

CREATION OF NEW SCHOOL DISTRICT

AMENDMENTS

2007 GENERAL SESSION

STATE OF UTAH

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Cosponsors:
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LONG TITLE

General Description:

This bill modifies provisions related to the creation of a new school district.

Highlighted Provisions:

This bill:

- ▶ adds a vote to elect school district board members resulting from the creation of a new school district to the list of special elections that a local political subdivision may call;
- ▶ adds a definition relating to the creation of a new school district;
- ▶ provides a process for certifying the creation of a new school district and establishes the date that the new district is created;
- ▶ clarifies the duties of a new district and the district from which the new district was created with respect to providing educational services;
- ▶ makes exceptions to requirements applicable to a proposal by interlocal agreement participants to create a new school district where the proposal would otherwise geographically isolate an area within a municipality that is served by a separate school district;
- ▶ provides for the election of school district board members of a new school district and of the school district from which the new district was created, and provides for

30 the terms of those members;

31 ▶ establishes a process for allocating the property of an existing school district
32 between a newly created district and the school district from which it was created,

33 including:

34 • transition teams to represent the new district and the district from which the new
35 district was created; and

36 • a requirement that disputes about the allocation of property be decided by
37 binding arbitration;

38 ▶ shifts from the board of a new school district to the board of the district from which
39 the new district was created the responsibility to continue to levy a tax on property
40 in the new district to pay the new district's proportionate share of bonds issued
41 before the new district was created;

42 ▶ prohibits a school district board from issuing bonds approved but not issued before
43 the creation of a new district under certain circumstances;

44 ▶ authorizes a mayor or the mayor's designee of a municipality that is partly or
45 entirely within the boundaries of a school district to attend and participate in school
46 board meetings;

47 ▶ requires local school boards to give notice of board meetings to the mayor or the
48 mayor's designee of each municipality that is partly or entirely within the boundaries
49 of the school district; and

50 ▶ makes technical, conforming, and clarifying changes.

51 **Monies Appropriated in this Bill:**

52 None

53 **Other Special Clauses:**

54 None

55 **Utah Code Sections Affected:**

56 AMENDS:

57 **20A-1-203**, as last amended by Chapter 211, Laws of Utah 2005

- 58 **20A-14-201**, as last amended by Chapter 233, Laws of Utah 2005
- 59 **53A-2-104**, as last amended by Chapter 183, Laws of Utah 2006
- 60 **53A-2-105**, as last amended by Chapter 183, Laws of Utah 2006
- 61 **53A-2-117**, as enacted by Chapter 234, Laws of Utah 2003
- 62 **53A-2-118**, as last amended by Chapter 183, Laws of Utah 2006
- 63 **53A-2-118.1**, as enacted by Chapter 183, Laws of Utah 2006
- 64 **53A-2-119**, as enacted by Chapter 234, Laws of Utah 2003
- 65 **53A-2-120**, as enacted by Chapter 234, Laws of Utah 2003
- 66 **53A-2-121**, as enacted by Chapter 234, Laws of Utah 2003
- 67 **53A-3-409**, as last amended by Chapter 78, Laws of Utah 1990

68 **Uncodified Material Affected:**

69 ENACTS UNCODIFIED MATERIAL



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

72 Section 1. Section **20A-1-203** is amended to read:

73 **20A-1-203. Calling and purpose of special elections.**

74 (1) Statewide and local special elections may be held for any purpose authorized by
75 law.

76 (2) (a) Statewide special elections shall be conducted using the procedure for regular
77 general elections.

78 (b) Except as otherwise provided in this title, local special elections shall be conducted
79 using the procedures for regular municipal elections.

80 (3) The governor may call a statewide special election by issuing an executive order
81 that designates:

82 (a) the date for the statewide special election; and

83 (b) the purpose for the statewide special election.

84 (4) The Legislature may call a statewide special election by passing a joint or
85 concurrent resolution that designates:

86 (a) the date for the statewide special election; and

87 (b) the purpose for the statewide special election.

88 (5) (a) The legislative body of a local political subdivision may call a local special
89 election only for:

90 (i) a vote on a bond or debt issue;

91 (ii) a vote on a voted leeway program authorized by Section 53A-17a-133 or
92 53A-17a-134;

93 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - Procedure;

94 (iv) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;

95 (v) if required or authorized by federal law, a vote to determine whether or not Utah's
96 legal boundaries should be changed; [or]

97 (vi) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act[-]; or

98 (vii) a vote to elect members to school district boards for a new school district and a
99 remaining school district, as defined in Section 53A-2-117, following the creation of a new
100 school district under Section 53A-2-118.1.

101 (b) The legislative body of a local political subdivision may call a local special election
102 by adopting an ordinance or resolution that designates:

103 (i) the date for the local special election; and

104 (ii) the purpose for the local special election.

105 Section 2. Section **20A-14-201** is amended to read:

106 **20A-14-201. Boards of education -- School board districts -- Creation --**
107 **Reapportionment.**

108 (1) (a) The county legislative body, for local school districts whose boundaries
109 encompass more than a single municipality, and the municipal legislative body, for school
110 districts contained completely within a municipality, shall divide the local school district into
111 local school board districts as required under Subsection 20A-14-202(1)(a).

112 (b) The county and municipal legislative bodies shall divide the school district so that
113 the local school board districts are substantially equal in population and are as contiguous and

114 compact as practicable.

115 (2) (a) County and municipal legislative bodies shall reapportion district boundaries to
116 meet the population, compactness, and contiguity requirements of this section:

117 (i) at least once every ten years;

118 (ii) [~~whenever~~] if a new district is created[;];

119 (A) within 45 days after the canvass of an election at which voters approve the creation
120 of a new district; and

121 (B) at least 60 days before the candidate filing deadline for a school board election;

122 (iii) whenever districts are consolidated;

123 (iv) whenever a district loses more than 20% of the population of the entire school
124 district to another district;

125 (v) whenever a district loses more than 50% of the population of a local school board
126 district to another district;

127 (vi) whenever a district receives new residents equal to at least 20% of the population
128 of the district at the time of the last reapportionment because of a transfer of territory from
129 another district; and

130 (vii) whenever it is necessary to increase the membership of a board from five to seven
131 members as a result of changes in student membership under Section 20A-14-202.

132 (b) If a school district receives territory containing less than 20% of the population of
133 the transferee district at the time of the last reapportionment, the local school board may assign
134 the new territory to one or more existing school board districts.

135 (3) (a) Reapportionment does not affect the right of any school board member to
136 complete the term for which the member was elected.

137 (b) (i) After reapportionment, representation in a local school board district shall be
138 determined as provided in Subsection (3).

139 (ii) If only one board member whose term extends beyond reapportionment lives
140 within a reapportioned local school board district, that board member shall represent that local
141 school board district.

142 (iii) (A) If two or more members whose terms extend beyond reapportionment live
143 within a reapportioned local school board district, the members involved shall select one
144 member by lot to represent the local school board district.

145 (B) The other members shall serve at-large for the remainder of their terms.

146 (C) The at-large board members shall serve in addition to the designated number of
147 board members for the board in question for the remainder of their terms.

148 (iv) If there is no board member living within a local school board district whose term
149 extends beyond reapportionment, the seat shall be treated as vacant and filled as provided in
150 this part.

151 (4) (a) If, before an election affected by reapportionment, the county or municipal
152 legislative body that conducted the reapportionment determines that one or more members
153 must be elected to terms of two years to meet this part's requirements for staggered terms, the
154 legislative body shall determine by lot which of the reapportioned local school board districts
155 will elect members to two-year terms and which will elect members to four-year terms.

156 (b) All subsequent elections are for four-year terms.

157 (5) Within ten days after any local school board district boundary change, the county or
158 municipal legislative body making the change shall send an accurate map or plat of the
159 boundary change to the Automated Geographic Reference Center created under Section
160 63F-1-506.

161 Section 3. Section **53A-2-104** is amended to read:

162 **53A-2-104. Transfer of a portion of a school district -- Board resolution -- Board**
163 **petition -- Elector petition -- Transfer election.**

164 (1) Part of a school district may be transferred to another district in one of the
165 following ways:

166 (a) presentation to the county legislative body of each of the affected counties of a
167 resolution requesting the transfer, approved by at least four-fifths of the members of the local
168 board of education of each affected school district;

169 (b) presentation to the county legislative body of each affected county of a petition

170 requesting that the electors vote on the transfer, signed by a majority of the members of the
171 local school board of each affected school district; or

172 (c) presentation to the county legislative body of each affected county of a petition
173 requesting that the electors vote on the transfer, signed by 15% of the qualified electors in each
174 of the affected school districts within that county~~[~~or~~].~~

175 [~~(d) voter approval of a proposal pursuant to Section 53A-2-118.1.]~~

176 (2) (a) If an annexation of property by a city would result in its residents being served
177 by more than one school district, then the presidents of the affected local school boards shall
178 meet within 60 days prior to the effective date of the annexation to determine whether it would
179 be advisable to adjust school district boundaries to permit all residents of the expanded city to
180 be served by a single school district.

181 (b) Upon conclusion of the meeting, the local school board presidents shall prepare a
182 recommendation for presentation to their respective boards as soon as reasonably possible.

183 (c) The boards may then initiate realignment proceedings under Subsection (1)(a) or
184 (b).

185 (d) If a local board rejects realignment under Subsection (1)(a) or (b), the other board
186 may initiate the following procedures by majority vote within 60 days of the vote rejecting
187 realignment:

188 (i) (A) within 30 days after a vote to initiate these procedures, each local board shall
189 appoint one member to a boundary review committee; or

190 (B) if the local board becomes deadlocked in selecting the appointee under Subsection
191 (2)(d)(i)(A), the board's chair shall make the appointment or serve as the appointee to the
192 review committee.

193 (ii) The two local board-appointed members of the committee shall meet and appoint a
194 third member of the committee.

195 (iii) If the two local board-appointed members are unable to agree on the appointment
196 of a third member within 30 days after both are appointed, the State Superintendent of Public
197 Instruction shall appoint the third member.

198 (iv) The committee shall meet as necessary to prepare recommendations concerning
199 resolution of the realignment issue, and shall submit the recommendations to the affected local
200 boards within six months after the appointment of the third member of the committee.

201 (v) If a majority of the members of each local board accepts the recommendation of the
202 committee, or accepts the recommendation after amendment by the boards, then the accepted
203 recommendation shall be implemented.

204 (vi) If the committee fails to submit its recommendation within the time allotted, or if
205 one local board rejects the recommendation, the affected boards may agree to extend the time
206 for the committee to prepare an acceptable recommendation or either board may request the
207 State Board of Education to resolve the question.

208 (vii) If the committee has submitted a recommendation which the state board finds to
209 be reasonably supported by the evidence, the state board shall adopt the committee's
210 recommendation.

211 (viii) The decision of the state board is final.

212 (3) (a) The electors of each affected district shall vote on the transfer requested under
213 Subsection (1)(b) or (c) at an election called for that purpose, which may be the next general
214 election.

215 (b) The election shall be conducted and the returns canvassed as provided by election
216 law.

217 (c) A transfer is effected only if a majority of votes cast by the electors in both the
218 proposed transferor district and in the proposed transferee district are in favor of the transfer.

219 Section 4. Section **53A-2-105** is amended to read:

220 **53A-2-105. Transfer of school property -- Indebtedness on transferred property.**

221 (1) If a transfer of a portion of one school district to another school district is approved
222 under Section 53A-2-104 [~~or 53A-2-118.1~~], the state superintendent and the superintendents
223 and presidents of the boards of education of each of the affected school districts shall determine
224 the basis for a transfer of all school property reasonably and fairly allocable to that portion
225 being transferred.

226 (2) (a) Title to property transferred vests in the transferee board of education.
227 (b) The transfer of a school building that is in operation at the time of determination
228 shall be made at the close of a fiscal year.
229 (c) The transfer of all other school property shall be made five days after approval of
230 the transfer of territory under Section 53A-2-104.

231 (3) (a) The individuals referred to in Subsection (1) shall determine the portion of
232 bonded indebtedness and other indebtedness of the transferor board for which the transferred
233 property remains subject to the levy of taxes to pay a proportionate share of the outstanding
234 indebtedness of the transferor board.

235 (b) This is done by:
236 (i) determining the amount of the outstanding bonded indebtedness and other
237 indebtedness of the transferor board of education;
238 (ii) determining the total taxable value of the property of the transferor district and the
239 taxable value of the property to be transferred; and
240 (iii) calculating the portion of the indebtedness of the transferor board for which the
241 transferred portion retains liability.

242 (4) (a) The agreement reflecting these determinations takes effect upon being filed with
243 the State Board of Education.

244 (b) The transferred property remains subject to the levy of taxes to pay a proportionate
245 share of the outstanding indebtedness of the transferor school board.

246 (c) The transferee school board may assume the obligation to pay the proportionate
247 share of the transferor school board's indebtedness that has been determined under Subsection
248 (3) to be the obligation of the transferred portion by the approval of a resolution by a majority
249 of the qualified electors of the transferee school district at an election called and held for that
250 purpose under Title 11, Chapter 14, Local Government Bonding Act.

251 (5) If the transferee school district assumes the obligation to pay this proportionate
252 share of the transferor school board's indebtedness, the transferee school board shall levy a tax
253 in the whole of the transferee district, including the transferred portion, sufficient to pay the

254 assumed indebtedness, and shall turn over the proceeds of the tax to the business administrator
255 of the transferor board.

256 (6) If the transferee school board does not assume this obligation, the transferee school
257 board shall levy a tax on the transferred territory sufficient to pay the proportionate share of the
258 indebtedness determined under this section, and shall turn over the proceeds of the tax to the
259 business administrator of the transferor board.

260 (7) For the purposes of school districts affected by repealed laws governing the
261 annexation of an unincorporated area of a school district by a city which included what was
262 formerly known as a city school district, transitions of unincorporated areas and property from
263 the transferor district to the transferee district in progress on the effective date of this act shall
264 revert to the boundaries and ownership prior to the initiation of annexation and may then
265 proceed under this section and Section 53A-2-104.

266 Section 5. Section **53A-2-117** is amended to read:

267 **53A-2-117. Definitions.**

268 As used in Sections 53A-2-117 through 53A-2-121:

269 (1) "Existing district" or "existing school district" means a school district from which a
270 new district is created.

271 (2) "New district" or "new school district" means a school district created under
272 Section 53A-2-118[?] or 53A-2-118.1.

273 (3) "Remaining district" means an existing district after the creation of a new district.

274 Section 6. Section **53A-2-118** is amended to read:

275 **53A-2-118. Creation of new school district by county legislative body -- Initiation**
276 **of process -- Procedures to be followed.**

277 (1) A county legislative body may create a new school district from an existing school
278 district, as provided in this section, if the area of the new school district is within or, under
279 Subsection 53A-2-118.1(2)(b)(ii), considered to be within the geographical boundaries of the
280 county.

281 (2) (a) The process may be initiated:

- 282 (i) through a citizens' initiative petition;
- 283 (ii) at the request of the board of the existing district or districts to be affected by the
- 284 creation of the new district; or
- 285 (iii) at the request of a city within the boundaries of the school district or at the request
- 286 of interlocal agreement participants, pursuant to Section 53A-2-118.1.
- 287 (b) (i) A petition submitted under Subsection (2)(a)(i) must be signed by qualified
- 288 electors residing within the geographical boundaries of the proposed new school district equal
- 289 in number to at least 15% of the number of electors in the area who voted for the office of
- 290 governor at the last regular general election.
- 291 (ii) A request or petition submitted under Subsection (2)(a) shall:
- 292 (A) be filed with the county clerk;
- 293 (B) indicate the typed or printed name and current residence address of each governing
- 294 board member making a request, or registered voter signing a petition, as the case may be;
- 295 (C) describe the proposed new school district boundaries; and
- 296 (D) designate up to five signers of the petition or request as sponsors, one of whom
- 297 shall be designated as the contact sponsor, with the mailing address and telephone number of
- 298 each.
- 299 (c) A signer of a petition under Subsection (2)(a)(i) may withdraw or, once withdrawn,
- 300 reinstate the signer's signature at any time before the filing of the petition by filing a written
- 301 withdrawal or reinstatement with the county clerk.
- 302 (d) The process under Subsection (2)(a)(i) may only be initiated once during any
- 303 four-year period.
- 304 (e) A new district may not be formed pursuant to Subsection (2)(a) if the student
- 305 population of the proposed new district is less than 3,000 or the existing district's student
- 306 population would be less than 3,000 because of the creation of the new school district.
- 307 (f) Within 45 days after the filing of a request or petition under Subsection (2)(a), the
- 308 county clerk shall:
- 309 (i) determine whether the request or petition complies with Subsections (2)(a), (b), (d),

310 and (e), as applicable; and

311 (ii) (A) if the county clerk determines that the request or petition complies with the
312 applicable requirements:

313 (I) certify the request or petition and deliver the certified request or petition to the
314 county legislative body; and

315 (II) mail or deliver written notification of the certification to the contact sponsor; or

316 (B) if the county clerk determines that the request or petition fails to comply with any
317 of the applicable requirements, reject the request or petition and notify the contact sponsor in
318 writing of the rejection and reasons for the rejection.

319 (g) If the county clerk fails to certify or reject a request or petition within 45 days after
320 its filing, the request or petition shall be considered to be certified.

321 (h) (i) If the county clerk rejects a request or petition, the request or petition may be
322 amended to correct the deficiencies for which it was rejected and then refiled.

323 (ii) Subsection (2)(d) does not apply to a request or petition that is amended and refiled
324 after having been rejected by a county clerk.

325 (i) If a county legislative body receives a request from a school board under Subsection
326 (2)(a)(ii) or a petition under Subsection (2)(a)(i) which is certified by the county clerk on or
327 before December 1:

328 (i) the county legislative body shall appoint an ad hoc advisory committee, as provided
329 by Subsection (3), on or before January 1;

330 (ii) the ad hoc advisory committee shall submit its report and recommendations to the
331 county legislative body, as provided by Subsection (3), on or before July 1; and

332 (iii) if the county legislative body approves a proposal to create a new district, the
333 proposal shall be submitted to the county clerk to be voted on by the electors of the existing
334 district at the regular general or municipal general election held in November.

335 (3) (a) The county legislative body shall appoint an ad hoc advisory committee to
336 review and make recommendations on a request for the creation of a new school district
337 submitted under Subsection (2)(a)(i) or (ii).

- 338 (b) The advisory committee shall:
- 339 (i) seek input from:
- 340 (A) those requesting the creation of the new school district;
- 341 (B) the school board and school personnel of the existing school district;
- 342 (C) those citizens residing within the geographical boundaries of the existing school
- 343 district;
- 344 (D) the State Board of Education; and
- 345 (E) other interested parties;
- 346 (ii) review data and gather information on at least:
- 347 (A) the financial viability of the proposed new school district;
- 348 (B) the proposal's financial impact on the existing school district;
- 349 (C) the exact placement of school district boundaries; and
- 350 (D) the positive and negative effects of creating a new school district and whether the
- 351 positive effects outweigh the negative if a new school district were to be created; and
- 352 (iii) make a report to the county legislative body in a public meeting on the committee's
- 353 activities, together with a recommendation on whether to create a new school district.
- 354 (4) For a request or petition submitted under Subsection (2)(a)(i) or (2)(a)(ii):
- 355 (a) The county legislative body shall provide for a 45-day public comment period on
- 356 the report and recommendation to begin on the day the report is given under Subsection
- 357 (3)(b)(iii).
- 358 (b) Within 14 days after the end of the comment period, the county legislative body
- 359 shall vote on the creation of the proposed new school district.
- 360 (c) The proposal is approved if a majority of the members of the county legislative
- 361 body votes in favor of the proposal.
- 362 (d) If the proposal is approved, the county legislative body shall submit the proposal to
- 363 the county clerk to be voted on:
- 364 (i) by the legal voters of the existing school district;
- 365 (ii) in accordance with Title 20A, Election Code; and

366 (iii) at the next regular general election or municipal general election, whichever is
367 first.

368 (e) Creation of the new school district shall occur if a majority of the electors within
369 both the proposed school district and the remaining school district voting on the proposal vote
370 in favor of the creation of the new district.

371 (f) The county legislative body shall provide notice of the action as required in Section
372 53A-2-101.5.

373 (g) If a proposal submitted under Subsection (2)(a)(i) or (ii) to create a new district is
374 approved by the electors, the existing district's documented costs to study and implement the
375 proposal shall be reimbursed by the new district.

376 (5) (a) If a proposal submitted under Subsection (2)(a)(iii) is certified under Subsection
377 (2)(f) or (g), the county legislative body shall submit the proposal to the county clerk to be
378 voted on:

- 379 (i) by the legal voters residing within the proposed new school district boundaries;
- 380 (ii) in accordance with Title 20A, Election Code; and
- 381 (iii) at the next regular general election or municipal general election, whichever is
382 first.

383 (b) ~~(i) [Creation of the new school district shall occur if]~~ If a majority of the legal
384 voters within the proposed new school district boundaries voting on the proposal at an election
385 under Subsection (5)(a) vote in favor of the creation of the new district[-]:

386 (A) the county legislative body shall, within 30 days after the canvass of the election,
387 file with the lieutenant governor the written notice required under Section 53A-2-101.5; and

388 (B) upon the lieutenant governor's issuance of the certificate under Section 67-1a-6.5,
389 the new district is created.

390 (ii) Notwithstanding the creation of a new district as provided in Subsection
391 (5)(b)(i)(B):

392 (A) a new school district may not begin to provide educational services to the area
393 within the new district until July 1 of the second calendar year following the election at which

394 voters approve creation of the new school district;

395 (B) a remaining district may not begin to provide educational services to the area
396 within the remaining district until the time specified in Subsection (5)(b)(ii)(A); and

397 (C) the existing district shall continue, until the time specified in Subsection
398 (5)(b)(ii)(A), to provide educational services within the entire area covered by the existing
399 district as though the new district had not been created.

400 Section 7. Section **53A-2-118.1** is amended to read:

401 **53A-2-118.1. Option for school district creation.**

402 (1) After conducting a feasibility study, a city of the first or second class, as defined
403 under Section 10-2-301, may by majority vote of the legislative body, submit for voter approval
404 a measure to create a new school district with boundaries contiguous with that city's
405 boundaries, in accordance with Section 53A-2-118.

406 (2) (a) By majority vote of the legislative body, a city of any class, a town, or a county,
407 may, together with one or more other cities, towns, or the county enter into an interlocal
408 agreement, in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, for the purpose
409 of submitting for voter approval a measure to create a new school district.

410 (b) (i) In accordance with Section 53A-2-118, interlocal agreement participants under
411 Subsection (2)(a) may submit a proposal for voter approval if:

412 [(i)] (A) the interlocal agreement participants conduct a feasibility study prior to
413 submitting the proposal to the county;

414 [(ii)] (B) the combined population within the proposed new school district boundaries
415 meets the minimum population threshold for a city of the second class; and

416 [(iii)] (C) the new school district boundaries:

417 [(A)] (I) are contiguous;

418 [(B)] (II) do not completely surround or otherwise completely geographically isolate a
419 portion of an existing school district that is not part of the proposed new school district from
420 the remaining part of the existing school district, except as provided in Subsection (2)(d)(iii);

421 [(C)] (III) include the entire boundaries of [~~any~~] each participant city or town, except as

422 provided in Subsection (2)(d)(ii); and

423 ~~[(D)]~~ (IV) subject to Subsection (2)(b)(ii), do not cross county lines.

424 (ii) For purposes of Subsection (2)(b)(i)(C)(IV) and Subsection 53A-2-118(1), a
425 municipality located in more than one county is considered to be entirely within the same
426 county as other participants in an interlocal agreement under Subsection (2)(a) if more of the
427 municipality's land area and population is located in that same county than outside the county.

428 (c) (i) A county may only participate in an interlocal agreement under this Subsection
429 (2) for the unincorporated areas of the county.

430 (ii) Boundaries of a new school district created under this section may include a portion
431 of the unincorporated area of the county, including a portion of a township.

432 (d) (i) As used in this Subsection (2)(d):

433 (A) "Isolated area" means an area that:

434 (I) is entirely within the boundaries of a municipality that, except for that area, is
435 entirely within a school district different than the school district in which the area is located;
436 and

437 (II) would, because of the creation of a new school district from the existing district in
438 which the area is located, become completely geographically isolated.

439 (B) "Municipality's school district" means the school district that includes all of the
440 municipality in which the isolated area is located except the isolated area.

441 (ii) Notwithstanding Subsection (2)(b)(i)(C)(III), a municipality may be a participant in
442 an interlocal agreement under Subsection (2)(a) with respect to some but not all of the area
443 within the municipality's boundaries if the portion of the municipality proposed to be included
444 in the new school district would, if not included, become an isolated area upon the creation of
445 the new school district.

446 (iii) (A) Notwithstanding Subsection (2)(b)(i)(C)(II), a proposal to create a new school
447 district may be submitted for voter approval pursuant to an interlocal agreement under
448 Subsection (2)(a), even though the new school district boundaries would create an isolated
449 area, if:

450 (I) the potential isolated area is contiguous to one or more of the interlocal agreement
451 participants;

452 (II) the interlocal participants submit a written request to the municipality in which the
453 potential isolated area is located, requesting the municipality to enter into an interlocal
454 agreement under Subsection (2)(a) that proposes to submit for voter approval a measure to
455 create a new school district that includes the potential isolated area; and

456 (III) 90 days after a request under Subsection (2)(d)(iii)(A)(II) is submitted, the
457 municipality has not entered into an interlocal agreement as requested in the request.

458 (B) Each municipality receiving a request under Subsection (2)(d)(iii)(A)(II) shall hold
459 one or more public hearings to allow input from the public and affected school districts
460 regarding whether or not the municipality should enter into an interlocal agreement with
461 respect to the potential isolated area.

462 (C) (I) This Subsection (2)(d)(iii)(C) applies if:

463 (Aa) a new school district is created under this section after a measure is submitted to
464 voters based on the authority of Subsection (2)(d)(iii)(A); and

465 (Bb) the creation of the new school district results in an isolated area.

466 (II) The isolated area shall, on July 1 of the second calendar year following the election
467 at which voters approve the creation of a new school district, become part of the municipality's
468 school district.

469 (III) Unless the isolated area is the only remaining part of the existing district, the
470 process described in Subsection (4) shall be modified to:

471 (Aa) include a third transition team, appointed by the local school board of the
472 municipality's school district, to represent that school district;

473 (Bb) require allocation of the existing district's property among the new district, the
474 remaining district, and the municipality's school district;

475 (Cc) require each of the three transition teams to appoint one member to the
476 three-member arbitration panel, if an arbitration panel is established; and

477 (Dd) require the municipality's school district to bear 1/3 of the costs of arbitration.

478 (IV) The existing district shall continue to provide educational services to the isolated
479 area until July 1 of the second calendar year following the election at which voters approve the
480 creation of a new school district.

481 (3) (a) If a proposal under this section is approved by voters:

482 (i) an election shall be held on the June special election date, as provided in Section
483 20A-1-204, in the year following the election at which voters approved the creation of a new
484 school district, to elect:

485 (A) all members to the board of the new school district; and

486 (B) all members to the board of the remaining district;

487 ~~[(a) transfer of]~~ (ii) school district property [and indebtedness to a newly created] shall
488 be divided between the existing school district and the new school district [shall be handled in
489 accordance with Sections 53A-2-120 and 53A-2-121] as provided in Subsection (4);

490 ~~[(b)]~~ (iii) transferred employees shall be treated in accordance with Sections
491 53A-2-116 and 53A-2-122; and

492 ~~[(c)]~~ (iv) within one year after [creation of] the new district begins providing
493 educational services, the superintendent of [the previously existing] each remaining district [or
494 districts] affected and the superintendent of the new district shall meet, together with the
495 Superintendent of Public Instruction, to determine if further boundary changes should be
496 proposed in accordance with Section 53A-2-104 or Subsection 53A-2-118(2).

497 (b) Each member elected to a school district board of a new district and remaining
498 district at an election under Subsection (3)(a)(i) shall take office on July 15 immediately
499 following the election.

500 (c) (i) Subject to Subsection (3)(c)(ii), the terms of the initial members of the school
501 district board of the new district and remaining district who are elected at an election under
502 Subsection (3)(a)(i) shall be staggered and adjusted by the county legislative body so that:

503 (A) the school district board members' successors are elected at a future regular general
504 election; and

505 (B) the terms of their successors coincide with the schedule of terms for school district

506 board members established in Section 20A-14-202.

507 (ii) (A) The term of a member elected to a school district board at an election under
508 Subsection (3)(a)(i) may not be less than 17 months.

509 (B) In order to comply with the requirements of Subsection (3)(c)(i), the term of a
510 member elected to a school district board at an election under Subsection (3)(a)(i) held in an
511 even-numbered year may exceed four years but may not exceed five years.

512 (d) (i) The term of each member of the school district board of the existing district
513 terminates on July 15 of the second year after the election at which voters approve the creation
514 of a new district, regardless of when the term would otherwise have terminated.

515 (ii) Notwithstanding the election of a board for the new district and a board for the
516 remaining district under Subsection (3)(a)(i), the board of the existing district shall continue,
517 until the time specified in Subsection 53A-2-118(5)(b)(ii)(A), to function and exercise
518 authority as a board to the extent necessary to continue to provide educational services to the
519 entire existing district as though the new district had not been created.

520 (iii) A person may simultaneously serve as a member of the board of an existing
521 district and a member of the board of:

522 (A) a new district; or

523 (B) a remaining district.

524 (4) (a) Within 30 days after the canvass of an election at which voters approve the
525 creation of a new school district under this section:

526 (i) a transition team to represent the remaining district shall be appointed by the
527 members of the existing district board who reside within the area of the remaining district, in
528 consultation with:

529 (A) the legislative bodies of all municipalities in the area of the remaining district; and

530 (B) the legislative body of the county in which the remaining district is located, if the
531 remaining district includes one or more unincorporated areas of the county; and

532 (ii) another transition team to represent the new district shall be appointed by:

533 (A) for a new district located entirely within the boundaries of a single city, the

534 legislative body of that city; or

535 (B) for each other new district, the legislative bodies of all interlocal agreement
536 participants.

537 (b) The local board of the existing school district shall:

538 (i) within 30 days after the canvass of an election at which voters approve the creation
539 of a new school district under this section, prepare an inventory of the existing district's assets
540 and liabilities; and

541 (ii) within 45 days after the canvass, deliver a copy of the inventory to each of the
542 transition teams.

543 (c) (i) (A) The transition teams appointed under Subsection (4)(a) shall, subject to
544 Subsection (4)(c)(iii), determine the allocation of the existing district's property between the
545 remaining district and the new district in accordance with Subsection (4)(c)(ii).

546 (B) The transition teams shall determine the allocation under Subsection (4)(c)(i)(A)
547 before July 1 of the year following the election at which voters approve the creation of a new
548 district, unless that deadline is extended by the mutual agreement of:

549 (I) the school district board of the remaining district; and

550 (II) (Aa) the legislative body of the city in which the new district is located, for a new
551 district located entirely within a single city; or

552 (Bb) the legislative bodies of all interlocal agreement participants, for each other new
553 district.

554 (ii) Subject to Subsection (4)(c)(iii), all property of the existing district, both tangible
555 and intangible, real and personal, shall be allocated between the existing district and the new
556 district in a way that is fair and equitable to both the existing district and the new district,
557 taking into account:

558 (A) the relative student populations between the existing district and new district;

559 (B) the relative assessed value of taxable property between the existing district and the
560 new district;

561 (C) the historical amount of property used to deliver educational services to students in

562 the existing district and the new district; and

563 (D) any other factors that the transition teams consider relevant in dividing the property
564 in a fair and equitable manner.

565 (iii) (A) The transition teams shall allocate school buildings and associated property
566 used primarily to provide educational services to local residents and not serving district-wide
567 purposes to the school district in which the buildings are geographically located after the
568 creation of the new district.

569 (B) Except as provided in Subsection (4)(c)(iii)(A), nothing in this Subsection (4)(c)
570 may be construed to limit the ability of the transition teams to:

571 (I) provide that an existing district's property be shared by a remaining district and new
572 district;

573 (II) determine, by mutual agreement, that the value of the school buildings and
574 associated property described in Subsection (4)(c)(iii)(A) may be excluded from consideration
575 in the asset allocation process under this Subsection (4)(c); or

576 (III) provide for any other arrangement with respect to existing district property that is
577 beneficial to and in the best interests of the remaining district and new district.

578 (d) (i) Each disagreement between the transition teams about the proper allocation of
579 property between the districts shall be resolved by binding arbitration to a three-member
580 arbitration panel.

581 (ii) Each transition team shall appoint one member to an arbitration panel under this
582 Subsection (4)(d), and those two members shall appoint a third member.

583 (iii) The costs of arbitration shall initially be borne entirely by the existing district, but
584 the new district shall reimburse the existing district half of those costs within one year after the
585 new district begins providing educational services.

586 (e) Each decision of the transition teams and of the arbitration panel resolving a
587 disagreement between the transition teams is final and binding on the boards of the existing
588 district and new district.

589 (f) (i) All costs and expenses of the transition team that represents a remaining district

590 shall be borne by the remaining district.

591 (ii) All costs and expenses of the transition team that represents a new district shall:

592 (A) initially be borne by:

593 (I) the city whose legislative body appoints the transition team, if the transition team is
594 appointed by the legislative body of a single city; or

595 (II) the interlocal agreement participants, if the transition team is appointed by the
596 legislative bodies of interlocal agreement participants; and

597 (B) be reimbursed to the city or interlocal agreement participants by the new district
598 within one year after the new district begins providing educational services.

599 Section 8. Section **53A-2-119** is amended to read:

600 **53A-2-119. Reapportionment -- Local school board membership.**

601 (1) Upon the creation of a new school district, the county legislative body shall
602 reapportion the affected school districts pursuant to Section 20A-14-201.

603 (2) ~~[(a)]~~ Except as provided in ~~[Subsection (2)(b)]~~ Subsections (3) and
604 53A-2-118.1(3)(c), school board membership in the affected school districts shall be
605 determined under Title 20A, Chapter 14, Part 2, Nomination and Election of Members of Local
606 Boards of Education.

607 (3) (a) Subsection (3)(b) does not apply to a new school district created under Section
608 53A-2-118.1.

609 (b) (i) If, as a result of a reapportionment conducted following the creation of a new
610 school district, a local school board district is created in which no board member whose term
611 extends beyond reapportionment resides, the first board member for the local school board
612 district shall be elected at the next regular general election or municipal general election,
613 whichever occurs first, after the election at which the creation of the new school district is
614 approved.

615 (ii) (A) The initial term of office of a board member elected under Subsection ~~[(2)]~~
616 (3)(b)(i) shall be three years, except as provided in Subsection ~~[(2)]~~ (3)(b)(ii)(B).

617 (B) If more than one position on a local school board needs to be filled pursuant to

618 Subsection ~~(2)~~ (3)(b)(i), the initial term of the board members elected shall be staggered. The
619 county legislative body shall determine by lot which of the reapportioned local school board
620 districts will elect members to three-year terms and which will elect members to one-year
621 terms.

622 Section 9. Section **53A-2-120** is amended to read:

623 **53A-2-120. Transfer of school property to new school district.**

624 (1) (a) On ~~the~~ July 1 of the year following the school board elections for the new and
625 existing districts as provided in Section 53A-1-119, the board of the existing district shall
626 convey and deliver to the board of the new district all school property which the new district is
627 entitled to receive.

628 (b) (i) Any disagreements as to the disposition of school property shall be resolved by
629 the county legislative body.

630 (ii) Subsection (1)(b)(i) does not apply to disagreements between transition teams
631 about the proper allocation of property under Subsection 53A-2-118.1(4).

632 (2) Title vests in the new school board, including all rights, claims, and causes of
633 action to or for the property, for the use or the income from the property, for conversion,
634 disposition, or withholding of the property, or for any damage or injury to the property.

635 (3) The new school board may bring and maintain actions to recover, protect, and
636 preserve the property and rights of the district's schools and to enforce contracts.

637 (4) (a) The intangible property of the existing school district shall be prorated between
638 it and the new district on the same basis used to determine the new district's proportionate
639 share of the existing district's indebtedness under Section 53A-2-121.

640 (b) Subsection (4)(a) does not apply to the allocation of intangible property between a
641 remaining district and a new district created under Section 53A-2-118.1.

642 Section 10. Section **53A-2-121** is amended to read:

643 **53A-2-121. Indebtedness on property within new school district.**

644 (1) (a) The boards of the ~~existing~~ remaining and new districts shall determine the
645 portion of the existing district's bonded indebtedness and other indebtedness for which the

646 property within the new district remains subject to the levy of taxes to pay a proportionate
647 share of the existing district's outstanding indebtedness.

648 (b) The proportionate share of the existing district's outstanding indebtedness for which
649 property within the new district remains subject to the levy of taxes shall be calculated by
650 determining the proportion that the total assessed valuation of the property within the new
651 district bears to the total assessed valuation of the existing district in the year immediately
652 preceding the date the new district was created.

653 (c) The agreement reflecting the determinations made under this Subsection (1) shall
654 take effect upon being filed with the county legislative body and the State Board of Education.

655 (2) The board of the ~~[new]~~ remaining district shall continue to levy a tax on property
656 within the new district sufficient to pay the new district's proportionate share of the
657 indebtedness determined under this section, and shall ~~[turn-over]~~ annually report the amount of
658 the proceeds of the tax to the business administrator of the ~~[existing]~~ new district.

659 (3) (a) The boards of the ~~[existing]~~ remaining and new districts shall determine by
660 mutual agreement the disposition of bonds approved but not issued by the existing district
661 before the creation of the new district based primarily on the representation made to the voters
662 at the time of the bond election.

663 (b) Before a determination is made under Subsection (3)(a), a remaining district may
664 not issue bonds approved but not issued before the creation of the new district if property in the
665 new district would be subject to the levy of a tax to pay the bonds.

666 Section 11. Section **53A-3-409** is amended to read:

667 **53A-3-409. Local governmental entities and school districts -- Contracts and**
668 **cooperation -- Disbursement of funds -- Mayor or designee participation in school district**
669 **board meetings -- Notice required.**

670 (1) Local governmental entities and school districts may contract and cooperate with
671 one another in matters affecting the health, welfare, and convenience of the inhabitants within
672 their respective territorial limits.

673 (2) A local governmental entity may disburse public funds in aid of a school district

674 located wholly or partially within the limits of its jurisdiction.

675 (3) (a) A mayor or the mayor's designee of a municipality that is partly or entirely
676 within the boundaries of a school district may attend and participate in the board discussions at
677 the school district's board meetings.

678 (b) Each local school board shall give notice of board meetings to the mayor or the
679 mayor's designee of each municipality that is partly or entirely within the school district's
680 boundaries.

681 Section 12. **Political Subdivisions Interim Committee study items for 2007 interim.**

682 (1) The Political Subdivisions Interim Committee is directed to study the following
683 issues during the 2007 interim:

684 (a) whether all voters in the existing district should be involved in the decision to
685 create a new district, since all portions of an existing school district will be affected by the
686 creation of a new school district;

687 (b) whether a feasibility study should be required for each district that results from the
688 creation of a new district rather than just for the new district;

689 (c) whether the issue of school building equalization for the districts that result from
690 the creation of a new district should be addressed to ensure that growing areas do not carry a
691 tax burden not shared by those in other areas of the original district and to avoid the possibility
692 of lawsuits that might arise because of the disparate tax burdens; and

693 (d) whether any existing district should be required to divide into two or more districts
694 when it reaches a certain size.

695 (2) The Political Subdivisions Interim Committee is authorized to establish a
696 subcommittee for the purpose of conducting the study under Subsection (1).