

**VOTED AND BOARD LEVY PROGRAM AMENDMENTS**

2013 GENERAL SESSION

STATE OF UTAH

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**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; 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

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*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.**

(1) An election to consider adoption or modification of a voted local levy is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.

33 (2) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at  
34 an election in the manner set forth in Subsections (8) and (9) must vote in favor of a special  
35 tax.

36 (ii) The tax rate may not exceed .002 per dollar of taxable value.

37 (b) Except as provided in Subsection (2)(c), in order to receive state support the first  
38 year, a district must receive voter approval no later than December 1 of the year prior to  
39 implementation.

40 (c) Beginning on or after January 1, 2012, a school district may receive state support in  
41 accordance with Subsection (3) without complying with the requirements of Subsection (2)(b)  
42 if the local school board imposed a tax in accordance with this section during the taxable year  
43 beginning on January 1, 2011 and ending on December 31, 2011.

44 (3) (a) In addition to the revenue a school district collects from the imposition of a levy  
45 pursuant to this section, the state shall contribute an amount sufficient to guarantee \$27.36 per  
46 weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value .

47 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar  
48 of taxable value under Subsection (3)(a) shall apply to the portion of the board local levy  
49 authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per  
50 dollar of taxable value if a school district levies a tax rate under both programs.

51 (c) (i) Beginning July 1, 2013, the \$27.36 guarantee under Subsections (3)(a) and (b)  
52 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12  
53 program by making the value of the guarantee equal to .010544 times the value of the prior  
54 year's weighted pupil unit for the grades 1 through 12 program.

55 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted  
56 pupil unit for the grades 1 through 12 program for each succeeding year subject to the  
57 Legislature appropriating funds for an increase in the guarantee.

58 (d) (i) The amount of state guarantee money to which a school district would otherwise  
59 be entitled to receive under this Subsection (3) may not be reduced for the sole reason that the  
60 district's levy is reduced as a consequence of changes in the certified tax rate under Section  
61 59-2-924 pursuant to changes in property valuation.

62 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in  
63 the certified tax rate.

64 (e) The guarantee provided under this section does not apply to the portion of a voted  
65 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal  
66 year, unless an increase in the voted local levy rate was authorized in an election conducted on  
67 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

68 (f) (i) If the appropriation for the state contribution to the voted local levy and board  
69 local levy programs exceeds the amount necessary to provide the state guarantee per weighted  
70 pupil unit as determined under this section and Section 53A-17a-164, the State Board of  
71 Education shall:

72 (A) use the excess appropriation to increase the value of the state guarantee per  
73 weighted pupil unit described in Subsection (3)(c); and

74 (B) distribute the full appropriation for the state contribution to the voted and local  
75 levy programs to school districts based on the increased value of the state guarantee per  
76 weighted pupil unit described in Subsection (3)(f)(i)(A).

77 (ii) The State Board of Education shall report action taken under this Subsection (3)(f)  
78 to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and  
79 Budget.

80 (4) (a) An election to modify an existing voted local levy is not a reconsideration of the  
81 existing authority unless the proposition submitted to the electors expressly so states.

82 (b) A majority vote opposing a modification does not deprive the district of authority to  
83 continue the levy.

84 (c) If adoption of a voted local levy is contingent upon an offset reducing other local  
85 school board levies, the board must allow the electors, in an election, to consider modifying or  
86 discontinuing the imposition of the levy prior to a subsequent increase in other levies that  
87 would increase the total local school board levy.

88 (d) Nothing contained in this section terminates, without an election, the authority of a  
89 school district to continue imposing an existing voted local levy previously authorized by the  
90 voters as a voted leeway program.

91 (5) Notwithstanding Section 59-2-919, a school district may budget an increased  
92 amount of ad valorem property tax revenue derived from a voted local levy imposed under this  
93 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without  
94 having to comply with the notice requirements of Section 59-2-919, if:

95 (a) the voted local levy is approved:

96 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

97 (ii) within the four-year period immediately preceding the year in which the school  
98 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
99 the voted local levy; and

100 (b) for a voted local levy approved or modified in accordance with this section on or  
101 after January 1, 2009, the school district complies with the requirements of Subsection (7).

102 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this  
103 section that exceeds the certified tax rate without having to comply with the notice  
104 requirements of Section 59-2-919 if:

105 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an  
106 increased amount of ad valorem property tax revenue derived from a voted local levy imposed  
107 under this section;

108 (b) the voted local levy was approved:

109 (i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

110 (ii) within the four-year period immediately preceding the year in which the school  
111 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
112 the voted local levy; and

113 (c) for a voted local levy approved or modified in accordance with this section on or  
114 after January 1, 2009, the school district complies with requirements of Subsection (7).

115 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the  
116 electors regarding the adoption or modification of a voted local levy shall contain the following  
117 statement:

118 "A vote in favor of this tax means that (name of the school district) may increase  
119 revenue from this property tax without advertising the increase for the next five years."

120 (8) (a) Before imposing a property tax levy pursuant to this section, a school district  
121 shall submit an opinion question to the school district's registered voters voting on the  
122 imposition of the tax rate so that each registered voter has the opportunity to express the  
123 registered voter's opinion on whether the tax rate should be imposed.

124 (b) The election required by this Subsection (8) shall be held:

125 (i) at a regular general election conducted in accordance with the procedures and

126 requirements of Title 20A, Election Code, governing regular elections;

127 (ii) at a municipal general election conducted in accordance with the procedures and  
128 requirements of Section 20A-1-202; or

129 (iii) at a local special election conducted in accordance with the procedures and  
130 requirements of Section 20A-1-203.

131 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or  
132 after January 1, 2012, a school district may levy a tax rate in accordance with this section  
133 without complying with the requirements of Subsections (8)(a) and (b) if the school district  
134 imposed a tax in accordance with this section at any time during the taxable year beginning on  
135 January 1, 2011, and ending on December 31, 2011.

136 (9) If a school district determines that a majority of the school district's registered  
137 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax  
138 rate in accordance with Subsection (8), the school district may impose the tax rate.

139 Section 2. Section **53A-17a-164** is amended to read:

140 **53A-17a-164. Board local levy -- State guarantee.**

141 (1) Subject to the other requirements of this section, for a calendar year beginning on  
142 or after January 1, 2012, a local school board may levy a tax to fund the school district's  
143 general fund.

144 (2) (a) Except as provided in Subsection (2)(b), a tax rate imposed by a school district  
145 pursuant to this section may not exceed .0018 per dollar of taxable value in any calendar year.

146 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
147 .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on  
148 January 1, 2011, the school district's combined tax rate for the following levies was greater  
149 than .0018 per dollar of taxable value:

150 (i) a recreation levy imposed under Section 11-2-7;

151 (ii) a transportation levy imposed under Section 53A-17a-127;

152 (iii) a board-authorized levy imposed under Section 53A-17a-134;

153 (iv) an impact aid levy imposed under Section 53A-17a-143;

154 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is  
155 budgeted for purposes other than capital outlay or debt service;

156 (vi) a reading levy imposed under Section 53A-17a-151; and

157 (vii) a tort liability levy imposed under Section 63G-1-704.

158 (3) (a) In addition to the revenue a school district collects from the imposition of a levy  
 159 pursuant to this section, the state shall contribute an amount sufficient to guarantee that each  
 160 .0001 of the first .0004 per dollar of taxable value generates an amount equal to [~~0.10544 times~~  
 161 ~~the value of the prior year's weighted pupil unit~~] the state guarantee per weighted pupil unit  
 162 described in Subsection 53A-17a-133(3).

163 (b) (i) The amount of state guarantee money to which a school district would otherwise  
 164 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's  
 165 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
 166 pursuant to changes in property valuation.

167 (ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the  
 168 certified tax rate.

169 (4) A school district that imposes a board local levy in the calendar year beginning on  
 170 January 1, 2012, is exempt from the public notice and hearing requirements of Section  
 171 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to  
 172 or less than the sum of the following amounts:

173 (a) the amount of revenue generated during the calendar year beginning on January 1,  
 174 2011, from the sum of the following levies of a school district:

- 175 (i) a recreation levy imposed under Section 11-2-7;
- 176 (ii) a transportation levy imposed under Section 53A-17a-127;
- 177 (iii) a board-authorized levy imposed under Section 53A-17a-134;
- 178 (iv) an impact aid levy imposed under Section 53A-17a-143;
- 179 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is  
 180 budgeted for purposes other than capital outlay or debt service;

181 (vi) a reading levy imposed under Section 53A-17a-151; and

182 (vii) a tort liability levy imposed under Section 63G-1-704; and

183 (b) revenue from new growth as defined in Subsection 59-2-924(4)(c).

184 Section 3. **Retrospective operation.**

185 This bill provides retrospective operation for the taxable year beginning January 1,  
 186 2013.

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**Legislative Review Note**  
as of 10-10-12 1:17 PM

**Office of Legislative Research and General Counsel**