3-Mr Steffen

VOTED AND BOARD LEVY PROGRAM AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill amends provisions in the Minimum School Program Act regarding the Voted and Board Levy programs.

Highlighted Provisions:

This bill:

- requires the full amount of the state contribution appropriated for the Voted and Board Levy Programs to be distributed each year;
- requires the State Board of Education to increase the value of the state guarantee per weighted pupil unit sufficient to fully distribute the legislative appropriation for the state contribution to the Voted and Board Levy Programs each year;
- establishes the increased value of the state guarantee amount per weighted pupil unit as the base state guarantee amount for subsequent years if the value of the state guarantee is increased under certain circumstances; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

53A-17a-133, as last amended by Laws of Utah 2012, Chapter 421

53A-17a-164, as enacted by Laws of Utah 2011, Chapter 371

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted local levy authorized -- Election requirements -- State guarantee -- Reconsideration of the program.

33 (1) An election to consider adoption or modification of a voted local levy is required if
34 initiative petitions signed by 10% of the number of electors who voted at the last preceding
35 general election are presented to the local school board or by action of the board.
36 (2) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at
37 an election in the manner set forth in Subsections (8) and (9) must vote in favor of a special
38 tax.
39 (ii) The tax rate may not exceed .002 per dollar of taxable value.
40 (b) Except as provided in Subsection (2)(c), in order to receive state support the first
41 year, a district must receive voter approval no later than December 1 of the year prior to
42 implementation.
43 (c) Beginning on or after January 1, 2012, a school district may receive state support in
44 accordance with Subsection (3) without complying with the requirements of Subsection (2)(b)
45 if the local school board imposed a tax in accordance with this section during the taxable year
46 beginning on January 1, 2011 and ending on December 31, 2011.
47 (3) (a) In addition to the revenue a school district collects from the imposition of a levy
48 pursuant to this section, the state shall contribute an amount sufficient to guarantee $27.36 per
49 weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.
50 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
51 of taxable value under Subsection (3)(a) shall apply to the portion of the board local levy
52 authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per
53 dollar of taxable value if a school district levies a tax rate under both programs.
54 (c) (i) Beginning July 1, 2013, the $27.36 guarantee under Subsections (3)(a) and (b)
55 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12
56 program by making the value of the guarantee equal to.010544 times the value of the prior
57 year's weighted pupil unit for the grades 1 through 12 program.
58 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
59 pupil unit for the grades 1 through 12 program for each succeeding year subject to the
60 Legislature appropriating funds for an increase in the guarantee.
61 (d) (i) The amount of state guarantee money to which a school district would otherwise
62 be entitled to receive under this Subsection (3) may not be reduced for the sole reason that the
63 district's levy is reduced as a consequence of changes in the certified tax rate under Section

64 59-2-924 pursuant to changes in property valuation.
65 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in
66 the certified tax rate.
67 (e) The guarantee provided under this section does not apply to the portion of a voted
68 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal
69 year, unless an increase in the voted local levy rate was authorized in an election conducted on
70 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.
71 (f) (i) If the appropriation for the state contribution to the voted local levy and board
72 local levy programs exceeds the amount necessary to provide the state guarantee per weighted
73 pupil unit as determined under this section and Section 53A-17a-164, the State Board of
74 Education shall:
75 (A) use the excess appropriation to increase the value of the state guarantee per
76 weighted pupil unit described in Subsection (3)(c); and
77 (B) distribute the full appropriation for the state contribution to the voted and local
78 levy programs to school districts based on the increased value of the state guarantee per
79 weighted pupil unit described in Subsection (3)(f)(i)(A).
80 (ii) The State Board of Education shall report action taken under this Subsection (3)(f)
81 to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and
82 Budget.
83 (iii) If the value of the state guarantee per weighted pupil unit is increased in
84 accordance with Subsection (3)(f)(i), the increased value amount shall be the base state
85 guarantee per weighted pupil unit for the succeeding year, to which an increase shall be applied
86 as provided in Subsection (3)(c)(ii).
87 (4) (a) An election to modify an existing voted local levy is not a reconsideration of the
88 existing authority unless the proposition submitted to the electors expressly so states.
89 (b) A majority vote opposing a modification does not deprive the district of authority to
90 continue the levy.
91 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
92 school board levies, the board must allow the electors, in an election, to consider modifying or
93 discontinuing the imposition of the levy prior to a subsequent increase in other levies that
94 would increase the total local school board levy.

95 (d) Nothing contained in this section terminates, without an election, the authority of a
96 school district to continue imposing an existing voted local levy previously authorized by the
97 voters as a voted leeway program.
98 (5) Notwithstanding Section 59-2-919, a school district may budget an increased
99 amount of ad valorem property tax revenue derived from a voted local levy imposed under this
100 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without
101 having to comply with the notice requirements of Section 59-2-919, if:
102 (a) the voted local levy is approved:
103 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and
104 (ii) within the four-year period immediately preceding the year in which the school
105 district seeks to budget an increased amount of ad valorem property tax revenue derived from
106 the voted local levy; and
107 (b) for a voted local levy approved or modified in accordance with this section on or
108 after January 1, 2009, the school district complies with the requirements of Subsection (7).
109 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
110 section that exceeds the certified tax rate without having to comply with the notice
111 requirements of Section 59-2-919 if:
112 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
113 increased amount of ad valorem property tax revenue derived from a voted local levy imposed
114 under this section;
115 (b) the voted local levy was approved:
116 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and
117 (ii) within the four-year period immediately preceding the year in which the school
118 district seeks to budget an increased amount of ad valorem property tax revenue derived from
119 the voted local levy; and
120 (c) for a voted local levy approved or modified in accordance with this section on or
121 after January 1, 2009, the school district complies with requirements of Subsection (7).
122 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the
123 electors regarding the adoption or modification of a voted local levy shall contain the following
124 statement:
125 "A vote in favor of this tax means that (name of the school district) may increase

126 revenue from this property tax without advertising the increase for the next five years."
127 (8) (a) Before imposing a property tax levy pursuant to this section, a school district
128 shall submit an opinion question to the school district's registered voters voting on the
129 imposition of the tax rate so that each registered voter has the opportunity to express the
130 registered voter's opinion on whether the tax rate should be imposed.
131 (b) The election required by this Subsection (8) shall be held:
132 (i) at a regular general election conducted in accordance with the procedures and
133 requirements of Title 20A, Election Code, governing regular elections;
134 (ii) at a municipal general election conducted in accordance with the procedures and
135 requirements of Section 20A-1-202; or
136 (iii) at a local special election conducted in accordance with the procedures and
137 requirements of Section 20A-1-203.
138 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or
139 after January 1, 2012, a school district may levy a tax rate in accordance with this section
140 without complying with the requirements of Subsections (8)(a) and (b) if the school district
141 imposed a tax in accordance with this section at any time during the taxable year beginning on
142 January 1, 2011, and ending on December 31, 2011.
143 (9) If a school district determines that a majority of the school district's registered
144 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
145 rate in accordance with Subsection (8), the school district may impose the tax rate.
146 Section 2. Section **53A-17a-164** is amended to read:
147 **53A-17a-164. Board local levy -- State guarantee.**
148 (1) Subject to the other requirements of this section, for a calendar year beginning on
149 or after January 1, 2012, a local school board may levy a tax to fund the school district's
150 general fund.
151 (2) (a) Except as provided in Subsection (2)(b), a tax rate imposed by a school district
152 pursuant to this section may not exceed .0018 per dollar of taxable value in any calendar year.
153 (b) A tax rate imposed by a school district pursuant to this section may not exceed
154 .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on
155 January 1, 2011, the school district's combined tax rate for the following levies was greater
156 than .0018 per dollar of taxable value:

157 (i) a recreation levy imposed under Section 11-2-7;
158 (ii) a transportation levy imposed under Section 53A-17a-127;
159 (iii) a board-authorized levy imposed under Section 53A-17a-134;
160 (iv) an impact aid levy imposed under Section 53A-17a-143;
161 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is
162 budgeted for purposes other than capital outlay or debt service;
163 (vi) a reading levy imposed under Section 53A-17a-151; and
164 (vii) a tort liability levy imposed under Section 63G-1-704.
165 (3) (a) In addition to the revenue a school district collects from the imposition of a levy
166 pursuant to this section, the state shall contribute an amount sufficient to guarantee that each
167 .0001 of the first .0004 per dollar of taxable value generates an amount equal to [~~.010544 times~~
168 ~~the value of the prior year's weighted pupil unit~~] the state guarantee per weighted pupil unit
169 described in Subsection 53A-17a-133(3).
170 (b) (i) The amount of state guarantee money to which a school district would otherwise
171 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's
172 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
173 pursuant to changes in property valuation.
174 (ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the
175 certified tax rate.
176 (4) A school district that imposes a board local levy in the calendar year beginning on
177 January 1, 2012, is exempt from the public notice and hearing requirements of Section
178 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to
179 or less than the sum of the following amounts:
180 (a) the amount of revenue generated during the calendar year beginning on January 1,
181 2011, from the sum of the following levies of a school district:
182 (i) a recreation levy imposed under Section 11-2-7;
183 (ii) a transportation levy imposed under Section 53A-17a-127;
184 (iii) a board-authorized levy imposed under Section 53A-17a-134;
185 (iv) an impact aid levy imposed under Section 53A-17a-143;
186 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is
187 budgeted for purposes other than capital outlay or debt service;

188 (vi) a reading levy imposed under Section 53A-17a-151; and
189 (vii) a tort liability levy imposed under Section 63G-1-704; and
190 (b) revenue from new growth as defined in Subsection 59-2-924(4)(c).
191 Section 3. **Retrospective operation.**
192 This bill provides retrospective operation for the taxable year beginning January 1,
193 2013.

Legislative Review Note
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Office of Legislative Research and General Counsel