

1 **EDUCATION CAPITAL OUTLAY FOUNDATION**

2 **AMENDMENTS**

3 1999 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: A. Lamont Tyler**

6 AN ACT RELATING TO PUBLIC EDUCATION; PROVIDING THAT A SCHOOL DISTRICT
7 LEVYING LESS THAN A .0024 TAX RATE FOR CAPITAL OUTLAY AND DEBT
8 SERVICE SHALL RECEIVE PROPORTIONAL FUNDING UNDER THE CAPITAL
9 OUTLAY FOUNDATION PROGRAM BASED UPON THE PERCENTAGE OF THE .0024
10 TAX RATE LEVIED BY THE DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

11 This act affects sections of Utah Code Annotated 1953 as follows:

12 AMENDS:

13 **53A-21-103**, as repealed and reenacted by Chapter 326, Laws of Utah 1996

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

15 Section 1. Section **53A-21-103** is amended to read:

16 **53A-21-103. Qualifications for participation in the foundation program --**

17 **Distribution of monies -- Distribution formulas.**

18 (1) In order for a school district to qualify for monies under the capital outlay foundation
19 program established in Subsection 53A-21-102(1), a local school board must levy a tax rate of up
20 to .0024 per dollar of taxable value for capital outlay and debt service.

21 ~~[(2) If the local school board levies the .0024 tax rate during one year, but due to increased~~
22 ~~assessed valuations and a corresponding reduction in the certified tax rate is prevented from~~
23 ~~levying the full .0024 tax rate during the subsequent year, the district will considered to be in~~
24 ~~compliance with Subsection (1) if it levys the maximum allowable under these circumstances and~~
25 ~~shall continue to receive support under the foundation program for a period of up to two years~~
26 ~~without loss of state funding.]~~

27 (2) The State Board of Education shall adopt a rule in accordance with Title 63, Chapter

28 46a, Utah Administrative Rulemaking Act, that allows a school district levying less than the full
 29 .0024 tax rate to receive proportional funding under the foundation program based upon the
 30 percentage of the .0024 tax rate levied by the district. h THE RULES MAY INCLUDE HOLD
 30a HARMLESS PROVISIONS FOR UP TO TWO YEARS. h

31 (3) (a) Through June 30, 2001, 20% of the monies in the capital outlay foundation program
 32 shall be used in an emergency school building needs program.

33 (b) Beginning July 1, 2001, the emergency school building needs program shall be
 34 terminated and the monies otherwise spent in that program shall be used for the general purposes
 35 of the capital outlay foundation program.

36 (4) The State Board of Education shall distribute monies in the capital outlay foundation
 37 program and the emergency school building needs program in accordance with formulas developed
 38 by the state superintendent of public instruction.

39 (a) The board shall distribute capital outlay foundation monies on the basis of a minimum
 40 guarantee per average daily membership as computed by the state superintendent of public
 41 instruction using:

- 42 (i) available monies; and
- 43 (ii) the assessed valuation per average daily membership in each school district.

44 (b) The formula for the emergency school building needs distribution shall include the
 45 following components:

- 46 (i) a school district's ability to raise money for school building needs as related to the
 47 assessed valuation per student for real property within the school district;
- 48 (ii) need as reflected by:

49 (A) the current number of students in the school district who are in alternative housing;
 50 and

51 (B) growth, both within the district and compared to the state as a whole; and

52 (iii) the school district's effort to raise money based on:

53 (A) the district's total tax rate; and

54 (B) the district's bond and bond interest payments compared to its ability to raise revenue.

55 **Section 2. Effective date.**

56 This act takes effect on July 1, 1999.

Legislative Review Note
as of 11-30-98 10:38 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Committee Note

The Education Interim Committee recommended this bill.