

## Senate Revenue and Taxation Committee

February 20th, 2025

---

### **Bill: 1st substitute SB 295 – Property Rate Amendments**

Sponsor: Senator Daniel McCay

Floor Sponsor:

**UASD Position: TBD**

This bill modifies the truth in taxation notice and public hearing provisions.

Discussion: Senator McCay addressed the 1st substitute, which was adopted by the Committee. The substitute introduces two additional property tax concepts. This Bill limits the type of income a county assessor may use when valuing property through the income approach, restricting it to the income for which the property would rent. It also allows a taxing entity that reduces its budget below the previous year's budgeted revenue to increase its budget, up to the base year budget, over a period of five years, without having to comply with the usual Truth in Taxation notice and public hearing requirements. Furthermore, the Bill repeals the requirement for a portion of revenue generated by the statewide multicounty assessing and collecting levy to be set aside for county distributions through the Property Tax Valuation Fund, redirecting that amount to the Multicounty Appraisal Trust. The sponsor explained that the Bill gives taxing entities the ability to restore their budget to the original base year level within five years, without the need for the standard tax increase procedures. This provides flexibility for taxing entities to adjust their budgets within the specified timeframe. No further discussion followed.

Yeas: 4

Nays: 0

N/V: 3

**Outcome: 1st substitute SB 295 passed out of the Committee with a favorable recommendation.**