Legislative Authority

The direction and statutory authority for setting certified and proposed tax rates and compliance with requirements for increasing taxes (Truth in Taxation or TNT) are contained in Title 59, Chapter 2, Part 9, and §§ 901 through 926. County auditors have the statutory responsibility to provide valuation information, forms and instructions to the taxing entities. (§ 59-2-924). Titles 17B and 17D govern the creating and administration of special districts and special service districts respectively. Specific authorization and statutory limits for units of local government are found in various chapters of the Utah Code, including:

§ 11-14-310 – Requires political subdivisions to levy property tax sufficient to cover the costs of any general obligation bonds without limitations.

§ 17-12-1- No county may exceed the debt limit of 2% of the fair market value of all taxable property in the county.

§ 17B-1-1003 Special district boards of trustees are required to report specific information on proposed bond issuances at the legislative entity’s public meeting

§§ 53F-2-201, 53F-2-301 and 53F-2-301.5 – Governs the minimum state basic rate for school funding.

§§ 53F-2-601 and 53F-8-301 – Governs the voted local levy.

§ 53F-2-703 – Governs the charter school rate.

§§ 53F-8-302 and 53F-8-404 – Governs the board local levy.

§ 53F-8-303 – Governs the capital local levy.

§ 59-2-102 – Defines many terms associated with valuation, Board of Equalization (BOE) adjustments, and the tax rate certification process.

§ 59-2-104 – Defines situs for property tax purposes.

§§ 59-2-303.1 and 59-2-704 – Statutes governing factor orders.

§§ 59-2-403 and 59-2-801 – Governs the assessment and apportionment of state assessed commercial vehicles.

§ 59-2-1304 – Governs the rate applicable to the taxation of personal property and distribution of revenues.

§§ 59-2-1328 and 59-2-1330 – Statutes governing judgment levies.

R227-422-3 – Administers the voted local and board local levies.

R884-24P-24 – Additional requirements for the Valuation Notice.

R884-24P-36 – Additional requirements for the Tax Notice.

R884-24P-57 – Establishes timelines and additional requirements for judgment levies.

R884-24P-70 – Requires property review information to be included on the Valuation Notice.

Definitions

Assessment Roll (Tax Roll): A permanent record of the assessment of property as assessed by the county assessor and the State Tax Commission as adjusted by the county Board of Equalization (BOE) and maintained as a consolidated multiple record or as multiple records by type, classification, or categories. (§ 59-2-102)

Budgeted Property Tax Revenues: A budget which has been adopted and approved by a taxing entity's governing body prior to setting the property tax rate. (§ 59-2-912)

Calendar Year Taxing Entity: A taxing entity that operates under a fiscal year that begins on January 1st and ends on December 31st. The list of entities that fall into this category include counties and special service districts organized by a county government.

Calculated Budgeted Revenue: The revenue an entity can anticipate receiving from the tax rate. This is calculated by multiplying the adjusted taxable value by the final tax rate.

Factor Order: An order issued by the State Tax Commission to adjust or index the assessed value of locally assessed real property to achieve fair market value. The adjustment may include an entire county, geographical areas within a county and/or separate classes of properties. Factor orders result from annual statistical studies of locally assessed real property called sales/assessment ratio studies. (§§ 59-2-303.1 and 704)

Fair Market Value: The amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts (including zoning and upcoming changes to zoning). (§ 59-2-102)

Fiscal Year Taxing Entity: A taxing entity within the state that operates under a fiscal year that begins on July 1 and ends on June 30. The list of fiscal year taxing entities typically includes school districts, cities and towns, and some special service districts.

Nomenclature: Nomenclature is the system of names and numbers used for the taxing entities and tax areas in the property tax system. Once notice is filed with the State Tax Commission for

new entities or entities with boundary changes, the Property Tax Division will assign a new number to the entity and the tax area in the nomenclature.

Parcel: “A contiguous area of land described in a single description or as one of a number of lots on a plat; separately owned, either publicly or privately; and capable of being separately conveyed.” [IAAO, *Property Appraisal and Assessment Administration* (1990), p. 655]

Reappraisal (Annual Market Value Update): The act of increasing or decreasing the value of locally assessed real property in order to keep it in line with inflationary or deflationary changes in the real estate market. Examples include a change in value without a significant change in the structure or any change in value due to zoning changes.

Redemption: The collection of delinquent property tax, interest and penalty that is received after it is due. For years 2010 to 2016, a redemption difference adjustment was made to the prior year’s adjusted revenue for the purposes of establishing the certified tax rate.

Secondary Residential: The assessment classification of residential property not qualifying for the primary residential exemption such as condominiums used in rental pools and transient residential use.

Situs of Property: The situs of all taxable property is the tax area where it is located. (§ 59-2-104). The collection and distribution of taxes in the county is processed based upon the tax area rate.

State-Assessed Commercial Vehicles: Any commercial vehicle, trailer, or semi-trailer that operates interstate or intrastate to transport merchandise, freight, passengers or other property for hire. The State Tax Commission assesses and collects property tax and distributes the revenue to the counties. (§§ 59-2-102, 403 and 801)

Tax Area: A unique geographic area created by the overlapping boundaries of one or more tax entities such as cities, counties, school districts, and special service districts. (§ 59-2-102)

Taxing Entity: Any county, city, town, school district, special taxing district, or any other political subdivision of the state with the authority to levy a tax on property. (§ 59-2-102)

Tax Base: The taxable value of all taxable property located within the boundary of a taxing entity.

Taxable Value: Taxable value is value against which the tax rate is multiplied to calculate the amount of tax due. For most properties the taxable value and fair market value are the same. The most significant exception is primary residential property where taxable value is 55% of fair market value because of the primary residential exemption. Another exception is qualifying agricultural property wherein taxable value is based on production or use.

Truth in Taxation: The series of actions relating to public disclosure in the tax rate setting process. When a property tax increase is proposed, state statutes require a taxing entity to go through a series of steps which include proper notification to taxpayers and a public hearing to address the proposed tax increase. (§§ 59-2919 through 59-2-919.2)

Section X.II

Standards of Practice

Standard 10.1 Introduction and Overview

10.1.0 Tax Rate Formula

A tax rate is computed by dividing the amount of the taxing entity's budgeted property tax revenue by the taxing entity's taxable value.

10.1.1 Overview of Process

The tax rate setting process begins with the budgeting process. Entities estimate how much property tax revenue they need. The amount of revenue requested for an entity's budget during the prior year becomes the baseline revenue for current year certified tax rate calculations. The county assessor and State Tax Commission provide valuation information to the county auditor, including changes in value resulting from reappraisal, new growth, factoring and legislative adjustments. The State Tax Commission and the county auditor calculate certified tax rates and the county auditor provides taxing entities with valuation and certified tax rate information.

The certified tax rate provides a taxing entity with the same amount of property tax revenue it received in the previous tax year plus any revenue generated by additional growth in its taxable value. The statute indicates that this all occurs by June 8th of each year.

When this information is received, taxing entities compute and adopt proposed tax rates. If an entity is proposing a property tax revenue increase, it may only adopt a tentative or proposed tax rate. The exact requirements to increase property tax revenue vary depending on whether the entity is a calendar year or a fiscal year entity. These procedures are discussed in more detail in [Standard 10.10 "Truth in Taxation"](#).

When proposed tax rates are adopted, the county auditor is required to mail a "Notice of Valuation and Tax Changes" to inform property owners of the date, time and place for public hearings to discuss proposed tax increases. Public disclosure and hearings regarding proposed tax increases comprise what is commonly referred to as Truth-in-Taxation. Truth-in-Taxation statutes require that once the auditor has mailed the "Notice of Valuation and Tax Changes", entities proposing a tax increase must advertise the increase and hold a public hearing. When the Truth-in-Taxation process is completed, final rates may be adopted subject to final approval by the State Tax Commission. In addition to the public disclosure process, [certain statutory rate limitations may apply](#).

10.1.2 Certified Tax Rate for New Entities

The certified tax rate of a municipality incorporated on or after July 1, 1996, is as follows:

- County of the first, second or third class –the rate imposed for municipal-type services identified in §§ 17-34-1 and 17-36-9; and
- County of the fourth, fifth, or sixth class—the rate imposed for general county purposes and other levies imposed solely for the municipal-type services identified in §§ 17-34-1 and 17-36-3.

For all other new entities, the certified tax rate is zero. (§ 59-2-924)

Tax Commission Administrative Rule R884-24P-24 states: “no new entity, including a new city, may have a certified tax rate or levy a tax for any particular year unless that entity existed on the first day of that calendar year.”

10.1.3 Entities with More Than One Fund

Entities required to set rates for more than one fund shall compute an aggregate certified rate (R884-24P-24). The aggregate certified rate is the sum of the certified rates for individual funds for which separate rates are required by law. The aggregate certified rate computation applies where:

- The valuation bases for the funds are contained within identical geographic boundaries; and
- The funds are under the rate and budget setting authority of the same governmental entity.

Taxing entities with multiple funds are allowed to adjust component fund rates up and down as long as the total certified tax rate is not exceeded; however, it is important to note that this adjustment is not allowed in cases involving bonded indebtedness.

10.1.4 Personal Property - Taxes Collected Using Previous Year's Rate

Since many personal property taxes are collected by the county assessor prior to the time the current year property tax rates are set, the previous-year property tax rates are used. (§ 59-2-1304)

10.1.5 Personal Property – Taxes Distributed Using Current Year's Rate

Personal property revenue collected is to be paid into the county treasury and paid by the county treasurer to the appropriate taxing entities pro rata in accordance with the tax rates levied and approved for the current year. (§ 59-2-1304)

10.1.6 Statutory and Mandatory Dates

Statutes involving the constructive steps to taxation are deemed mandatory or directory depending upon whether or not the directions given to an officer are for the benefit of the taxpayer. Where the purpose of the statute is not to protect the taxpayer, but merely to set a guide for tax officials, a provision as to when an act is to be performed is ordinarily construed to be directory. Dates, which provide timely notice to a taxpayer to exercise rights or obligations under law, are mandatory dates.

Standard 10.2 Data Reporting Requirements

10.2.0 Auditor's Year-End

Form [233b](#) tracks year-end property values (Post-BOE) and counts by county, tax area, property type, and helps calculate the BOE adjustment; this report is submitted to the State Tax Commission by the end of February. This data can be entered directly into the Certified Tax Rate system or uploaded from an excel spreadsheet.

10.2.1 Treasurer's Year-End

Form [750](#) tracks Year-end property values, taxes charged, taxes collected, unpaid taxes, relief, abatement, CDRA increment paid, refunds, and helps to calculate the collection rate. This data can be entered directly into the Certified Tax Rate system or uploaded from an excel spreadsheet and is due March 31.

10.2.2 CDRA or Redevelopment/Reinvestment Project Increments Paid

Form [700](#) tracks total property values, marginal values, participation percentages, and increments available and paid. Information on Form 700 can be data entered directly into the Certified Tax Rate system and is due March 31.

10.2.3 Assessor's Original

Forms [697](#) and [695](#) are reported by the county assessor and/or auditor, includes original assessed values (pre-BOE), projected incremental values, reappraisal values, factoring, legislative adjustments and net annexation. This data can be entered directly into the Certified Tax Rate System or uploaded from an excel spreadsheet and is due June 1.

10.2.4 Tax Rate Summary

Form [693](#) tracks taxing entities' and auditor's proposed tax rates and budgeted property tax revenue. This data is entered directly into the Certified Tax Rate system and is due June 22.

10.2.5 Resolution Adopting Final Tax Rates and Budgets

Forms [800](#) (fiscal year entities) and [800c](#) (calendar year entities) are necessary for a taxing entity and/or a county if they going through Truth in Taxation. The form can be found on the Property Tax Division's website and is due August 17.

Standard 10.3 Budget Process

10.3.0 Proposed Budget

This is the amount of ad valorem property tax revenue the entity plans to collect for the current tax year. This information is to be reported to the county auditor and State Tax Commission in the Certified Tax Rate system ([693](#)) on or before June 30.

- Calendar Year Entity:
 - Each taxing entity shall annually adopt a tentative budget on or before the last day of each fiscal period. (§ 17-36-10)
- Fiscal Year entity:
 - Each taxing entity shall annually adopt a tentative budget on or before June 22. (§ 59-2-924)

10.3.1 Proposed Tax Rate

Every taxing entity must adopt a proposed tax rate and report this tax rate to the county auditor and State Tax Commission by June 22 each year in the Certified Tax Rate system ([693](#)). The proposed tax rate is calculated by dividing the entity's proposed budgeted property tax revenues by the proposed tax rate value. The proposed tax rate submitted is the basis for the final approved tax rate that is issued by the Tax Commission. (§ 59-2-913)

Standard 10.4 Tax Rate Formula and Process

10.4.0 Process for Establishing Certified Tax Rates

To establish a certified tax rate, the equation in [Standard 10.4.8 "Tax Rate Formula"](#) is broken down into different components to account for new growth, the collection rate, and BOE adjustments. The [Certified Tax Rates system](#) is used by entities over the course of the year to track these components. See [Standard 10.4.9 "Certified Tax Rate Calculation Example"](#) for a

tabular representation of this process. Further information is available in quick reference guides on the [Property Tax website](#).

10.4.1 Original Values

The original values for the real and centrally assessed properties from the [697](#) on the certified tax rates system are added to the year-end personal property values from the [233b](#) (these will auto populate on the 697). These amounts do not include exempt value including the primary residential exemption.

10.4.2 Incremental Values

The incremental values:

- From CDRA/RDA project areas;
- Provided to the Inland Port Authority as property tax differential;
- Provided to MIDA as a property tax allocation; and
- From a hotel property that is provided to a host local government as incremental property tax revenue;

Are subtracted from the original values. These incremental value is difference between the current year values in these areas and the base year values. Often this is the year the project area is created, or tax increment triggers but a different year can be selected by the CDRA/RDA. These values, participation rates and increment amount paid are entered into the [695](#) which tracks the current year RDA values and payments. This is removed from the equation because participating entities transfer revenues from value in the project areas to the CDRA/RDA.

Guideline

The certified tax rate system will subtract the various types of incremental value via the 695 screen, which lists project areas for each redevelopment agency in each entity across the state. For the purposes of the certified tax rate, MIDA, the Inland Port Authority, and the convention center hotel project are treated like a traditional redevelopment agency.

10.4.3 Estimated County BOE (Three Year Average)

The BOE adjustment is a three year average of changes made to values of assessed properties due to appeals filed either to the Board of Equalization or the Utah State Tax Commission. The adjustment is the difference between the originally assessed [697](#) values and the year-end [233b](#) values. The adjustment can be either positive or negative and is calculated separately for real property and centrally assessed. The original values are adjusted by a three-year average of the sum of these changes. This amount is subtracted because entities will not collect on values adjusted by appeals and other BOE actions, or have to refund revenue already collected.

10.4.4 Collection Rate (Five Year Average)

The collection rate is calculated annually by the county treasurer and is reported on the [750](#). The average of the previous five year's annual collection rates for each entity is calculated by comparing the total taxes charged with the total revenue collected. It should be noted that prior year collections should be included in "delinquent tax collections" and not included in current year collections. Again, this is to take out property values that entities do not usually collect on. The collection rate accounts for delinquencies and relief. (§ 59-2-924)

10.4.5 Proposed Tax Rate Value

The total of the above calculations is the proposed tax rate value. Presently, it accounts for the reduction in value from project areas, BOE adjustments and the collection rate. However, to arrive at an accurate value for the purposes of calculating the certified tax rate, new growth must be subtracted.

10.4.6 Eligible New Growth

Eligible new growth is value in a tax area that did not exist in the previous year from the construction of property or the end of a project area. This does not include reappraisals or factor orders, to ensure new growth only captures new property. It is removed from the certified tax rate value because extra revenue is necessary to service these new properties. New growth is calculated in different ways for real, centrally assessed and personal properties. It also includes:

- Incremental value once a CDRA/RDA project area ends;
- Incremental value that is no longer provided to the Inland Port Authority as property tax differential;
- Incremental value that is no longer provided to MIDA as a property tax allocation; and
- Incremental value from a hotel property that is no longer provided to a host local government as incremental property tax revenue.

Eligible new growth can never be less than zero.

Real property new growth is the original value from the [697](#), minus the year-end value from the [233b](#). Any reappraisal, factor orders or legislative adjustments are then subtracted.

Starting January 1, 2025, centrally assessed new growth is the average year-end taxable value for the previous three calendar years (§59-2-924). Once again, reappraisal, factor orders or legislative adjustments are subtracted. By separating centrally assessed new growth from real property new growth, residential values are not affected by the downturn in commodity markets.

Guideline

From 2015 to 2024, centrally assessed new growth was the original value from the [697](#) minus the benchmark year. The benchmark year was either 2015 or the highest value year from 2015 to 2024. When looking at historical data, any data from 2025 and beyond will no longer have the centrally assessed benchmark included on the rate detail screen.

Personal property is not eligible for new growth. As personal property has a transient nature, large amounts of personal property value leaving a tax area would represent a tax shift to real property owners. This would not be a true reflection of revenue needed to service a community.

Project area new growth includes all incremental value from an ending project. This does include personal property and is the only way personal property values can contribute to new growth. By including this as new growth the new properties built as part of a project area are accounted for in the provision and budgeting of services. (§ 59-2-924) Beginning in 2025, auditors are required to notify each taxing entity within a project area of the project area's end date and provide each entity with the calculation of new growth attributed to the project area's termination. (§17C-1-607)

10.4.7 Certified Tax Rate Value

The certified tax rate value represents a more accurate taxable value that taxing entities can rely on for revenue based on actual collections and adjustments to value in previous years. It is the number used in the final tax rate formula, explained in Standard [10.4.8 "Tax Rate Formula"](#)

10.4.8 Tax Rate Formula

The formula for a property tax rate is:

$$\text{Revenue} \div \text{Value} = \text{Rate}$$

In this formula, the components are as follows:

Revenue = the amount of money an entity seeks to collect to meet its budget. This is the amount required to operate last year. An entity seeking to increase this amount must go through the Truth in Taxation process. See [Standard 10.9 “Truth in Taxation”](#).

Value = the sum of the taxable values that a tax may be levied against to raise the revenue. After accounting for necessary adjustments, this is the certified tax rate value. See [Standard 10.4.7 “Certified Tax Rate Value”](#).

Rate = by dividing the revenue by the value, a rate is calculated that will generate the desired revenue.

10.4.9 Certified Tax Rate Calculation Example

Certified Tax Rate <u>Original Locally Assessed Real Property</u> + <u>Year End Locally Assessed Personal Property</u> + <u>Original Centrally Assessed Property Value</u> - <u>CDRA/CRA Incremental Value</u> - <u>Estimated County BOE (3 year Average)</u> * <u>Collection Rate (5 year Average)</u> = <u>Proposed Tax Rate Value</u> - <u>Eligible New Growth</u> = <u>Certified Tax Rate Value</u>	Example \$15,000,000 + \$5,000,000 + \$10,000,000 - \$350,000 - \$150,000 * .90 = \$26,550,000 - \$550,000 = \$26,000,000
<u>Tax Rate Formula</u> <u>Prior Year Budgeted Revenue</u> ÷ <u>Certified Tax Rate Value</u> = <u>Certified Tax Rate</u>	\$50,000 ÷ \$26,000,000 = .001923

Standard 10.5 Special Districts

10.5.0 Basic Special Districts

Guideline

From May 12, 2020 onwards new basic special districts are prohibited. The information in this Standard 10.5.0 is relevant only for basic special districts created before this date. Instead see [10.5.1 Specialized Special Districts](#), [10.5.2 “Public Infrastructure Districts”](#) and [10.6.1 “Special Service Districts”](#) for similar entities that can be created to provide these services.

Basic special districts are those which are not subject to specific provisions based on the type of service provided. (§ 17B-1-1401). They are:

- Airport Operations;
- Garbage collection/disposal;
- Health Care;
- Library;
- Law enforcement;
- Parks/Recreation;
- Sewage System;
- Right of way construction/maintenance; and
- Animal control. (§ 17B-1-202)

Title 17B, Chapter 1 is the only statute necessary when considering the creation, selection of the board of trustees, annexations and withdrawals, financial procedures, levying of property taxes and fees, and validation and dissolution of these districts.

10.5.1 Specialized Special Districts

Each of the following districts have a separate act governing their operation. Whenever there is a conflict between these Parts in Title 17B, Chapter 2a and Title 17B, Chapter 1, Chapter 2a governs:

- Cemetery Maintenance District;
- Drainage District;
- Fire Protection District;
- Improvement District;
- Irrigation District;
- Metropolitan Water District;
- Mosquito Abatement District ;
- Public Transit District;
- Service Area;
- Water Conservancy District; and
- Municipal Services District. (§ 17B-1-202 and Title 17B, Chapter 2a)

When creating special districts that provide these services, a careful reading of their relevant Part is required. There may be different options or restrictions for creation, board of trustees elections and appointments, different bonding requirements, and/or property tax levying powers.

An elected board of trustees may approve property tax increases, subject to a report submitted to the governing legislative body. (§ 17B-1-1003). An appointed board must seek approval from the governing legislative body, who will sign the resolution approving an increase. (§ 17B-1-1001)

10.5.2 Public Infrastructure Districts

Entities may create public infrastructure districts. If there are any registered voters within the applicable area, creation requires a petition signed by 100% of registered voters and surface property owners in the applicable area. (§17B-2a-1204). Due to the significant petition threshold, the following requirements do not apply to the creation of a public infrastructure district:

- The ordinary petition process for the creation of a special district; (§ 17B-1-203)
- Request for service before filing a petition to create a district; (§ 17B-1-204)
- Prohibition on creation if a legislative body has adopted a resolution indicating it will provide to an area the service proposed to be provided by the proposed district; (§ 17B-1-208)
- A resolution from a county legislative body indicating whether it will provide to an area the service proposed to be provided by the proposed district; (§ 17B-1-212) and
- An election. (§ 17B-1-214)

A public infrastructure district may issue negotiable bonds to pay for all or part of the costs of acquiring an interest, improving, or extending various types of infrastructure, including:

- Public improvements related to the provision of housing;
- Capital costs related to transportation;
- Public buildings (e.g. court houses, jails, offices, sheriff stations);
- Water works, irrigation systems, dams;
- Sewer systems;
- Drainage and flood control;
- Recreational facilities;
- Transport infrastructure;
- Hospitals;
- Educational facilities;
- Electrical and lighting systems; and
- Improvements in energy assessment areas. (§ 17B-2a-1206 and 11-14-103)

10.5.3 Public Infrastructure District Bonds

“Limited tax bonds” are issued in the same manner as general obligation bonds, with consent of 100% of surface property owners and 100% of registered voters within the boundaries of the public infrastructure district or upon approval of a majority of the registered voters in the district at an election. They must mature within 40 years of date of issuance.

They may be converted to general obligation bonds if the principal amount of the related limited tax bond together with the principal amount of other related outstanding general obligation bonds of the public infrastructure district does not exceed 15% of the fair market value of taxable property in the public improvement district securing the general obligation bonds. (§ 17B-2a-1207)

10.5.3 Public Infrastructure District Fees and Levies

The public infrastructure district may charge fees for services, costs of acquiring, improving, or extending improvements, facilities, or property, or costs associated with the enforcement of a legal remedy. (§ 17B-2a-1208)

The property tax levy of a district for all purposes may not exceed .015 per dollar of taxable value of taxable property in the public infrastructure district. This includes debt service on limited tax bonds but excludes general obligation bonds. (§ 17B-2a-1209)

10.5.4 Penalty for Delinquent Public Infrastructure District Fees and Levies

In the event of nonpayment of any tax, fee, or charge that a public infrastructure district imposes, the public infrastructure district may impose a property tax penalty at an annual rate of .07, in addition to any other lawful penalty for nonpayment of property tax. This penalty shall be listed on the November tax notice. This is additional to any other penalty for non-payment of property tax. (§§ 17B-2a-1210 and 59-2-1317)

Standard 10.6 Other Entities

10.6.0 Taxing Authority

Title 17D of the Utah Code introduces three new types of districts categorized as “Other Entities”. These are special service districts, local building authorities and conservation districts. Only special service districts have the power to levy taxes. This standard will only consider special service districts.

A special service district must seek approval from the governing legislative body when increasing property taxes. Administrative control boards do not have the power to levy a tax, even if it was elected. (§ 17D-3-301)

10.6.1 Special Service Districts

A special service district is created to be a separate and distinct entity from the county or municipality from which it was created and to meet a service need where one does not otherwise exist.

A county or municipality that has created a special service district may levy a tax on the taxable property in the special service district area; however, the levy is subject to an election with the approval of a majority of the registered voters of the special service district. (§ 17D-1-105). Some of these services are provided by a municipality for an incremental fee. Fees are paid

through additional property taxes or assessments on the property owners in the area to be served.

To ensure that this property tax or fee-for-service arrangement is well managed, state law allows for the creation of an administrative board. The administrative board generally includes property owners of the special service district and the municipality, either by election or appointment. (§ 17D-1-301).

A special service district can provide any combination of the following services:

- Water;
- Sewer;
- Drainage;
- Flood Control;
- Garbage Collection & Disposal;
- Health Care;
- Transportation including constructing, improving, repairing or maintaining roads;
- Fire Protection including:
 - Emergency medical services, ambulance, search and rescue
 - Fire wise communities programs and
- Federally-funded fire wise programs;
- Recreation;
- Correctional and Rehabilitation Facilities;
- Street Lighting;
- 911 and Emergency Dispatch;
- Animal Shelter and Control;
- Receipt of federal mineral lease funds for mitigating the impact of mining operations;
- Extended Police Protection (county of the first class); and
- Control or abatement of earth movement or landslide

Standard 10.7 Special Districts vs. Special Service Districts

10.7.0 Key Differences

There is some overlap between the services provided by local and special service districts. The following table highlights some key differences between the two entities when considering the creation of a new district:

<u>Special District (Title 17B)</u>	<u>Special Service District (Title 17D)</u>
• Statutory maximum property tax levy • Election to approve creation of district • Independent of organizing governing body • Appointed or elected board • Elected board may approve property tax increase. Appointed board must seek governing legislative body approval	• Voted property tax levy • District is created by resolution • Dependent on organizing body • Governed by legislative body (may have an administrative control board) • Governing legislative body must approve tax increases, regardless of administrative control board existence or makeup

10.7.1 Financial Accounting

How districts are organized is very important in terms of governance, elections, financial accounting, statutory rate limits, property tax levies, truth in taxation requirements, etc. Districts use either a calendar year ending December 31 or a fiscal year ending June 30 for financial accounting purposes. Funds, accounts and systems of accounts must be kept in accordance with the [State Auditor's Uniform Accounting Manual](#). Also, budgets are prepared on [worksheets](#) provided by the State Auditor. A property tax cannot be levied unless there is a budgeted purpose for its use. See the [Statutory Maximum Tax Rate Chart](#) for maximum rates allowed for certain local and special service districts.

Standard 10.8 Overview of Levies

10.8.0 Assessing and Collecting Levies

The purpose of the assessing and collecting rates is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties and the efficient administration of the property tax system, including the costs of assessment, collection and distribution of property taxes. "Dedicated tax collections" under the Military Installation Development Authority does not include a multicounty or county assessing and collecting property tax rate. (§ 63H-1-102).

10.8.1 Multicounty Assessing and Collecting (MAC) Levy

Every county is to annually impose a multicounty assessing and collecting (MAC) levy. This levy is to be listed separately and by name ("Multicounty Assessing and Collecting Levy") on the July Valuation Notice and October/November Tax Notice. It is in addition to and exempt from the single aggregate limitation on the property tax levied for all purposes by the county. (§ 59-2-908). The MAC levy may not exceed the certified revenue rate unless the Legislature authorizes such and the state complies with certain notice requirements. (§ 59-2-926)

Counties do not retain any money collected from the MAC levy. Each county is to transmit to the State Treasurer, no later than the tenth day of the month following the end of the quarter, the revenue collected from this rate. If the revenue is transmitted late, the county is to pay an interest penalty of 10% each year until paid. As of January 2026, all revenue collected from this rate is to be allocated to the Multicounty Appraisal Trust.

Revenue deposited into the Multicounty Appraisal Trust will continue to provide funding for a statewide Property Tax System.

From January 1, 2020 to January 1, 2025 the multicounty assessing and collecting levy will be .000015. After that, the rate will revert to the certified levy. (§ 59-2-1602). This will provide a boost to the Property Tax Valuation Fund and Multicounty Appraisal Trust.

10.8.2 County Assessing and Collecting (CAC) Levy

A county is allowed to levy a county assessing and collecting (CAC) levy. In addition to promoting the accurate valuation and uniform assessment levels of property and promoting the efficient administration of the property tax system, this levy consolidates county property tax administration rates including the funding for state mandated actions for judicial or administrative orders as well as establishing reappraisal programs.

It is to be listed separately and by name ("County Assessing and Collecting Levy") on the Notification of Property Valuation and Tax Changes. The levy is not to be incorporated into the

rate of any other levy. It is subject to TNT. It may not be used in CDRA/RDA tax increment financing. Also, it is exempt from the maximum levies allowable under § 59-2-908.

10.8.3 County Municipal Type Services Levy

First class through third-class counties are statutorily permitted to provide municipal-type services to areas of the county outside the limits of cities and towns without providing the same service to those cities or towns. Services differ among counties and can include fire protection, waste and garbage collection, planning and zoning, street lighting, police protection, etc. However, counties are to separately budget and account for the costs of providing municipal-type services and functions.

Counties may fund municipal-type services by “levying a tax on taxable property in the county outside the limits of cities and towns; or charging a service charge or fee to persons benefitting from the municipal-type services.” The goal is to provide municipal-type services to areas of the county that are outside the limits of cities and towns so the benefit goes to the people paying for the services. Most fourth-class through sixth class counties pay for municipal services in their counties through the county general fund; because tax bases are smaller in rural counties, many provide services to the entire county. (§ 17-34-1)

10.8.4 Interest and Sinking Fund Levy or Debt Service Levy

For tax rate purposes, the general obligation bond is a bond associated with property tax. A full general obligation bond is a bond that is payable solely from the property tax revenues of the taxing entity issuing the bond. A general obligation bond is levied by a taxing entity on the taxable property within a specified taxing area; therefore, the bond is secured by the ability of the taxing entity to tax property within that tax area.

The Interest and Sinking Fund/Debt Service Levy is to be sufficient to meet interest and sinking fund requirements on and/or any payment to principal of outstanding bonded and other indebtedness of the entity and sufficient to meet the payment of the principal and interest on any refunding bonds, or on any bonds the issuance of which may have been authorized by the county legislative body. No maximum property tax levy is specified; although the levy may be limited by generally applicable bonding limits (§ 11-14-310). The county may not become indebted to an amount, including existing indebtedness, exceeding 2% of the fair market value of the taxable property in the county. (§ 17-12-1)

This levy is exempt from Truth-in-Taxation requirements. For purposes of the advertisement used to provide notice of a proposed property tax increase, “last year’s property tax budgeted revenue” does not include revenue received by a taxing entity from a debt service levy voted on by the public (§ 59-2-919). Voting on any bond, debt, leeway, levy or tax proposition must take place in the November general election to ensure the highest voter turnout.

10.8.5 Judgment Levy (Eligible Judgment Levy)

A levy used to pay judgments against a taxing entity or property tax refunds (often used for successful taxpayer valuation appeals). The levy is subject to TNT requirements but is exempt from the maximum rate established for the taxing entity. (§ 59-2-102 and 59-2-1330). An “eligible” judgment must be final, unappealable and the following:

- Issued no more than 14 months prior to the day on which the Valuation Notice (July 22) is to be mailed (any judgment issued after May 22 of the previous year would qualify); and
- The taxing entity’s pro-rata share of each judgment (not the aggregate of its judgments) is greater than or equal to the lesser of:

- \$5,000 or
- 2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year. (§ 59-2-102)

A taxing entity is to measure its pro rata share of the judgment, including interest, against the \$5,000/2.5% standard. The test is to be applied to each judgment for which a taxing entity seeks to impose a judgment levy. Judgments may not be aggregated before applying the \$5,000/2.5% test. Finally, in calculating the “2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year,” the taxing entity is to include any revenues collected from a judgment levy imposed in the prior year.

Calendar and fiscal year entities must conduct hearings for judgment levies at different times of the year depending when the eligible judgment was issued. Fiscal year entities must conduct a judgment levy hearing during the regular [TNT timeframe](#) in July/August (See also [Standard 10.10 “Truth in Taxation”](#)), but the time frame for calendar year entities depends on when the eligible judgment was issued. If after March 1 but on or before September 15, a calendar year entity will also conduct its hearing during the [TNT timeframe](#) (October-December). If the eligible judgment is issued between September 16 and the final day of February, then the hearing will be held when the rate is adopted (by June 22).

Please refer to [Appendix 10A – Judgment Levy Decision Tree](#) to determine if an entity is able to introduce a judgment levy, and when the judgment levy hearing may be held.

10.8.6 Tort Liability Levy

A property tax levy used for payment of (or costs used to defend against) claims, settlements, judgments and related costs. In addition, it covers the payment of costs associated with premiums for authorized insurance. It has a rate limit of .0001. However, any claim, settlement or judgment including interest and insurance costs for bonds issued that exceeds \$3,000,000 has a rate limit of .001. (§§ 11-14-103 and 63G-7-704)

10.8.7 Minimum Basic Tax Rate

Minimum basic tax rate (also known as the state basic or basic levy) is the local-state shared portion of each school district’s maintenance and operation expenditures. In order to qualify for receipt of the state contribution toward the basic program and as its contribution towards the costs of the basic program, each school district imposes a uniform property tax known as the minimum basic tax rate or the basic school levy. The legislature annually sets the revenue amount in statute and the State Tax Commission staff determines the property tax rate to generate that specific revenue amount. (§§ 53F-2-201 and 59F-2-301).

Each school district and charter school is guaranteed an amount of money determined by the number of Weighted Pupil Units (WPU) and the value of the WPU. Basic school levy revenue below the guaranteed amount are supplemented by the state (Education Fund) and basic school levy revenue in excess of the guaranteed amount go to the State Board of Education to be credited to the Uniform School Fund for allocation to other school districts to support the basic state-supported school program. (§ 59-2-902).

The use of state basic school program money is unrestricted, except the portion designated for special education, career and technical education, and class-size reduction programs. The basic program of the minimum school program is fully equalized on both the revenue and expenditure side of the budget. In other words, taxpayers throughout the state pay on a similar basis and students statewide are funded on a similar basis.

The legislature introduced a rate floor to the minimum basic levy of 0.0016 until July 1, 2022. This will have the effect of raising more revenue for education as values increase, instead of the rate lowering to keep revenue neutral. This is combined with the WPU value rate which will raise an amount set by statute to equalize funding.

The state will contribute to school districts the difference between the amount the district can raise with this new rate and the amount required for the minimum basic program as determined by the legislature. After 2022 the floor is removed, but at a higher floating rate than would otherwise have been the case. (§§ 53F-2-301 and 53F-2-301.5)

10.8.8 Voted Local Levy

A Voted Local Levy is a state-supported program in which a rate, approved by the school district Electorate, generates unrestricted revenue that may be budgeted and expended within the school district's general fund. This levy has a rate limit of .002 per dollar of taxable value. State aid is calculated for each district based on the WPU for a statutorily set dollar amount per .0001 of the first .0016 per dollar of taxable value (§§ 53F-2-601, 53F-8-301, 59-2-904, and R227-422-3)

10.8.9 Board-Approved Local Levy

Local school boards are allowed to levy a state supported Board-Approved Local Levy of up to .0025 to fund the school district's general fund. It covers a portion of the costs within the school district's general fund, of the state-supported minimum school program. State aid is calculated for each district based on the WPU for a statutorily set dollar amount per .0001 of the first .0016 per dollar of taxable value. (§§ 53F-8-302, 53F-8-404 and R277-422-3)

10.8.10 Capital Local Rate

A capital local rate is a local option school levy approved by the local school board restricted for capital projects with a rate limit of .003000 per dollar of taxable value. (§ 53F-8-303). State assistance is provided based on tax yield per student and growth in enrollment.

10.8.11 Charter School Levy

The charter school tax levy is not a tax increase. The school district's board local tax rate is decreased by the calculated state charter school tax rate. Before 2017, charter schools in a school district were receiving a portion of property tax generated from school district authorized tax rates. Creating a separate rate and line on the tax notice creates transparency for taxpayers to easily see what portion of their property taxes goes to charter schools.

The State Tax Commission calculates a state charter school tax rate for each school district that has students attending a charter school. The rate will be different for each school district and the rate will change each year. The rate is based on the number of charter students in the district and per student property tax revenue yield.

This rate should be listed separately on the Notice of Property Valuation and Tax Changes and the Tax Notice. See [Standard 10.8.0 "Notice of Valuation Content."](#) (§ 53F-2-703)

10.8.12 Discharge of Judgment Levy

After complying with specific public notice and hearing requirements, as well as notice to the Tax Commission, a school district may invoke a judgment recovery levy up to the rate required to fund a property tax judgment (plus interest) against the school district as a result of a successful appeal of over-collection of property tax. See [Standard 10.9.5 "Judgment Levies"](#).

The judgment must be paid by the school district no later than December 31 of the year in which the judgment levy is imposed. Charter schools should not receive Judgment Recovery Levy funds as they do not levy taxes themselves. (§§ 59-2-102, 59-2-918.5, 59-2-924, 59-2-1328 and 59-2-1330)

10.8.13 General Obligation Debt Levy

If a school district elects to issue and sell general obligation bonds to finance its building Program, after receiving approval by the majority of qualified voters, the district may use a debt service levy. There is no specific property tax rate limit; revenue will cover the annual general obligation bond principal and interest debt payment.

For security reasons, the full faith and credit of the school district is pledged. In addition, the State of Utah has placed its full faith and credit behind each school district bond through the Utah School Bond Guaranty which is a default avoidance program wherein the State's bonded indebtedness credit rating is extended to each school district. (§ 53G-4-802)

10.8.14 Special Revenue Funds

A town, city or county may create a special revenue fund that will hold revenues from a property tax levied for a specific service established by ordinance. Revenues from this fund may only be used for the service established by ordinance. (§§ 10-5-112.4, 10-6-133.4, 17-36-31.5)

This is the mechanism through which towns and cities will levy for culinary water, wastewater treatment, hospitals, and recreational facilities. This is also how cities will levy for libraries. (§§ 10-5-112.5 and 10-6-133.5)

10.8.15 Maximum Aggregate Levies

The single aggregate limit for all property taxes levied by a county is the greater of the certified tax rate (see [Standard 10.4 "Tax Rate Formula and Process"](#)) or:

- .0032 per dollar of taxable value in counties with more than \$100,000,000 total taxable value; or
- .0036 per dollar of taxable value in counties with less than \$100,000,000 total taxable value. (§ 59-2-908)

10.8.16 Exceptions to Maximum Levy Limitations

The maximum aggregate levies do not apply and do not include any levy made:

- To pay outstanding judgment debts
- In any special improvement districts
- For extended services in any county service area
- For county library services
- For storm water, flood, and water quality control
- To share disaster recovery expenses for public facilities and structures as a condition of state assistance when a Presidential Declaration has been issued
- To pay interest and provide for a sinking fund in connection with any bonded or voter authorized indebtedness, including the bonded or voter authorized indebtedness of county service areas, special service districts, and special improvement districts
- To fund local health departments

- To fund public transit districts
- To establish, maintain, and replenish special improvement guaranty funds
- In any special service district
- To fund municipal-type services to unincorporated areas of counties;
- To fund the purchase of paramedic facilities and equipment, and associated costs (subsequent to a resolution and successful public vote); and
- For the multicounty assessing and collecting levies. (§ 59-2-911)

10.8.17 Equalized Tax Rate

An equalized tax rate means a single tax rate, calculated by the Tax Commission when taxing entity boundaries cross county lines. Art. XIII § 2 of the Utah Constitution requires all tangible property in the state, not exempt under the laws of the United States, or under the Utah Constitution, to be taxed at a “uniform and equal rate in proportion to its value...” Based on this principle, taxes are to be levied at the same rate for the cities, towns or special service districts that cross county borders. For example, the Central Utah Water Conservancy District exists in six counties and is subject to this equalized tax rate.

The tax rates for the entities crossing county borders are to be equalized to create a uniform rate to be charged. The equalization calculations are computed by the Tax Commission. The Tax Commission divides the requested revenue by the total of the participating counties proposed tax rate values, to arrive at a uniform certified tax rate/proposed tax rate. It is very important that the Tax Commission receives the Tax Rate Summary ([693](#)) from all taxing entities involved with an equalized tax rate as soon as possible. An equalized tax rate (uniform rate) cannot be calculated until all participating county data is received. Once the equalized tax rate (uniform rate) is calculated, the information is sent to each entity affected by the equalization.

Standard 10.9 Notice of Valuation and Tax Changes

10.9.0 Notice of Valuation Content

The county auditor, on or before July 22 of each year is to send by mail a “Notice of Valuation and Tax Changes,” to each owner of real estate listed on the assessment roll within the county. This will also occur at least 10 days before the county BOE meets and at least 10 days before a taxing entity holds a public hearing on a proposed increase in the certified tax rate for that entity.

For each property, the notice should contain the following information:

- Assessor’s determination of property value;
- Deadline to apply to the County BOE to hear locally assessed valuation appeals;
- Deadline to apply to the State Tax Commission to hear centrally assessed valuation appeals;
- The charter school levy;
- The state basic levy;
- The multicounty assessing and collecting levy;
- The county assessing and collecting levy;

- Any levies for debt service voted on by the public;
- Levies imposed for special purposes;
- Actual year or tax year the last detailed review of a property's characteristics was conducted by the county assessor. The month and day of the review may also be included at the discretion of the county assessor and auditor;
- Beginning in 2026, Instructions on how the taxpayer may obtain additional information regarding the valuation of the property, including the characteristics and features of the property, from either a website maintained by the county or the county assessor's office;
- Instructions on how the taxpayer may file a local BOE appeal application for valuation/equalization including instructions for filing an electronic application;
- Information regarding taxpayer relief;
- Options for payment of taxes and the collection process and procedures;
 - Beginning in 2026, this information is no longer required on the Notice of Valuation
- Information on the residential exemption;
- Itemized tax information for all applicable taxing entities:
 - The dollar amount of taxpayer liability for the property in the prior year
 - The dollar amount of taxpayer liability for the property under the current rate;
- If a change to state law increases a tax rate:
 - The difference between the dollar amount of the taxpayer's tax liability under the current tax rate and the dollar amount of the taxpayer's tax liability before the change to state law became effective;
 - The percentage increase that the dollar amount of the taxpayer's tax liability under the current tax rate represents as compared to the dollar amount of the taxpayer's tax liability under the tax rate before the change to state law becomes effective; and
- The tax impact on the property.

A modified version of the Valuation Notice may be used if submitted to the Property Tax Division by March 1. (§§ 59-2-919.1, R884-24P-24 and R884-24P-70)

10.9.1 Truth in Taxation Notice Requirements

Taxing entities proposing a tax increase that are subject to notice and hearing requirements (TNT), must provide the following additional information:

- Date, time, and location of all public hearings involving TNT;
- The dollar amount of taxpayer liability for the property if the proposed increase is approved;
- The difference between the dollar amount of taxpayer's liability if the proposed increase is approved and the dollar amount of taxpayer's liability under the current rate, placed in close proximity to the time and place of the required public hearing for each entity; and

- The percentage increase that the dollar amount of the taxpayer's liability under the proposed tax rate represents as compared to the dollar amount of the taxpayer's liability under the current tax rate.
- The additional ad valorem tax revenue that would be generated each year by an entity seeking to increase their property tax rate above the auditor's certified tax rate

Calendar year entities may mail their notice with the Tax Notice on November 30. Fiscal year entities must give notice on the Valuation Notice in July. (§§ 59-2-919 and 59-2-919.1)

Guideline

- *The multicounty assessing and collecting levy is to be separately stated on the tax notice as a "multicounty assessing and collecting levy";*
- *The county assessing and collecting levy is to be separately stated on the tax notice as a "county assessing and collecting levy";*
- *The "charter school levy" is to be separately stated on the tax notice;*
- *The state basic school levy should be listed as the "state basic school levy" in order to provide uniformity across the state;*
- *Rule states that real estate assessed under the Farmland Assessment Act (FAA) must be reported at full market value, with the value based upon FAA rates shown parenthetically. (§§ 59-2-1602, 53F-2-703 and R884-24P-24).*

Example

MARKET VALUE OF YOUR PROPERTY				
Property Type	Last Year's Market Value	Last Year's Taxable Value	This Year's Market Value	This Year's Taxable Value
Land Greenbelt	316,400	2,695	316,400	2,695

- *Include market and taxable amount of the property with explanation because not every taxpayer understands the difference;*
- *Distinguish clearly between Primary Residential, Non-Primary Residential, and Commercial properties;*
- *Include the tax rate because it may help taxpayers better understand the notice; and*
- *Include county office contact information; i.e., who to call if there is an issue with, market value, appeals, tax relief, and ownership issues, etc.*

The form used must be approved by the State Tax Commission and the content must be uniform and include the required items stated above. If a county would like to use a modified version of the notice, please submit for review the modified version to the Property Tax Division no later than March 1.

All statutory completion dates must be strictly observed; any requests to deviate from those dates must be submitted in writing to the Property Tax Division on or before June 1.

Standard 10.10 Truth in Taxation

10.10.0 History

From 1969 through 1985, taxing entities were limited to tax increases of no more than 106% of the previous year's revenues. There were allowances for voter-approved debt and revenue increases resulting from real growth in an entity's tax base.

In 1985, the Utah Legislature implemented a series of laws commonly referred to as Truth in Taxation or TNT. The legislature removed the 106% limitation and then replaced it with public disclosure and hearing requirements for any declared tax increase regardless of the amount.

Taxing entities are required to advertise a proposed increase and hold a public hearing before implementing the tax increase. (§§ 59-2-918.5 and 59-2-919)

10.10.1 Declaring an Increase and Process

A taxing entity must declare a tax increase if the revenue from its aggregated proposed tax rate exceeds the revenue from the aggregated certified tax rate.

For example, if an entity has a general fund, a library fund and a tort liability fund, the proposed and certified tax rates must be aggregated in order to determine if there is a tax increase. The exceptions to aggregation are for the statewide multi-county assessing and collecting levy, debt service levy and the state basic school levy.

Taxing entities proposing to increase property taxes must follow certain prescribed steps and provide verification of each step to the Property Tax Division. The timelines differ for calendar year and fiscal year entities. Both processes are summarized in [quick reference guides on the Property Tax website](#).

In 2025, legislation was introduced that removes the requirement for an entity to go through the truth in taxation process when trying to return to a budget within the past 6 years. When a taxing entity adopts a budget below its previous year's budgeted revenue, the year before the budget decrease is considered the entity's "base year." During any of the next 5 years, an entity may adopt a budget that is equal to or less than the base year's budgeted revenue without complying with Truth in Taxation requirements. (§[59-2-919\(11\)](#))

10.10.2 Changes in Assessed Value – Rate Adjustments

On or before September 15, an entity's tax rate may be adjusted based on a change in the entity's taxable value resulting from a decision of the county board of equalization or the Tax Commission. This usually results in a tax rate increase because taxable values have been lowered as a consequence of an appeal. A rate increase made under this circumstance may be implemented without any further action by the taxing entity or compliance with the requirements of § 59-2-919. However, the entity must adopt the higher tax rate by resolution, and any such rate adjustment must be approved by the State Tax Commission. (§ 59-2-921)

10.10.3 Revised Tax Increases

A taxing entity that has approved an initial tax rate may revise its actions and declare a greater increase. It also requires the entity to advertise, hold a public hearing and adopt a new resolution. The practical consideration with actions under this standard is timing. There may not be sufficient time to allow the entity to go through the TNT procedures before tax notices must be prepared and mailed. A taxing entity may expend money prior to adoption of a final budget or rate. (§§ 59-2-922 and 59-2-923)

10.10.4 General Obligation Debt

When an entity pays off its general obligation debt or otherwise desires to offset a decrease in its voter-approved debt levy by increasing another levy, it must declare a tax increase and meet all notification requirements, even though its total property tax revenues may be less than previous year's property tax revenues. (§§ 59-2-918 and 919)

10.10.5 Judgment Levies

An entity may impose a judgment levy if it first advertises its intention to do so and holds a public hearing. If an entity is imposing a judgment levy and a tax increase, it may combine the advertising requirements of the judgment levy with the requirements of the tax increase. (§ 59-2-919)

For calendar year entities, eligible judgments issued from March 1 through September 15, must be advertised in December and the hearing held at the same time as the hearing at which the annual budget is adopted. For eligible judgments issued from September 16 through the last day of February, the public hearing shall be held at the same time the hearing at which property tax levies are set. (§ 59-2-918.5)

Fiscal year entities that have eligible judgments issued from June 1 through May 31 shall hold their public hearing at the same time as the hearing when the annual budget is adopted. The advertisement shall specify the date, time, and location of public hearings and must appear on the July "Notice of Property Valuation and Tax Changes." (§§ 59-2-919 and 59-2-919.1)

Standard 10.11 Final Approval of Rates

10.11.0 Finalization and Tax Commission Approval

In order for a rate to be finalized, each taxing entity must first approve a proposed rate before June 22, see [Standard 10.3.1 "Proposed Tax Rate"](#). If the proposed rate is less than or equal to the rate certified by the Tax Commission, the proposed rate becomes the final rate. (§§ 59-2-909 and 59-2-912)

If the proposed rate is greater than the certified rate, the taxing entity must follow procedures as outlined in these standards. After the Tax Commission checks and verifies that the rate and budget are accurate and the proper steps have been followed, the rate can be finalized.

10.11.1 Adjustments to the Rate

In certain circumstances, the State Tax Commission may need to adjust the rate due to error, court, county BOE or Tax Commission assessment roll changes, the State Tax Commission will notify the appropriate county auditor that rates in that county are now final. (§ 59-2-921)

Appendix 10A

Judgment Levy Decision Tree

