NATIONAL TAXPAYERS UNION FOUNDATION

Truth in Taxation: Restraining Excessive Local Property Tax Increases

Truth in Taxation laws **prevent local governments from drastically increasing property taxes** without voter feedback by **providing taxpayers with clear information about increases**. This type of statute allows localities to collect property taxes while **empowering taxpayers to be part of the process** — rather than simply finding out what their tax increase is when they receive their property tax bill.

Truth in Taxation laws exist in Utah (adopted 1985), Nebraska (adopted 2021), and Kansas (adopted 2021), and are effective at restraining excessive property taxation without hobbling local governments.

Feature	Recommendation
Certified Rate Calculation Each year, state officials calculate a "certified rate" based on the assessed value of all the property in the jurisdiction If property values increase, the certified rate decreases to keep the collective revenues the same as the previous year, excluding new growth	Direct state tax officials to conduct an annual certified rate calculation (what the property tax rate would be to keep revenue the same from the previous year) for each local government that imposes property taxes.
Taxpayer Notification If a local government wishes to exceed the certified rate taxpayers must be notified with a mailing sent directly to property owners These notices include a summary of how the proposed property tax increase will affect them, including a comparison of last year's property tax bill with their projected bill under the proposed tax increase A public hearing, preferably a special hearing focused on the proposed increase itself, is held to give taxpayers an opportunity to weigh in on the proposal	Require local governments exceeding the certified rate to send notices directly to affected taxpayers with detailed information on how their tax bill will change as well as hold a public forum for feedback on the proposal.
Vote by Taxing Entity A local government seeking to exceed the certified rate holds a public vote following taxpayer notification and feedback	Require a local government seeking to exceed a certified rate to hold a public vote on doing so.

Though the state is imposing **no limits on local governments' ability to set their own property tax rates**, simply engaging taxpayers in the process has a proven track record of restraining "silent tax increases."

Link to Truth in Taxation Issue Brief

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Strength of Property Tax Protections for Taxpayers

