

House Revenue and Taxation Committee
March 3rd, 2025

Bill: 2nd substitute SB 295 – Property Tax Modifications

Sponsor: Senator Daniel McCay

Floor Sponsor: Representative Steve Eliason

UASD Position: Tracking

This Bill modifies the Property Tax Act.

Discussion: The sponsor presented the 2nd substitute of the Bill, highlighting that the primary change involves removing restrictions on the income approach for property valuation. The Committee adopted the 2nd substitute. He explained that SB 295 enables taxing entities to reduce property taxes without lowering the certified tax levy. Under current law, when a tax reduction is granted to provide relief for taxpayers, it becomes permanent. Restoring the previous tax rate requires a truth in taxation hearing, which discourages taxing entities from temporarily lowering rates. This Bill addresses that issue by allowing greater flexibility in managing property tax reductions.

Additionally, the Bill repeals the requirement that a portion of revenue from the statewide multicounty assessing and collecting levy be allocated to county distributions through the Property Tax Valuation Fund. Instead, those funds will be redirected to the Multi County Appraisal Trust. The sponsor further explained that the Bill permits taxing entities to restore their budgets to their original base year level within five years without following the standard tax increase procedures. This change provides taxing entities with more flexibility to adjust their budgets within the designated timeframe. No discussion followed and no members of the public commented on the Bill.

Yeas: 10

Nays: 0

N/V: 1

Outcome: 2nd substitute SB 295 passed out of the Committee with a favorable recommendation.