

**Bill: HB 484 – Property Tax Changes**

Sponsor: Representative Christofferson

Floor Sponsor:

**UASD Position: Oppose**

This Bill amends the processes by which a taxing entity may increase the taxing entity's property tax revenue.

Discussion: The sponsor explained that the Bill would cap property tax increases at 5 percent. Any increase beyond that threshold would require approval from the affected constituency through a vote. The Bill also eliminates the hold harmless period for state-guaranteed funding when a school district's certified tax rate is reduced.

Representative Eliason spoke in support of the Bill. Representative Shepherd raised concerns regarding the timeframe required to submit proposed tax increases exceeding 5 percent to the county clerk, as well as the timeline necessary to obtain voter input. The sponsor responded that taxing entities should anticipate cost increases in advance in order to place proposed tax increases on the ballot when necessary.

Representative Nguyen expressed hesitation and referenced the additional transparency provided through the Truth in Taxation process and questioned how the Bill would affect the degree of control cities currently have over property tax decisions. Representative Koford questioned whether establishing a 5 percent cap could incentivize entities that currently tax below that level to increase taxes up to the cap each year. The sponsor clarified that entities would remain responsible for raising taxes only as needed to meet operational demands.

Representative Strong asked how inflationary pressures, and rising costs would be addressed under the Bill. The sponsor explained that any increase above the 5 percent cap would require approval through from the citizens.

The Salt Lake County Assessor's Office spoke in opposition to the Bill, citing potential impacts on bond ratings. A member of the public spoke in support. The Business Administrator for the Granite School District spoke in opposition. The Mayor of Draper also spoke in opposition, citing the complexity of the Truth in Taxation process, challenges in interpreting the tax code, and the importance of allowing taxing entities to operate independently in conjunction with existing referendum processes.

Representative Dailey-Provost questioned the potential impact on city budgets if bond ratings were affected. The Mayor of Draper responded that consistent and predictable revenue streams are a significant factor in maintaining favorable bond ratings.

Representative Shepherd moved to hold the Bill in the Committee.

Yeas: 7  
Nays: 3  
N/V: 1

**Outcome: HB 484 was held in the Committee.**

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UNASSD