

Representative Wayne A. Harper proposes the following substitute bill:

PUBLIC SCHOOL FUNDING

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions in the Minimum School Program Act, the Property Tax Act, and the Sales and Use Tax Act relating to certain property tax levies and the funding of public school programs.

Highlighted Provisions:

This bill:

- ▶ repeals the authority of school districts to levy certain property taxes;
- ▶ requires a school district to use the revenue received from the Homeowner Protection Program to pay for bond interest, principal, and redemption premiums first;
- ▶ requires a school district to use the remaining money received from the Homeowner Protection Program to offset the loss of certain property tax revenue;
- ▶ creates a new local school district discretionary levy;
- ▶ sets the tax rate for the local school district discretionary levy for the first taxable year;
- ▶ provides procedures for setting the tax rate for the local school discretionary levy after the first taxable year;
- ▶ prohibits a taxing entity from imposing a property tax rate higher than the taxing



26 entity's certified tax rate for three years;

- 27 ▶ increases the sales and use tax on certain transactions by 1.65%;
- 28 ▶ dedicates the revenue generated by the 1.65% increase to the Uniform School Fund;
- 29 ▶ adjusts a school district's certified tax rate due to the repeal or amendment of the
- 30 property taxing authority of the school district;
- 31 ▶ defines terms; and
- 32 ▶ makes technical changes.

33 **Monies Appropriated in this Bill:**

34 None

35 **Other Special Clauses:**

36 This bill provides an effective date and provides retrospective operation for Section
37 59-2-919.1.

38 This bill coordinates with H.B. 77, Personal Property Tax Amendments, by changing
39 technical cross references.

40 **Utah Code Sections Affected:**

41 AMENDS:

42 **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30

43 **11-13-302**, as last amended by Laws of Utah 2007, Chapter 108

44 **11-14-102**, as last amended by Laws of Utah 2007, Chapter 329

45 **20A-1-203**, as last amended by Laws of Utah 2007, Chapter 215

46 **53A-1a-513**, as last amended by Laws of Utah 2005, Chapters 9 and 291

47 **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297

48 **53A-2-206**, as last amended by Laws of Utah 2007, Chapter 372

49 **53A-17a-103**, as last amended by Laws of Utah 2007, Chapters 107 and 372

50 **53A-17a-105**, as last amended by Laws of Utah 1994, Chapter 268

51 **53A-17a-127**, as last amended by Laws of Utah 2001, Chapter 73

52 **53A-21-103**, as last amended by Laws of Utah 2003, Chapter 320

53 **53A-21-104**, as last amended by Laws of Utah 2007, Chapter 344

54 **59-2-404**, as last amended by Laws of Utah 1999, Chapter 181

55 **59-2-405**, as last amended by Laws of Utah 2005, Chapters 217 and 244

56 **59-2-405.1**, as last amended by Laws of Utah 2006, Chapter 164

- 57 **59-2-405.2**, as last amended by Laws of Utah 2006, Fifth Special Session, Chapter 3
- 58 **59-2-405.3**, as enacted by Laws of Utah 2005, Chapter 217
- 59 **59-2-919**, as last amended by Laws of Utah 2006, Chapters 26 and 104
- 60 **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329
- 61 **59-12-103**, as last amended by Laws of Utah 2007, Chapters 9, 101, 126, 206, and 288
- 62 **59-12-1201**, as last amended by Laws of Utah 2006, Chapters 135 and 253
- 63 **63-30d-704**, as enacted by Laws of Utah 2004, Chapter 267

64 ENACTS:

- 65 **53A-17a-154**, Utah Code Annotated 1953
- 66 **53A-17a-155**, Utah Code Annotated 1953
- 67 **59-2-919.1**, Utah Code Annotated 1953

68 REPEALS:

- 69 **53A-2-114**, as last amended by Laws of Utah 1996, Chapter 326
- 70 **53A-2-115**, as last amended by Laws of Utah 1996, Chapter 326
- 71 **53A-16-107**, as last amended by Laws of Utah 1999, Chapter 332
- 72 **53A-16-110**, as last amended by Laws of Utah 2004, Chapter 371
- 73 **53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26
- 74 **53A-17a-134**, as last amended by Laws of Utah 2006, Chapter 26
- 75 **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
- 76 **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72
- 77 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305



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

80 Section 1. Section **11-2-7** is amended to read:

81 **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**
82 **of television owners and users -- Collection of license fees.**

83 (1) All expenses incurred in the equipment, operation and maintenance of such
84 recreational facilities and activities shall be paid from the treasuries of the respective cities,
85 towns, counties, or school districts, and the governing bodies of the same may annually
86 appropriate~~[, and cause to be raised by taxation,]~~ money for such purposes.

87 (2) In areas so remote from regular transmission points of the large television stations

88 that television reception is impossible without special equipment and adequate, economical and
89 proper television is not available to the public by private sources, said local authorities may
90 also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain
91 television transmission and relay facilities, all users or owners of television sets within the
92 jurisdiction of said local authorities, and may provide for the collection of the license fees by
93 suit or otherwise and may also enforce obedience to such ordinances with such fine and
94 imprisonment as the local authorities deem proper; provided that the punishment for any
95 violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment not
96 exceeding one day for each \$5.00 of said fine, if the fine is not paid.

97 Section 2. Section **11-13-302** is amended to read:

98 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
99 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

100 (1) (a) Each project entity created under this chapter that owns a project and that sells
101 any capacity, service, or other benefit from it to an energy supplier or suppliers whose tangible
102 property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad
103 valorem property tax, shall pay an annual fee in lieu of ad valorem property tax as provided in
104 this section to each taxing jurisdiction within which the project or any part of it is located.

105 (b) For purposes of this section, "annual fee" means the annual fee described in
106 Subsection (1)(a) that is in lieu of ad valorem property tax.

107 (c) The requirement to pay an annual fee shall commence:

108 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
109 impact alleviation payments under contracts or determination orders provided for in Sections
110 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the
111 candidate in which the date of commercial operation of the last generating unit, other than any
112 generating unit providing additional project capacity, of the project occurs, or, in the case of
113 any facilities providing additional project capacity, with the fiscal year of the candidate
114 following the fiscal year of the candidate in which the date of commercial operation of the
115 generating unit providing the additional project capacity occurs; and

116 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in
117 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the
118 project commences, or, in the case of facilities providing additional project capacity, with the

119 fiscal year of the taxing jurisdiction in which construction of those facilities commences.

120 (d) The requirement to pay an annual fee shall continue for the period of the useful life
121 of the project or facilities.

122 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)
123 because the ad valorem property tax imposed by a school district and authorized by the
124 Legislature under Section 53A-17a-135 represents [~~both: (i)~~] a levy mandated by the state for
125 the state minimum school program under Section 53A-17a-135[~~and~~].

126 [~~(ii) local levies for capital outlay, maintenance, transportation, and other purposes~~
127 ~~under Sections 11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,~~
128 ~~53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103.]~~

129 (b) The annual fees due a school district shall be as follows:

130 (i) the project entity shall pay to the school district an annual fee for the state minimum
131 school program at the rate imposed by the school district and authorized by the Legislature
132 under Subsection 53A-17a-135(1); and

133 (ii) for all other local property tax levies authorized to be imposed by a school district,
134 the project entity shall pay to the school district either:

135 (A) an annual fee; or

136 (B) impact alleviation payments under contracts or determination orders provided for
137 in Sections 11-13-305 and 11-13-306.

138 (3) (a) An annual fee due a taxing jurisdiction for a particular year shall be calculated
139 by multiplying the tax rate or rates of the jurisdiction for that year by the product obtained by
140 multiplying the fee base or value determined in accordance with Subsection (4) for that year of
141 the portion of the project located within the jurisdiction by the percentage of the project which
142 is used to produce the capacity, service, or other benefit sold to the energy supplier or suppliers.

143 (b) As used in this section, "tax rate," when applied in respect to a school district,
144 includes any assessment to be made by the school district under Subsection (2) or Section
145 63-51-6.

146 (c) There is to be credited against the annual fee due a taxing jurisdiction for each year,
147 an amount equal to the debt service, if any, payable in that year by the project entity on bonds,
148 the proceeds of which were used to provide public facilities and services for impact alleviation
149 in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

- 150 (d) The tax rate for the taxing jurisdiction for that year shall be computed so as to:
- 151 (i) take into account the fee base or value of the percentage of the project located
- 152 within the taxing jurisdiction determined in accordance with Subsection (4) used to produce the
- 153 capacity, service, or other benefit sold to the supplier or suppliers; and
- 154 (ii) reflect any credit to be given in that year.
- 155 (4) (a) Except as otherwise provided in this section, the annual fees required by this
- 156 section shall be paid, collected, and distributed to the taxing jurisdiction as if:
- 157 (i) the annual fees were ad valorem property taxes; and
- 158 (ii) the project were assessed at the same rate and upon the same measure of value as
- 159 taxable property in the state.
- 160 (b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by
- 161 this section, the fee base of a project may be determined in accordance with an agreement
- 162 among:
- 163 (A) the project entity; and
- 164 (B) any county that:
- 165 (I) is due an annual fee from the project entity; and
- 166 (II) agrees to have the fee base of the project determined in accordance with the
- 167 agreement described in this Subsection (4).
- 168 (ii) The agreement described in Subsection (4)(b)(i):
- 169 (A) shall specify each year for which the fee base determined by the agreement shall be
- 170 used for purposes of an annual fee; and
- 171 (B) may not modify any provision of this chapter except the method by which the fee
- 172 base of a project is determined for purposes of an annual fee.
- 173 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
- 174 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in
- 175 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
- 176 jurisdiction.
- 177 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
- 178 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
- 179 portion of the project for which there is not an agreement:
- 180 (I) for that year; and

181 (II) using the same measure of value as is used for taxable property in the state.

182 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
183 Commission in accordance with rules made by the State Tax Commission.

184 (c) Payments of the annual fees shall be made from:

185 (i) the proceeds of bonds issued for the project; and

186 (ii) revenues derived by the project entity from the project.

187 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
188 other benefits of the project whose tangible property is not exempted by Utah Constitution
189 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
190 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
191 its share, determined in accordance with the terms of the contract, of these fees.

192 (ii) It is the responsibility of the project entity to enforce the obligations of the
193 purchasers.

194 (5) (a) The responsibility of the project entity to make payment of the annual fees is
195 limited to the extent that there is legally available to the project entity, from bond proceeds or
196 revenues, monies to make these payments, and the obligation to make payments of the annual
197 fees is not otherwise a general obligation or liability of the project entity.

198 (b) No tax lien may attach upon any property or money of the project entity by virtue of
199 any failure to pay all or any part of an annual fee.

200 (c) The project entity or any purchaser may contest the validity of an annual fee to the
201 same extent as if the payment was a payment of the ad valorem property tax itself.

202 (d) The payments of an annual fee shall be reduced to the extent that any contest is
203 successful.

204 (6) (a) The annual fee described in Subsection (1):

205 (i) shall be paid by a public agency that:

206 (A) is not a project entity; and

207 (B) owns an interest in a facility providing additional project capacity if the interest is
208 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and

209 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in
210 accordance with Subsection (6)(b).

211 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax

212 rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:

213 (i) the fee base or value of the facility providing additional project capacity located
214 within the jurisdiction;

215 (ii) the percentage of the ownership interest of the public agency in the facility; and

216 (iii) the portion, expressed as a percentage, of the public agency's ownership interest
217 that is attributable to the capacity, service, or other benefit from the facility that is sold by the
218 public agency to an energy supplier or suppliers whose tangible property is not exempted by
219 Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.

220 (c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the
221 obligations, credits, rights, and protections set forth in Subsections (1) through (5) with respect
222 to its ownership interest as though it were a project entity.

223 Section 3. Section **11-14-102** is amended to read:

224 **11-14-102. Definitions.**

225 For the purpose of this chapter:

226 (1) "Bond" means any bond authorized to be issued under this chapter, including
227 municipal bonds.

228 (2) "Election results" has the same meaning as defined in Section 20A-1-102.

229 (3) (a) "Governing body" means:

230 ~~[(a)]~~ (i) for a county, city, or town, the legislative body of the county, city, or town;

231 ~~[(b)]~~ (ii) for a local district, the board of trustees of the local district; or

232 ~~[(c) for a school district, the local board of education; or]~~

233 ~~[(d)]~~ (iii) for a special service district under Title 17A, Chapter 2, Part 13, Utah Special
234 Service District Act:

235 ~~[(i)]~~ (A) the governing body of the county or municipality that created the special
236 service district, if no administrative control board has been established under Section
237 17A-2-1326; or

238 ~~[(ii)]~~ (B) the administrative control board, if one has been established under Section
239 17A-2-1326 and the power to issue bonds not payable from taxes has been delegated to the
240 administrative control board.

241 (b) "Governing body" does not include a school district.

242 (4) "Local district" means a district operating under Title 17B, Limited Purpose Local

243 Government Entities - Local Districts.

244 (5) (a) "Local political subdivision" means a county, city, town, ~~[school district,]~~ local
245 district, or special service district.

246 (b) "Local political subdivision" does not include:

247 (i) the state and its institutions~~[-];~~ or

248 (ii) a school district.

249 Section 4. Section **20A-1-203** is amended to read:

250 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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

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

268 ~~[(ii) a vote on a voted leeway program authorized by Section 53A-17a-133 or~~
269 ~~53A-17a-134;]~~

270 ~~[(iii)]~~ (ii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - Procedure;

271 ~~[(iv)]~~ (iii) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;

272 ~~[(v)]~~ (iv) if required or authorized by federal law, a vote to determine whether or not

273 Utah's legal boundaries should be changed;

274 [~~(vi)~~] (v) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act;
275 or

276 [~~(vii)~~] (vi) a vote to elect members to school district boards for a new school district
277 and a remaining school district, as defined in Section 53A-2-117, following the creation of a
278 new school district under Section 53A-2-118.1.

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

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

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

283 Section 5. Section **53A-1a-513** is amended to read:

284 **53A-1a-513. Funding for charter schools.**

285 (1) (a) Charter schools shall receive funding as described in this section, except
286 Subsections (2) through (7) do not apply to charter schools described in Subsection (1)(b).

287 (b) Charter schools authorized by local school boards that are converted from district
288 schools or operate in district facilities without paying reasonable rent shall receive funding as
289 prescribed in Section 53A-1a-515.

290 (2) (a) Except as provided in Subsection (2)(b), a charter school shall receive state
291 funds, as applicable, on the same basis as a school district receives funds.

292 (b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act,
293 to charter schools, charter school pupils shall be weighted, where applicable, as follows:

294 (i) .55 for kindergarten pupils;

295 (ii) .9 for pupils in grades 1-6;

296 (iii) .99 for pupils in grades 7-8; and

297 (iv) 1.2 for pupils in grades 9-12.

298 (c) The State Board of Education shall make rules in accordance with Title 63, Chapter
299 46a, Utah Administrative Rulemaking Act, to administer Subsection (2)(b), including hold
300 harmless provisions to maintain a charter elementary school's funding level for a period of two
301 years after the effective date of the distribution formula.

302 (d) Subsection (2)(b) does not apply to funds appropriated to charter schools to replace
303 local property tax revenues.

304 (3) The State Board of Education shall adopt rules to provide for the distribution of

305 monies to charter schools under this section.

306 (4) (a) The Legislature shall provide an appropriation for charter schools for each of
307 their students to replace some of the local property tax revenues that are not available to charter
308 schools. The amount of money provided for each charter school student shall be determined
309 by:

310 (i) calculating the sum of:

311 (A) school districts' operations and maintenance revenues derived from local property
312 taxes, except revenues from imposing a minimum basic tax rate pursuant to Section

313 53A-17a-135;

314 (B) school districts' capital projects revenues derived from local property taxes; and

315 (C) school districts' expenditures for interest on debt; and

316 (ii) dividing the sum by the total average daily membership of the districts' schools.

317 (b) Of the monies provided to a charter school under Subsection (4)(a), 10% shall be
318 expended for funding school facilities only.

319 (c) To qualify for money under Subsection (4)(a), a new charter school shall, by
320 September 30 of the school year prior to the school year it intends to begin operations:

321 (i) obtain approval of its application for a charter from:

322 (A) the State Board of Education, pursuant to Section 53A-1a-505; or

323 (B) a local school board, pursuant to Section 53A-1a-515; and

324 (ii) submit to the chartering entity an estimate of the charter school's first year
325 enrollment.

326 (d) Subsection (4)(c) does not apply to charter schools beginning operations in the
327 2005-06 school year.

328 (e) By December 1, the State Charter School Board shall submit to the Governor's
329 Office of Planning and Budget and the Office of the Legislative Fiscal Analyst an estimate of
330 total charter school enrollment in the state for the following school year.

331 (5) Charter schools are eligible to receive federal funds if they meet all applicable
332 federal requirements and comply with relevant federal regulations.

333 (6) The State Board of Education shall distribute funds for charter school students
334 directly to the charter school.

335 (7) (a) Notwithstanding Subsection (2), a charter school is not eligible to receive state

336 transportation funding.

337 (b) The board shall also adopt rules relating to the transportation of students to and
338 from charter schools, taking into account [~~Sections~~] Section 53A-2-210 [~~and 53A-17a-127~~].

339 (c) The governing body of the charter school may provide transportation through an
340 agreement or contract with the local school board, a private provider, or with parents.

341 (8) (a) (i) The state superintendent of public instruction may allocate grants for both
342 start-up and ongoing costs to eligible charter school applicants from monies appropriated for
343 the implementation of this part.

344 (ii) Applications for the grants shall be filed on a form determined by the state
345 superintendent and in conjunction with the application for a charter.

346 (iii) The amount of a grant may vary based upon the size, scope, and special
347 circumstances of the charter school.

348 (iv) The governing board of the charter school shall use the grant to meet the expenses
349 of the school as established in the school's charter.

350 (b) The State Board of Education shall coordinate the distribution of federal monies
351 appropriated to help fund costs for establishing and maintaining charter schools within the
352 state.

353 (9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,
354 endowment, gift, or donation of any property made to the school for any of the purposes of this
355 part.

356 (b) It is unlawful for any person affiliated with a charter school to demand or request
357 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated
358 with the charter school as a condition for employment or enrollment at the school or continued
359 attendance at the school.

360 (10) The State Office of Education shall use up to \$1,044,000 of funding provided for
361 new growth to fund additional growth needs in charter schools in fiscal year 2005.

362 Section 6. Section **53A-2-118.2** is amended to read:

363 **53A-2-118.2. New school district property tax -- Limitations.**

364 (1) [~~(a)~~] A new school district created under Section 53A-2-118.1 may not impose a
365 property tax prior to the fiscal year in which the new school district assumes responsibility for
366 providing student instruction.

367 ~~[(b)]~~ (2) The remaining school district retains authority to impose property taxes on the
 368 existing school district, including the territory of the new school district, until the fiscal year in
 369 which the new school district assumes responsibility for providing student instruction.

370 ~~[(2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1~~
 371 ~~assumes responsibility for student instruction any portion of the territory within the new school~~
 372 ~~district was subject to a levy pursuant to Section 53A-16-110 or 53A-17a-133, the new school~~
 373 ~~district's board may:]~~

374 ~~[(i) discontinue the levy for the new school district;]~~

375 ~~[(ii) impose a levy on the new school district as provided in Section 53A-16-110 or~~
 376 ~~53A-17a-133; or]~~

377 ~~[(iii) impose the levy on the new school district, subject to Subsection (2)(b).]~~

378 ~~[(b) If the new school district's board applies a levy to the new school district pursuant~~
 379 ~~to Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by~~
 380 ~~the voters of the existing district or districts at the time of the vote to create the new school~~
 381 ~~district.]~~

382 Section 7. Section **53A-2-206** is amended to read:

383 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**

384 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**
 385 **student agencies.**

386 (1) A school district or charter school may include the following students in the
 387 district's or school's membership and attendance count for the purpose of apportionment of
 388 state monies:

389 (a) a student enrolled under an interstate compact, established between the State Board
 390 of Education and the state education authority of another state, under which a student from one
 391 compact state would be permitted to enroll in a public school in the other compact state on the
 392 same basis as a resident student of the receiving state; or

393 (b) a student receiving services under the Compact on Placement of Children.

394 (2) (a) A school district or charter school may include foreign exchange students in the
 395 district's or school's membership and attendance count for the purpose of apportionment of
 396 state monies, except as provided in Subsections (2)(b) through ~~[(e)]~~ (d).

397 (b) (i) Notwithstanding Section 53A-17a-106, foreign exchange students may not be

398 included in average daily membership for the purpose of determining the number of weighted
399 pupil units in the grades 1-12 basic program.

400 (ii) Subject to the limitation in Subsection (2)(c), the number of weighted pupil units in
401 the grades 1-12 basic program attributed to foreign exchange students shall be equal to the
402 number of foreign exchange students who were:

403 (A) enrolled in a school district or charter school on October 1 of the previous fiscal
404 year; and

405 (B) sponsored by an agency approved by the district's local school board or charter
406 school's governing board.

407 (c) (i) The total number of foreign exchange students in the state that may be counted
408 for the purpose of apportioning state monies under Subsection (2)(b) shall be the lesser of:

409 (A) the number of foreign exchange students enrolled in public schools in the state on
410 October 1 of the previous fiscal year; or

411 (B) 328 foreign exchange students.

412 (ii) The State Board of Education shall make rules in accordance with Title 63, Chapter
413 46a, Utah Administrative Rulemaking Act, to administer the cap on the number of foreign
414 exchange students that may be counted for the purpose of apportioning state monies under
415 Subsection (2)(b).

416 ~~[(d) Notwithstanding Sections 53A-17a-133 and 53A-17a-134, weighted pupil units in~~
417 ~~the grades 1-12 basic program for foreign exchange students, as determined by Subsections~~
418 ~~(2)(b) and (c), may not be included for the purposes of determining a school district's state~~
419 ~~guarantee money under the voted or board leeway programs.]~~

420 ~~[(e)]~~ (d) Notwithstanding Section 53A-17a-125, foreign exchange students may not be
421 included in enrollment when calculating student growth for the purpose of adjusting the annual
422 appropriation for retirement and Social Security.

423 (3) A school district or charter school may:

424 (a) enroll foreign exchange students that do not qualify for state monies; and

425 (b) pay for the costs of those students with other funds available to the school district
426 or charter school.

427 (4) Due to the benefits to all students of having the opportunity to become familiar
428 with individuals from diverse backgrounds and cultures, school districts are encouraged to

429 enroll foreign exchange students, as provided in Subsection (3), particularly in schools with
430 declining or stable enrollments where the incremental cost of enrolling the foreign exchange
431 student may be minimal.

432 (5) The board shall make an annual report to the Legislature on the number of
433 exchange students and the number of interstate compact students sent to or received from
434 public schools outside the state.

435 (6) (a) A local school board or charter school governing board shall require each
436 approved exchange student agency to provide it with a sworn affidavit of compliance prior to
437 the beginning of each school year.

438 (b) The affidavit shall include the following assurances:

439 (i) that the agency has complied with all applicable policies of the board;

440 (ii) that a household study, including a background check of all adult residents, has
441 been made of each household where an exchange student is to reside, and that the study was of
442 sufficient scope to provide reasonable assurance that the exchange student will receive proper
443 care and supervision in a safe environment;

444 (iii) that host parents have received training appropriate to their positions, including
445 information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who
446 are in a position of special trust;

447 (iv) that a representative of the exchange student agency shall visit each student's place
448 of residence at least once each month during the student's stay in Utah;

449 (v) that the agency will cooperate with school and other public authorities to ensure
450 that no exchange student becomes an unreasonable burden upon the public schools or other
451 public agencies;

452 (vi) that each exchange student will be given in the exchange student's native language
453 names and telephone numbers of agency representatives and others who could be called at any
454 time if a serious problem occurs; and

455 (vii) that alternate placements are readily available so that no student is required to
456 remain in a household if conditions appear to exist which unreasonably endanger the student's
457 welfare.

458 (7) (a) A local school board or charter school governing board shall provide each
459 approved exchange student agency with a list of names and telephone numbers of individuals

460 not associated with the agency who could be called by an exchange student in the event of a
461 serious problem.

462 (b) The agency shall make a copy of the list available to each of its exchange students
463 in the exchange student's native language.

464 Section 8. Section **53A-17a-103** is amended to read:

465 **53A-17a-103. Definitions.**

466 As used in this chapter:

467 (1) "Basic state-supported school program" or "basic program" means public education
468 programs for kindergarten, elementary, and secondary school students that are operated and
469 maintained for the amount derived by multiplying the number of weighted pupil units for each
470 district by \$2,514, except as otherwise provided in this chapter.

471 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of
472 ad valorem property tax revenue equal to the sum of:

473 (i) the amount of ad valorem property tax revenue to be generated statewide in the
474 previous year from imposing a minimum basic tax rate, as specified in Subsection
475 53A-17a-135(1)(a); and

476 (ii) the product of:

477 (A) new growth, as defined in Section 59-2-924 and rules of the State Tax
478 Commission; and

479 (B) the minimum basic tax rate certified by the State Tax Commission for the previous
480 year.

481 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not
482 include property tax revenue received statewide from personal property that is:

483 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County
484 Assessment; and

485 (ii) semiconductor manufacturing equipment.

486 ~~[(3) "Leeway program" or "leeway" means a state-supported voted leeway program or~~
487 ~~board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.]~~

488 ~~[(4)]~~ (3) "Pupil in average daily membership (ADM)" means a full-day equivalent
489 pupil.

490 ~~[(5)]~~ (4) (a) "State-supported minimum school program" or "minimum school

491 program" means public school programs for kindergarten, elementary, and secondary schools
492 as described in this Subsection [~~(5)~~] (4).

493 (b) The minimum school program established in the districts shall include the
494 equivalent of a school term of nine months as determined by the State Board of Education.

495 (c) (i) The board shall establish the number of days or equivalent instructional hours
496 that school is held for an academic school year.

497 (ii) Education, enhanced by utilization of technologically enriched delivery systems,
498 when approved by local school boards, shall receive full support by the State Board of
499 Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing
500 commercial advertising.

501 (d) The program includes the total of the following annual costs:

502 (i) the cost of a basic state-supported school program; and

503 (ii) other amounts appropriated in this chapter in addition to the basic program.

504 [~~(6)~~] (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of
505 factors that is computed in accordance with this chapter for the purpose of determining the
506 costs of a program on a uniform basis for each district.

507 Section 9. Section **53A-17a-105** is amended to read:

508 **53A-17a-105. Action required for underestimated or overestimated weighted**
509 **pupil units -- Action required for underestimating or overestimating local contributions.**

510 (1) If the number of weighted pupil units in a program is underestimated in Section
511 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so
512 that the amount paid does not exceed the estimated amount by program.

513 (2) If the number of weighted pupil units in a program is overestimated in Section
514 53A-17a-104, the state superintendent of public instruction shall either increase the amount
515 paid in that program per weighted pupil unit or transfer the unused amount in that program to
516 another program included in the minimum school program.

517 (3) (a) If surplus funds are transferred to another program, the state superintendent, if
518 he determines certain districts have greater need for additional funds, may designate the
519 districts as well as the programs to which the transferred funds will be allocated.

520 (b) Any amounts transferred under Subsection (a) may be spent in addition to the
521 amounts listed in Section 53A-17a-104.

522 (4) The limitation on the proceeds from local tax rates for operation and maintenance
523 programs under this chapter is subject to [~~modification by local school boards under Sections~~
524 ~~53A-17a-133 and 53A-17a-134 and to~~] special tax rates authorized by this chapter, and shall be
525 adjusted accordingly.

526 (5) If local contributions are overestimated, the guarantee per weighted pupil unit is
527 reduced for all programs so the total state contribution for operation and maintenance programs
528 does not exceed the amount authorized in Subsection 53A-17a-104(1).

529 (6) (a) If local contributions from the basic tax rate for operation and maintenance
530 programs are underestimated, the excess is applied first to support the value of the weighted
531 pupil unit as set by the Legislature for total weighted pupil units generated by the districts and
532 those costs of Social Security and retirement, transportation, and board and voted leeway that
533 occur as a result of the additional generated weighted pupil units, following internal
534 adjustments by the state superintendent as provided in this section.

535 (b) The state contribution is decreased so the total school program cost for operation
536 and maintenance programs does not exceed the total estimated contributions to school districts
537 for all programs under Subsection 53A-17a-104(2) plus the amount of local revenue necessary
538 to support the value of the weighted pupil unit for weighted pupil units generated and those
539 costs of Social Security and retirement, transportation, and board and voted leeway that occur
540 as a result of the additional generated weighted pupil units.

541 (7) As an exception to Section 63-38-8, the state fiscal officer may not close out
542 appropriations from the Uniform School Fund at the end of a fiscal year.

543 Section 10. Section ~~53A-17a-127~~ is amended to read:

544 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**
545 **routes -- Additional local tax.**

546 (1) A student eligible for state-supported transportation means:

547 (a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles
548 from school;

549 (b) a student enrolled in grades seven through 12 who lives at least two miles from
550 school; and

551 (c) a student enrolled in a special program offered by a school district and approved by
552 the State Board of Education for trainable, motor, multiple-disabled, or other students with

553 severe disabilities who are incapable of walking to school or where it is unsafe for students to
554 walk because of their disabling condition, without reference to distance from school.

555 (2) If a school district implements double sessions as an alternative to new building
556 construction, with the approval of the State Board of Education, those affected elementary
557 school students residing less than 1-1/2 miles from school may be transported one way to or
558 from school because of safety factors relating to darkness or other hazardous conditions as
559 determined by the local school board.

560 (3) (a) The State Office of Education shall distribute transportation monies to school
561 districts based on three factors:

562 (i) an allowance per mile for approved bus routes;

563 (ii) an allowance per hour for approved bus routes; and

564 (iii) an annual allowance for equipment and overhead costs based on approved bus
565 routes and the age of the equipment.

566 (b) In order for a bus to be considered for the equipment allowance, it must meet
567 federal and state regulations and standards for school buses.

568 (c) The State Office of Education shall annually review the allowance per mile, the
569 allowance per hour, and the annual equipment and overhead allowance and adjust the
570 allowance to reflect current economic conditions.

571 (4) (a) Approved bus routes for funding purposes shall be determined on fall data
572 collected by October 1.

573 (b) Approved route funding shall be determined on the basis of the most efficient and
574 economic routes.

575 (5) A Transportation Advisory Committee with representation from local school
576 superintendents, business officials, school district transportation supervisors, and the State
577 Office of Education shall serve as a review committee for addressing school transportation
578 needs, including recommended approved bus routes.

579 (6) (a) A local school board may provide for the transportation of students who are not
580 eligible under Subsection (1), regardless of the distance from school, from~~[-(i)]~~ general funds
581 of the district~~[-and]~~.

582 ~~[(ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.]~~

583 ~~[(b) A local school board may use revenue from the tax to pay for transporting~~

584 ~~participating students to interscholastic activities, night activities, and educational field trips~~
585 ~~approved by the board and for the replacement of school buses.]~~

586 ~~[(c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002,~~
587 ~~the]~~

588 (b) (i) The state may contribute an amount not to exceed 85% of the state average cost
589 per mile, contingent upon the Legislature appropriating funds for a state contribution.

590 (ii) The State Office of Education shall distribute the state contribution according to
591 rules enacted by the State Board of Education.

592 ~~[(d)]~~ (c) (i) The amount of state guarantee money to which a school district would
593 otherwise be entitled to under Subsection (6)[(e)](b) may not be reduced for the sole reason
594 that the district's levy is reduced as a consequence of changes in the certified tax rate under
595 Section 59-2-924 due to changes in property valuation.

596 (ii) Subsection (6)[(d)](c)(i) applies for a period of two years following the change in
597 the certified tax rate.

598 (7) There is appropriated for the fiscal year beginning July 1, 1999, \$225,000 to the
599 state board as the state's contribution under Subsection (6)[(e)](b)(i).

600 Section 11. Section **53A-17a-154** is enacted to read:

601 **53A-17a-154. Homeowner Protection Program -- Increase in the Uniform School**
602 **Fund --Use of funds received by a school district -- Property tax offset.**

603 (1) The revenue deposited into the Uniform School Fund under Subsection
604 59-12-103(11) as part of the Homeowner Protection Program, shall be allocated to school
605 districts based on a school district's total weighted pupil units compared to the total weighted
606 pupil units for all districts in the state.

607 (2) Any money allocated to a school district in accordance with this section shall be
608 used first to pay for bonds issued by a school district:

609 (a) prior to January 1, 2009; and

610 (b) in accordance with Title 11, Chapter 14, Local Government Bonding Act.

611 (3) After making the payments required in Subsection (2), the remaining monies
612 received by a school district described in Subsection (1) shall be used by the school district to
613 offset the school district's decreased certified tax rate as a result of the repeal of the school
614 district's authority to levy property taxes as repealed or amended by the Legislature during the

615 2008 General Session:

- 616 (a) Section 11-2-7;
- 617 (b) Section 11-14-102;
- 618 (c) Section 53A-16-107;
- 619 (d) Section 53A-16-110;
- 620 (e) Section 53A-16-111;
- 621 (f) Section 53A-17a-127;
- 622 (g) Section 53A-17a-133;
- 623 (h) Section 53A-17a-134;
- 624 (i) Section 53A-17a-143;
- 625 (j) Section 53A-17a-145;
- 626 (k) Section 53A-17a-151; and
- 627 (l) Section 63-30d-704.

628 Section 12. Section **53A-17a-155** is enacted to read:

629 **53A-17a-155. School district discretionary levy.**

630 (1) As used in this section:

631 (a) "Certified tax rate" means a school district's certified tax rate calculated in
632 accordance with Section 59-2-924.

633 (b) "Property tax increment" means an amount equal to the difference between:

634 (i) an amount equal to the sum of the following:

635 (A) the amount of revenue generated during the taxable year beginning January 1,
636 2008, from the sum of the following levies of a school district:

- 637 (I) Section 11-2-7;
- 638 (II) Section 11-14-102;
- 639 (III) Section 53A-16-107;
- 640 (IV) Section 53A-16-110;
- 641 (V) Section 53A-16-111;
- 642 (VI) Section 53A-17a-127;
- 643 (VII) Section 53A-17a-133;
- 644 (VIII) Section 53A-17a-134;
- 645 (IX) Section 53A-17a-143;

646 (X) Section 53A-17a-145;
647 (XI) Section 53A-17a-151; and
648 (XII) Section 63-30d-704; and
649 (B) new growth as defined in Subsection 59-2-924(2)(b)(iii); and
650 (ii) the amount of revenue the school district receives during fiscal year 2009-10 from
651 the allocations described in Subsection 53A-17a-154(1).

652 (2) (a) For taxable years beginning on or after January 1, 2009 and ending on or before
653 December 31, 2010, a local school board may levy a tax not to exceed a tax rate that would
654 generate an amount equal to the school district's property tax increment if the amount of
655 revenue the school district receives during fiscal year 2009-10 from the allocations described in
656 Subsection 53A-17a-154(1) is less than the amount of revenue described in Subsection (1)(a).

657 (3) Subject to the other requirements of this section, for taxable years beginning on or
658 after January 1, 2011, a local school board may levy a tax to fund the school district's general
659 fund.

660 (4) (a) Before imposing a property tax levy pursuant to this section, a school district
661 shall submit an opinion question to the taxing entity's registered voters voting on the
662 imposition of the tax rate so that each registered voter has the opportunity to express the
663 registered voter's opinion on whether the tax rate should be imposed if:

664 (i) the school district levies a tax rate pursuant to this section on or after January 1,
665 2011; and

666 (ii) the school district's proposed tax rate exceeds the school district's certified tax rate.

667 (b) The election required by this Subsection (4) shall be held:

668 (i) at a regular general election conducted in accordance with the procedures and
669 requirements of Title 20A, Election Code, governing regular elections; or

670 (ii) at a municipal general election conducted in accordance with the procedures and
671 requirements of Section 20A-1-202.

672 (c) Notwithstanding the requirements of Subsections (4)(a) and (b), beginning on or
673 after January 1, 2011, a school district may levy a tax rate in accordance with this section
674 without complying with the requirements of Subsections (4)(a) and (b) if:

675 (i) the school district imposed a tax in accordance with this section at any time on or
676 after January 1, 2009 and on or before December 31, 2010; and

677 (ii) the tax rate generates an amount of revenue equal to or less than the sum of:

678 (A) the school district's property tax increment; and

679 (B) new growth as defined in Subsection 59-2-924(2)(b)(iii).

680 (5) (a) If a school district determines that a majority of the school district's registered
681 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
682 rate in accordance with Subsection (4), the school district may impose the tax rate.

683 (b) If a school district determines that a majority of the school district's registered
684 voters voting on the imposition of the tax rate have voted against the imposition of the tax rate
685 in accordance with Subsection (4), the taxing entity may impose a tax rate that is less than or
686 equal to the school district's certified tax rate.

687 Section 13. Section **53A-21-103** is amended to read:

688 **53A-21-103. Qualifications for participation in the foundation program --**

689 **Distribution of monies -- Distribution formulas.**

690 ~~[(1) In order for a school district to qualify for monies under the Capital Outlay~~
691 ~~Foundation Program established in Subsection 53A-21-102(1), a local school board must levy a~~
692 ~~tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service.]~~

693 ~~[(2) The State Board of Education shall adopt rules in accordance with Title 63,~~
694 ~~Chapter 46a, Utah Administrative Rulemaking Act, that: (a) allow a school district levying~~
695 ~~less than the full .0024 tax rate to receive proportional funding under the foundation program~~
696 ~~based upon the percentage of the .0024 tax rate levied by the district; and (b) maintain a school~~
697 ~~district's funding under the Capital Outlay Foundation Program for up to two years if the school~~
698 ~~district's funding would otherwise be reduced as a consequence of changes in the certified tax~~
699 ~~rate under Section 59-2-924 due to changes in property valuation.]~~

700 ~~[(3)]~~ The State Board of Education shall distribute monies in the Capital Outlay
701 Foundation Program in accordance with a formula developed by the state superintendent of
702 public instruction which guarantees that [a] an estimated tax rate of up to .0024 per dollar of
703 taxable value for capital outlay and debt service yields a minimum amount per pupil in average
704 daily membership.

705 Section 14. Section **53A-21-104** is amended to read:

706 **53A-21-104. School Building Revolving Account -- Access to the account.**

707 (1) There is created a nonlapsing "School Building Revolving Account" administered

708 within the Uniform School Fund by the state superintendent of public instruction in accordance
709 with rules adopted by the State Board of Education.

710 (2) Monies received by a school district from the School Building Revolving Account
711 may not exceed the district's bonding limit minus its outstanding bonds.

712 (3) In order to receive monies from the account, a school district must do the
713 following:

714 [~~(a)~~] ~~levy a tax of at least .0024 for capital outlay and debt service;~~

715 [~~(b)~~] (a) contract with the state superintendent of public instruction to repay the
716 monies, with interest at a rate established by the state superintendent, within five years of their
717 receipt, using future state building monies or local revenues or both;

718 [~~(c)~~] (b) levy sufficient ad valorem taxes under Section 11-14-310 to guarantee annual
719 loan repayments, unless the state superintendent of public instruction alters the payment
720 schedule to improve a hardship situation; and

721 [~~(d)~~] (c) meet any other condition established by the State Board of Education pertinent
722 to the loan.

723 (4) (a) The state superintendent shall establish a committee, including representatives
724 from state and local education entities, to:

725 (i) review requests by school districts for loans under this section; and

726 (ii) make recommendations regarding approval or disapproval of the loan applications
727 to the state superintendent.

728 (b) If the committee recommends approval of a loan application under Subsection
729 (4)(a)(ii), the committee's recommendation shall include:

730 (i) the recommended amount of the loan;

731 (ii) the payback schedule; and

732 (iii) the interest rate to be charged.

733 (5) (a) There is established within the School Building Revolving Account the Charter
734 School Building Subaccount administered by the State Board of Education, in consultation
735 with the State Charter School Board, in accordance with rules adopted by the State Board of
736 Education.

737 (b) The Charter School Building Subaccount shall consist of:

738 (i) money appropriated to the subaccount by the Legislature;

739 (ii) money received from the repayment of loans made from the subaccount; and
740 (iii) interest earned on monies in the subaccount.

741 (c) The state superintendent of public instruction shall make loans to charter schools
742 from the Charter School Building Subaccount to pay for the costs of:

- 743 (i) planning expenses;
- 744 (ii) constructing or renovating charter school buildings;
- 745 (iii) equipment and supplies; or
- 746 (iv) other start-up or expansion expenses.

747 (d) Loans to new charter schools or charter schools with urgent facility needs may be
748 given priority.

749 (6) (a) The State Board of Education shall establish a committee, which shall include
750 individuals who have expertise or experience in finance, real estate, and charter school
751 administration, one of whom shall be nominated by the governor to:

- 752 (i) review requests by charter schools for loans under this section; and
- 753 (ii) make recommendations regarding approval or disapproval of the loan applications
754 to the State Charter School Board and the State Board of Education.

755 (b) If the committee recommends approval of a loan application under Subsection
756 (6)(a)(ii), the committee's recommendation shall include:

- 757 (i) the recommended amount of the loan;
- 758 (ii) the payback schedule; and
- 759 (iii) the interest rate to be charged.

760 (c) The committee members may not:

- 761 (i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or
- 762 (ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person
763 or entity that contracts with a loan applicant.

764 (7) The State Board of Education, in consultation with the State Charter School Board,
765 shall approve all loans to charter schools under this section.

766 (8) Loans to charter schools under this section may not exceed a term of five years.

767 (9) The State Board of Education may not approve loans to charter schools under this
768 section that exceed a total of \$2,000,000 in any year.

769 Section 15. Section **59-2-404** is amended to read:

770 **59-2-404. Uniform fee on aircraft -- Collection of fee by county -- Distribution of**
 771 **fees -- Rules to implement section.**

772 (1) There is levied in lieu of the ad valorem tax a uniform fee on aircraft required to be
 773 registered with the state in an amount equal to the following percent of the average wholesale
 774 market value of the aircraft as established by the commission:

775 (a) for aerial applicators as defined in Section 59-2-102 as follows:

Calendar Year	Uniform Fee
2000	0.4%
2001	0.3%
2002 and all subsequent years	0.2%; and

780 (b) for all other aircraft required to be registered with the state as follows:

Calendar Year	Uniform Fee
2000	0.8%
2001	0.6%
2002 and all subsequent years	0.4%.

785 (2) The uniform fee shall be collected by the counties with the registration fee and
 786 distributed [~~to the taxing districts in accordance with Article XIII, Sec. 14, Utah Constitution~~]
 787 in accordance with Subsection (3).

788 (3) (a) Forty-five percent of the uniform fees received by a county under Subsection (2)
 789 shall be distributed to each taxing entity within the county that is not a school district in the
 790 same proportion in which revenues collected from ad valorem property tax are distributed.

791 (b) Each taxing entity described in Subsection (3)(a) that receives revenues from the
 792 uniform fees imposed by this section shall distribute the revenues in the same proportion in
 793 which revenues collected from the ad valorem property tax are distributed.

794 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
 795 be distributed by the county to each school district within the county in proportion to the school
 796 district's percentage of the total current year enrollment in all of the school districts within the
 797 county, as of the October 1 enrollment counts.

798 [~~(3)~~] (4) The commission shall promulgate rules to implement this section.

799 Section 16. Section **59-2-405** is amended to read:

800 **59-2-405. Uniform fee on tangible personal property required to be registered**

801 **with the state -- Distribution of revenues -- Appeals.**

802 (1) The property described in Subsection (2), except Subsections (2)(b)(ii) and (iii), is
803 exempt from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,
804 Subsection (6).

805 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
806 statewide uniform fee in lieu of the ad valorem tax on:

807 (i) motor vehicles required to be registered with the state that weigh 12,001 pounds or
808 more;

809 (ii) motorcycles as defined in Section 41-1a-102 that are required to be registered with
810 the state;

811 (iii) watercraft required to be registered with the state;

812 (iv) recreational vehicles required to be registered with the state; and

813 (v) all other tangible personal property required to be registered with the state before it
814 is used on a public highway, on a public waterway, on public land, or in the air.

815 (b) The following tangible personal property is exempt from the statewide uniform fee
816 imposed by this section:

817 (i) aircraft;

818 (ii) vintage vehicles as defined in Section 41-21-1;

819 (iii) state-assessed commercial vehicles;

820 (iv) tangible personal property subject to a uniform fee imposed by:

821 (A) Section 59-2-405.1;

822 (B) Section 59-2-405.2; or

823 (C) Section 59-2-405.3; and

824 (v) personal property that is exempt from state or county ad valorem property taxes
825 under the laws of this state or of the federal government.

826 (3) Beginning on January 1, 1999, the uniform fee is 1.5% of the fair market value of
827 the personal property, as established by the commission.

828 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is
829 brought into the state and is required to be registered in Utah shall, as a condition of
830 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
831 the state of origin have been paid for the current calendar year.

832 (5) (a) ~~[The]~~ Forty-five percent of the revenues collected in ~~[each]~~ a county from the
833 uniform fee shall be distributed by the county to each taxing entity that is not a school district
834 in which the property described in Subsection (2) is located in the same proportion in which
835 revenue collected from ad valorem real property tax is distributed.

836 (b) ~~[Each]~~ A taxing entity that is not a school district shall distribute the revenues
837 received under Subsection (5)(a) in the same proportion in which revenue collected from ad
838 valorem real property tax is distributed.

839 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
840 be distributed by the county to each school district within the county in proportion to the school
841 district's percentage of the total current year enrollment in all of the school districts within the
842 county, as of the October 1 enrollment counts.

843 (6) An appeal relating to the uniform fee imposed on the tangible personal property
844 described in Subsection (2) shall be filed pursuant to Section 59-2-1005.

845 Section 17. Section **59-2-405.1** is amended to read:

846 **59-2-405.1. Uniform fee on certain vehicles weighing 12,000 pounds or less --**
847 **Distribution of revenues -- Appeals.**

848 (1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt
849 from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,
850 Subsection (6).

851 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
852 statewide uniform fee in lieu of the ad valorem tax on:

853 (i) motor vehicles as defined in Section 41-1a-102 that:

854 (A) are required to be registered with the state; and

855 (B) weigh 12,000 pounds or less; and

856 (ii) state-assessed commercial vehicles required to be registered with the state that
857 weigh 12,000 pounds or less.

858 (b) The following tangible personal property is exempt from the statewide uniform fee
859 imposed by this section:

860 (i) aircraft;

861 (ii) vintage vehicles as defined in Section 41-21-1;

862 (iii) tangible personal property subject to a uniform fee imposed by:

- 863 (A) Section 59-2-405;
- 864 (B) Section 59-2-405.2; or
- 865 (C) Section 59-2-405.3; and
- 866 (iv) tangible personal property that is exempt from state or county ad valorem property
- 867 taxes under the laws of this state or of the federal government.

868 (3) (a) Except as provided in Subsections (3)(b) and (c), beginning on January 1, 1999,
 869 the uniform fee for purposes of this section is as follows:

870 Age of Vehicle	Uniform Fee
871 12 or more years	\$10
872 9 or more years but less than 12 years	\$50
873 6 or more years but less than 9 years	\$80
874 3 or more years but less than 6 years	\$110
875 Less than 3 years	\$150

876 (b) For registrations under Section 41-1a-215.5, beginning on January 1, 2007, the
 877 uniform fee for purposes of this section is as follows:

878 Age of Vehicle	Uniform Fee
879 12 or more years	\$5
880 9 or more years but less than 12 years	\$25
881 6 or more years but less than 9 years	\$40
882 3 or more years but less than 6 years	\$55
883 Less than 3 years	\$75

884 (c) Notwithstanding Subsections (3)(a) and (b), beginning on September 1, 2001, for a
 885 motor vehicle issued a temporary sports event registration certificate in accordance with
 886 Section 41-3-306, the uniform fee for purposes of this section is \$5 for the event period
 887 specified on the temporary sports event registration certificate regardless of the age of the
 888 motor vehicle.

889 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is
 890 brought into the state and is required to be registered in Utah shall, as a condition of
 891 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
 892 the state of origin have been paid for the current calendar year.

893 (5) (a) ~~The~~ Forty-five percent of the revenues collected in ~~each~~ a county from the

894 uniform fee shall be distributed by the county to each taxing entity that is not a school district
895 in which the property described in Subsection (2) is located in the same proportion in which
896 revenue collected from ad valorem real property tax is distributed.

897 (b) ~~[Each]~~ A taxing entity that is not a school district shall distribute the revenues
898 received under Subsection (5)(a) in the same proportion in which revenue collected from ad
899 valorem real property tax is distributed.

900 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
901 be distributed by the county to each school district within the county in proportion to the school
902 district's percentage of the total current year enrollment in all of the school districts within the
903 county, as of the October 1 enrollment counts.

904 Section 18. Section **59-2-405.2** is amended to read:

905 **59-2-405.2. Definitions -- Uniform statewide fee on certain tangible personal**
906 **property -- Distribution of revenues -- Rulemaking authority -- Determining the length of**
907 **a vessel.**

908 (1) As used in this section:

909 (a) (i) Except as provided in Subsection (1)(a)(ii), "all-terrain vehicle" means a motor
910 vehicle that:

911 (A) is an:

912 (I) all-terrain type I vehicle as defined in Section 41-22-2; or

913 (II) all-terrain type II vehicle as defined in Section 41-22-2;

914 (B) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
915 Vehicles; and

916 (C) has:

917 (I) an engine with more than 150 cubic centimeters displacement;

918 (II) a motor that produces more than five horsepower; or

919 (III) an electric motor; and

920 (ii) notwithstanding Subsection (1)(a)(i), "all-terrain vehicle" does not include a
921 snowmobile.

922 (b) "Camper" means a camper:

923 (i) as defined in Section 41-1a-102; and

924 (ii) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,

925 Registration.

926 (c) (i) "Canoe" means a vessel that:

927 (A) is long and narrow;

928 (B) has curved sides; and

929 (C) is tapered:

930 (I) to two pointed ends; or

931 (II) to one pointed end and is blunt on the other end; and

932 (ii) "canoe" includes:

933 (A) a collapsible inflatable canoe;

934 (B) a kayak;

935 (C) a racing shell; or

936 (D) a rowing scull.

937 (d) "Dealer" is as defined in Section 41-1a-102.

938 (e) "Jon boat" means a vessel that:

939 (i) has a square bow; and

940 (ii) has a flat bottom.

941 (f) "Motor vehicle" is as defined in Section 41-22-2.

942 (g) "Other motorcycle" means a motor vehicle that:

943 (i) is:

944 (A) a motorcycle as defined in Section 41-1a-102; and

945 (B) designed primarily for use and operation over unimproved terrain;

946 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,

947 Registration; and

948 (iii) has:

949 (A) an engine with more than 150 cubic centimeters displacement; or

950 (B) a motor that produces more than five horsepower.

951 (h) (i) "Other trailer" means a portable vehicle without motive power that is primarily

952 used:

953 (A) to transport tangible personal property; and

954 (B) for a purpose other than a commercial purpose; and

955 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for

956 purposes of Subsection (1)(h)(i)(B), the commission may by rule define what constitutes a
957 purpose other than a commercial purpose.

958 (i) "Outboard motor" is as defined in Section 41-1a-102.

959 (j) "Personal watercraft" means a personal watercraft:

960 (i) as defined in Section 73-18-2; and

961 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State
962 Boating Act.

963 (k) (i) "Pontoon" means a vessel that:

964 (A) is:

965 (I) supported by one or more floats; and

966 (II) propelled by either inboard or outboard power; and

967 (B) is not:

968 (I) a houseboat; or

969 (II) a collapsible inflatable vessel; and

970 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
971 commission may by rule define the term "houseboat".

972 (l) "Qualifying adjustment, exemption, or reduction" means an adjustment, exemption,
973 or reduction:

974 (i) of all or a portion of a qualifying payment;

975 (ii) granted by a county during the refund period; and

976 (iii) received by a qualifying person.

977 (m) (i) "Qualifying payment" means the payment made:

978 (A) of a uniform statewide fee in accordance with this section:

979 (I) by a qualifying person;

980 (II) to a county; and

981 (III) during the refund period; and

982 (B) on an item of qualifying tangible personal property; and

983 (ii) if a qualifying person received a qualifying adjustment, exemption, or reduction for
984 an item of qualifying tangible personal property, the qualifying payment for that qualifying
985 tangible personal property is equal to the difference between:

986 (A) the payment described in this Subsection (1)(m) for that item of qualifying tangible

- 987 personal property; and
- 988 (B) the amount of the qualifying adjustment, exemption, or reduction.
- 989 (n) "Qualifying person" means a person that paid a uniform statewide fee:
- 990 (i) during the refund period;
- 991 (ii) in accordance with this section; and
- 992 (iii) on an item of qualifying tangible personal property.
- 993 (o) "Qualifying tangible personal property" means a:
- 994 (i) qualifying vehicle; or
- 995 (ii) qualifying watercraft.
- 996 (p) "Qualifying vehicle" means:
- 997 (i) an all-terrain vehicle with an engine displacement that is 100 or more cubic
- 998 centimeters but 150 or less cubic centimeters;
- 999 (ii) an other motorcycle with an engine displacement that is 100 or more cubic
- 1000 centimeters but 150 or less cubic centimeters;
- 1001 (iii) a small motor vehicle with an engine displacement that is 100 or more cubic
- 1002 centimeters but 150 or less cubic centimeters;
- 1003 (iv) a snowmobile with an engine displacement that is 100 or more cubic centimeters
- 1004 but 150 or less cubic centimeters; or
- 1005 (v) a street motorcycle with an engine displacement that is 100 or more cubic
- 1006 centimeters but 150 or less cubic centimeters.
- 1007 (q) "Qualifying watercraft" means a:
- 1008 (i) canoe;
- 1009 (ii) collapsible inflatable vessel;
- 1010 (iii) jon boat;
- 1011 (iv) pontoon;
- 1012 (v) sailboat; or
- 1013 (vi) utility boat.
- 1014 (r) "Refund period" means the time period:
- 1015 (i) beginning on January 1, 2006; and
- 1016 (ii) ending on December 29, 2006.
- 1017 (s) "Sailboat" means a sailboat as defined in Section 73-18-2.

- 1018 (t) (i) "Small motor vehicle" means a motor vehicle that:
- 1019 (A) is required to be registered in accordance with Title 41, Motor Vehicles; and
- 1020 (B) has:
- 1021 (I) an engine with 150 or less cubic centimeters displacement; or
- 1022 (II) a motor that produces five or less horsepower; and
- 1023 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1024 commission may by rule develop a process for an owner of a motor vehicle to certify whether
- 1025 the motor vehicle has:
- 1026 (A) an engine with 150 or less cubic centimeters displacement; or
- 1027 (B) a motor that produces five or less horsepower.
- 1028 (u) "Snowmobile" means a motor vehicle that:
- 1029 (i) is a snowmobile as defined in Section 41-22-2;
- 1030 (ii) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
- 1031 Vehicles; and
- 1032 (iii) has:
- 1033 (A) an engine with more than 150 cubic centimeters displacement; or
- 1034 (B) a motor that produces more than five horsepower.
- 1035 (v) "Street motorcycle" means a motor vehicle that:
- 1036 (i) is:
- 1037 (A) a motorcycle as defined in Section 41-1a-102; and
- 1038 (B) designed primarily for use and operation on highways;
- 1039 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
- 1040 Registration; and
- 1041 (iii) has:
- 1042 (A) an engine with more than 150 cubic centimeters displacement; or
- 1043 (B) a motor that produces more than five horsepower.
- 1044 (w) "Tangible personal property owner" means a person that owns an item of
- 1045 qualifying tangible personal property.
- 1046 (x) "Tent trailer" means a portable vehicle without motive power that:
- 1047 (i) is constructed with collapsible side walls that:
- 1048 (A) fold for towing by a motor vehicle; and

- 1049 (B) unfold at a campsite;
- 1050 (ii) is designed as a temporary dwelling for travel, recreational, or vacation use;
- 1051 (iii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
- 1052 Registration; and
- 1053 (iv) does not require a special highway movement permit when drawn by a
- 1054 self-propelled motor vehicle.
- 1055 (y) (i) Except as provided in Subsection (1)(y)(ii), "travel trailer" means a travel trailer:
- 1056 (A) as defined in Section 41-1a-102; and
- 1057 (B) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
- 1058 Registration; and
- 1059 (ii) notwithstanding Subsection (1)(y)(i), "travel trailer" does not include:
- 1060 (A) a camper; or
- 1061 (B) a tent trailer.
- 1062 (z) (i) "Utility boat" means a vessel that:
- 1063 (A) has:
- 1064 (I) two or three bench seating;
- 1065 (II) an outboard motor; and
- 1066 (III) a hull made of aluminum, fiberglass, or wood; and
- 1067 (B) does not have:
- 1068 (I) decking;
- 1069 (II) a permanent canopy; or
- 1070 (III) a floor other than the hull; and
- 1071 (ii) notwithstanding Subsection (1)(z)(i), "utility boat" does not include a collapsible
- 1072 inflatable vessel.
- 1073 (aa) "Vessel" means a vessel:
- 1074 (i) as defined in Section 73-18-2, including an outboard motor of the vessel; and
- 1075 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State
- 1076 Boating Act.
- 1077 (2) (a) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
- 1078 beginning on January 1, 2006, the tangible personal property described in Subsection (2)(b) is:
- 1079 (i) exempt from the tax imposed by Section 59-2-103; and

1080 (ii) in lieu of the tax imposed by Section 59-2-103, subject to uniform statewide fees as
 1081 provided in this section.

1082 (b) The following tangible personal property applies to Subsection (2)(a) if that
 1083 tangible personal property is required to be registered with the state:

- 1084 (i) an all-terrain vehicle;
- 1085 (ii) a camper;
- 1086 (iii) an other motorcycle;
- 1087 (iv) an other trailer;
- 1088 (v) a personal watercraft;
- 1089 (vi) a small motor vehicle;
- 1090 (vii) a snowmobile;
- 1091 (viii) a street motorcycle;
- 1092 (ix) a tent trailer;
- 1093 (x) a travel trailer; and
- 1094 (xi) a vessel if that vessel is less than 31 feet in length as determined under Subsection
 1095 (6).

1096 (3) For purposes of this section, the uniform statewide fees are:

1097 (a) for an all-terrain vehicle, an other motorcycle, or a snowmobile:

Age of All-Terrain Vehicle, Other Motorcycle, or Snowmobile	Uniform Statewide Fee
1098	
1099	12 or more years \$10
1100	9 or more years but less than 12 years \$20
1101	6 or more years but less than 9 years \$30
1102	3 or more years but less than 6 years \$35
1103	Less than 3 years \$45

1104 (b) for a camper or a tent trailer:

Age of Camper or Tent Trailer	Uniform Statewide Fee
1105	
1106	12 or more years \$10
1107	9 or more years but less than 12 years \$25
1108	6 or more years but less than 9 years \$35
1109	3 or more years but less than 6 years \$50
1110	Less than 3 years \$70

1111	(c) for an other trailer:	
1112	Age of Other Trailer	Uniform Statewide Fee
1113	12 or more years	\$10
1114	9 or more years but less than 12 years	\$15
1115	6 or more years but less than 9 years	\$20
1116	3 or more years but less than 6 years	\$25
1117	Less than 3 years	\$30
1118	(d) for a personal watercraft:	
1119	Age of Personal Watercraft	Uniform Statewide Fee
1120	12 or more years	\$10
1121	9 or more years but less than 12 years	\$25
1122	6 or more years but less than 9 years	\$35
1123	3 or more years but less than 6 years	\$45
1124	Less than 3 years	\$55
1125	(e) for a small motor vehicle:	
1126	Age of Small Motor Vehicle	Uniform Statewide Fee
1127	6 or more years	\$10
1128	3 or more years but less than 6 years	\$15
1129	Less than 3 years	\$25
1130	(f) for a street motorcycle:	
1131	Age of Street Motorcycle	Uniform Statewide Fee
1132	12 or more years	\$10
1133	9 or more years but less than 12 years	\$35
1134	6 or more years but less than 9 years	\$50
1135	3 or more years but less than 6 years	\$70
1136	Less than 3 years	\$95
1137	(g) for a travel trailer:	
1138	Age of Travel Trailer	Uniform Statewide Fee
1139	12 or more years	\$20
1140	9 or more years but less than 12 years	\$65
1141	6 or more years but less than 9 years	\$90

1142	3 or more years but less than 6 years	\$135
1143	Less than 3 years	\$175

1144 (h) \$10 regardless of the age of the vessel if the vessel is:

1145 (i) less than 15 feet in length;

1146 (ii) a canoe;

1147 (iii) a jon boat; or

1148 (iv) a utility boat;

1149 (i) for a collapsible inflatable vessel, pontoon, or sailboat, regardless of age:

1150	Length of Vessel	Uniform Statewide Fee
1151	15 feet or more in length but less than 19 feet in length	\$15
1152	19 feet or more in length but less than 23 feet in length	\$25
1153	23 feet or more in length but less than 27 feet in length	\$40
1154	27 feet or more in length but less than 31 feet in length	\$75

1155 (j) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
1156 sailboat, or utility boat, that is 15 feet or more in length but less than 19 feet in length:

1157	Age of Vessel	Uniform Statewide Fee
1158	12 or more years	\$25
1159	9 or more years but less than 12 years	\$65
1160	6 or more years but less than 9 years	\$80
1161	3 or more years but less than 6 years	\$110
1162	Less than 3 years	\$150

1163 (k) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
1164 sailboat, or utility boat, that is 19 feet or more in length but less than 23 feet in length:

1165	Age of Vessel	Uniform Statewide Fee
1166	12 or more years	\$50
1167	9 or more years but less than 12 years	\$120
1168	6 or more years but less than 9 years	\$175
1169	3 or more years but less than 6 years	\$220
1170	Less than 3 years	\$275

1171 (l) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
1172 sailboat, or utility boat, that is 23 feet or more in length but less than 27 feet in length:

1173	Age of Vessel	Uniform Statewide Fee
1174	12 or more years	\$100
1175	9 or more years but less than 12 years	\$180
1176	6 or more years but less than 9 years	\$240
1177	3 or more years but less than 6 years	\$310
1178	Less than 3 years	\$400

1179 (m) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 1180 sailboat, or utility boat, that is 27 feet or more in length but less than 31 feet in length:

1181	Age of Vessel	Uniform Statewide Fee
1182	12 or more years	\$120
1183	9 or more years but less than 12 years	\$250
1184	6 or more years but less than 9 years	\$350
1185	3 or more years but less than 6 years	\$500
1186	Less than 3 years	\$700

1187 (4) Notwithstanding Section 59-2-407, tangible personal property subject to the
 1188 uniform statewide fees imposed by this section that is brought into the state shall, as a
 1189 condition of registration, be subject to the uniform statewide fees unless all property taxes or
 1190 uniform fees imposed by the state of origin have been paid for the current calendar year.

1191 (5) (a) ~~[The]~~ Forty-five percent of the revenues collected in [each] a county from the
 1192 uniform statewide fees imposed by this section shall be distributed by the county to each taxing
 1193 entity that is not a school district in which each item of tangible personal property subject to the
 1194 uniform statewide fees is located in the same proportion in which revenues collected from the
 1195 ad valorem property tax are distributed.

1196 (b) ~~[Each]~~ A taxing entity described in Subsection (5)(a) that receives revenues from
 1197 the uniform statewide fees imposed by this section shall distribute the revenues in the same
 1198 proportion in which revenues collected from the ad valorem property tax are distributed.

1199 (c) Fifty-five percent of the revenues collected in a county from the uniform statewide
 1200 fees imposed by this section shall be distributed by the county to each school district within the
 1201 county in proportion to the school district's percentage of the total current year enrollment in all
 1202 of the school districts within the county, as of the October 1 enrollment counts.

1203 (6) (a) For purposes of the uniform statewide fee imposed by this section, the length of

1204 a vessel shall be determined as provided in this Subsection (6).

1205 (b) (i) Except as provided in Subsection (6)(b)(ii), the length of a vessel shall be
1206 measured as follows:

1207 (A) the length of a vessel shall be measured in a straight line; and

1208 (B) the length of a vessel is equal to the distance between the bow of the vessel and the
1209 stern of the vessel.

1210 (ii) Notwithstanding Subsection (6)(b)(i), the length of a vessel may not include the
1211 length of:

1212 (A) a swim deck;

1213 (B) a ladder;

1214 (C) an outboard motor; or

1215 (D) an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C) as
1216 determined by the commission by rule.

1217 (iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1218 the commission may by rule define what constitutes an appurtenance or attachment similar to
1219 Subsections (6)(b)(ii)(A) through (C).

1220 (c) The length of a vessel:

1221 (i) (A) for a new vessel, is the length:

1222 (I) listed on the manufacturer's statement of origin if the length of the vessel measured
1223 under Subsection (6)(b) is equal to the length of the vessel listed on the manufacturer's
1224 statement of origin; or

1225 (II) listed on a form submitted to the commission by a dealer in accordance with
1226 Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to
1227 the length of the vessel listed on the manufacturer's statement of origin; or

1228 (B) for a vessel other than a new vessel, is the length:

1229 (I) corresponding to the model number if the length of the vessel measured under
1230 Subsection (6)(b) is equal to the length of the vessel determined by reference to the model
1231 number; or

1232 (II) listed on a form submitted to the commission by an owner of the vessel in
1233 accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b)
1234 is not equal to the length of the vessel determined by reference to the model number; and

- 1235 (ii) (A) is determined at the time of the:
- 1236 (I) first registration as defined in Section 41-1a-102 that occurs on or after January 1,
- 1237 2006; or
- 1238 (II) first renewal of registration that occurs on or after January 1, 2006; and
- 1239 (B) may be determined after the time described in Subsection (6)(c)(ii)(A) only if the
- 1240 commission requests that a dealer or an owner submit a form to the commission in accordance
- 1241 with Subsection (6)(d).
- 1242 (d) (i) A form under Subsection (6)(c) shall:
- 1243 (A) be developed by the commission;
- 1244 (B) be provided by the commission to:
- 1245 (I) a dealer; or
- 1246 (II) an owner of a vessel;
- 1247 (C) provide for the reporting of the length of a vessel;
- 1248 (D) be submitted to the commission at the time the length of the vessel is determined in
- 1249 accordance with Subsection (6)(c)(ii);
- 1250 (E) be signed by:
- 1251 (I) if the form is submitted by a dealer, that dealer; or
- 1252 (II) if the form is submitted by an owner of the vessel, an owner of the vessel; and
- 1253 (F) include a certification that the information set forth in the form is true.
- 1254 (ii) A certification made under Subsection (6)(d)(i)(F) is considered as if made under
- 1255 oath and subject to the same penalties as provided by law for perjury.
- 1256 (iii) (A) A dealer or an owner that submits a form to the commission under Subsection
- 1257 (6)(c) is considered to have given the dealer's or owner's consent to an audit or review by:
- 1258 (I) the commission;
- 1259 (II) the county assessor; or
- 1260 (III) the commission and the county assessor.
- 1261 (B) The consent described in Subsection (6)(d)(iii)(A) is a condition to the acceptance
- 1262 of any form.
- 1263 (7) (a) A county that collected a qualifying payment from a qualifying person during
- 1264 the refund period shall issue a refund to the qualifying person as described in Subsection (7)(b)
- 1265 if:

- 1266 (i) the difference described in Subsection (7)(b) is \$1 or more; and
- 1267 (ii) the qualifying person submitted a form in accordance with Subsections (7)(c) and
- 1268 (d).
- 1269 (b) The refund amount shall be calculated as follows:
- 1270 (i) for a qualifying vehicle, the refund amount is equal to the difference between:
- 1271 (A) the qualifying payment the qualifying person paid on the qualifying vehicle during
- 1272 the refund period; and
- 1273 (B) the amount of the statewide uniform fee:
- 1274 (I) for that qualifying vehicle; and
- 1275 (II) that the qualifying person would have been required to pay:
- 1276 (Aa) during the refund period; and
- 1277 (Bb) in accordance with this section had [~~Section 1, Chapter 3,~~] Laws of Utah 2006,
- 1278 Fifth Special Session, Chapter 3, Section 1, been in effect during the refund period; and
- 1279 (ii) for a qualifying watercraft, the refund amount is equal to the difference between:
- 1280 (A) the qualifying payment the qualifying person paid on the qualifying watercraft
- 1281 during the refund period; and
- 1282 (B) the amount of the statewide uniform fee:
- 1283 (I) for that qualifying watercraft;
- 1284 (II) that the qualifying person would have been required to pay:
- 1285 (Aa) during the refund period; and
- 1286 (Bb) in accordance with this section had [~~Section 1, Chapter 3,~~] Laws of Utah 2006,
- 1287 Fifth Special Session, Section 1, Chapter 3, been in effect during the refund period.
- 1288 (c) Before the county issues a refund to the qualifying person in accordance with
- 1289 Subsection (7)(a) the qualifying person shall submit a form to the county to verify the
- 1290 qualifying person is entitled to the refund.
- 1291 (d) (i) A form under Subsection (7)(c) or (8) shall:
- 1292 (A) be developed by the commission;
- 1293 (B) be provided by the commission to the counties;
- 1294 (C) be provided by the county to the qualifying person or tangible personal property
- 1295 owner;
- 1296 (D) provide for the reporting of the following:

- 1297 (I) for a qualifying vehicle:
- 1298 (Aa) the type of qualifying vehicle; and
- 1299 (Bb) the amount of cubic centimeters displacement;
- 1300 (II) for a qualifying watercraft:
- 1301 (Aa) the length of the qualifying watercraft;
- 1302 (Bb) the age of the qualifying watercraft; and
- 1303 (Cc) the type of qualifying watercraft;
- 1304 (E) be signed by the qualifying person or tangible personal property owner; and
- 1305 (F) include a certification that the information set forth in the form is true.
- 1306 (ii) A certification made under Subsection (7)(d)(i)(F) is considered as if made under
- 1307 oath and subject to the same penalties as provided by law for perjury.
- 1308 (iii) (A) A qualifying person or tangible personal property owner that submits a form to
- 1309 a county under Subsection (7)(c) or (8) is considered to have given the qualifying person's
- 1310 consent to an audit or review by:
- 1311 (I) the commission;
- 1312 (II) the county assessor; or
- 1313 (III) the commission and the county assessor.
- 1314 (B) The consent described in Subsection (7)(d)(iii)(A) is a condition to the acceptance
- 1315 of any form.
- 1316 (e) The county shall make changes to the commission's records with the information
- 1317 received by the county from the form submitted in accordance with Subsection (7)(c).
- 1318 (8) A county shall change its records regarding an item of qualifying tangible personal
- 1319 property if the tangible personal property owner submits a form to the county in accordance
- 1320 with Subsection (7)(d).
- 1321 (9) (a) For purposes of this Subsection (9) "owner of tangible personal property" means
- 1322 a person that was required to pay a uniform statewide fee:
- 1323 (i) during the refund period;
- 1324 (ii) in accordance with this section; and
- 1325 (iii) on an item of tangible personal property subject to the uniform statewide fees
- 1326 imposed by this section.
- 1327 (b) A county that collected revenues from uniform statewide fees imposed by this

1328 section during the refund period shall notify an owner of tangible personal property:

1329 (i) of the tangible personal property classification changes made to this section
1330 pursuant to [~~Section 1, Chapter 3,~~] Laws of Utah 2006, Fifth Special Session, Section 1,
1331 Chapter 3;

1332 (ii) that the owner of tangible personal property may obtain and file a form to modify
1333 the county's records regarding the owner's tangible personal property; and

1334 (iii) that the owner may be entitled to a refund pursuant to Subsection (7).

1335 Section 19. Section **59-2-405.3** is amended to read:

1336 **59-2-405.3. Uniform statewide fee on motor homes -- Distribution of revenues.**

1337 (1) For purposes of this section, "motor home" means:

1338 (a) a motor home, as defined in Section 13-14-102, that is required to be registered
1339 with the state; or

1340 (b) a self-propelled vehicle that is:

1341 (i) modified for primary use as a temporary dwelling for travel, recreational, or
1342 vacation use; and

1343 (ii) required to be registered with the state.

1344 (2) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
1345 beginning on January 1, 2006, a motor home is:

1346 (a) exempt from the tax imposed by Section 59-2-103; and

1347 (b) in lieu of the tax imposed by Section 59-2-103, subject to a uniform statewide fee
1348 as provided in Subsection (3).

1349 (3) The uniform statewide fee described in Subsection (2)(b) is:

1350 (a) beginning on January 1, 2006, and ending December 31, 2007, 1.25% of the fair
1351 market value of the motor home, as established by the commission; and

1352 (b) beginning on January 1, 2008, 1% of the fair market value of the motor home, as
1353 established by the commission.

1354 (4) Notwithstanding Section 59-2-407, a motor home subject to the uniform statewide
1355 fee imposed by this section that is brought into the state shall, as a condition of registration, be
1356 subject to the uniform statewide fee unless all property taxes or uniform fees imposed by the
1357 state of origin have been paid for the current calendar year.

1358 (5) (a) [~~Each~~] A county shall distribute 45% of the revenue collected by the county

1359 from the uniform statewide fee imposed by this section to each taxing entity that is not a school
1360 district in which each motor home subject to the uniform statewide fee is located in the same
1361 proportion in which revenue collected from the ad valorem property tax is distributed.

1362 (b) ~~Each~~ A taxing entity described in Subsection (5)(a) that receives revenue from the
1363 uniform statewide fee imposed by this section shall distribute the revenue in the same
1364 proportion in which revenue collected from the ad valorem property tax is distributed.

1365 (c) Fifty-five percent of the revenues collected in a county from the uniform statewide
1366 fee imposed by this section shall be distributed by the county to each school district within the
1367 county in proportion to the school district's percentage of the total current year enrollment in all
1368 of the school districts within the county, as of the October 1 enrollment counts.

1369 (6) An appeal relating to the uniform statewide fee imposed on a motor home by this
1370 section shall be filed pursuant to Section 59-2-1005.

1371 Section 20. Section **59-2-919** is amended to read:

1372 **59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of**
1373 **proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents**
1374 **of personal mailed notice -- Hearing -- Dates.**

1375 A tax rate in excess of the certified tax rate may not be levied until a resolution has
1376 been approved by the taxing entity in accordance with the following procedure:

1377 (1) (a) (i) The taxing entity shall advertise its intent to exceed the certified tax rate in a
1378 newspaper or combination of newspapers of general circulation in the taxing entity.

1379 (ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the
1380 advertisement or hearing requirements of this section if:

1381 (A) the taxing entity:

1382 (I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year;

1383 or

1384 (II) is expressly exempted by law from complying with the requirements of this
1385 section; or

1386 (B) (I) the taxing entity is a party to an interlocal agreement under Title 11, Chapter 13,
1387 Interlocal Cooperation Act, that creates an interlocal entity to provide fire protection,
1388 emergency, and emergency medical services;

1389 (II) the tax rate increase is approved by the taxing entity's voters at an election held for

1390 that purpose on or before December 31, 2010;

1391 (III) the purpose of the tax rate increase is to pay for fire protection, emergency, and
1392 emergency medical services provided by the interlocal entity; and

1393 (IV) at least 30 days before its annual budget hearing, the taxing entity:

1394 (Aa) adopts a resolution certifying that the taxing entity will dedicate all revenue from
1395 the tax rate increase exclusively to pay for fire protection, emergency, and emergency medical
1396 services provided by the interlocal entity and that the amount of other revenues, independent of
1397 the revenue generated from the tax rate increase, that the taxing entity spends for fire
1398 protection, emergency, and emergency medical services each year after the tax rate increase
1399 will not decrease below the amount spent by the taxing entity during the year immediately
1400 before the tax rate increase without a corresponding decrease in the taxing entity's property tax
1401 revenues used in calculating the taxing entity's certified tax rate; and

1402 (Bb) sends a copy of the resolution to the commission.

1403 (iii) The exception under Subsection (1)(a)(ii)(B) from the advertisement and hearing
1404 requirements of this section does not apply to an increase in a taxing entity's tax rate that occurs
1405 after December 31, 2010, even if the tax rate increase is approved by the taxing entity's voters
1406 before that date.

1407 [~~(iv) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the~~
1408 ~~advertisement requirements of this section if Section 53A-17a-133 allows the taxing entity to~~
1409 ~~levy a tax rate that exceeds that certified tax rate without having to comply with the~~
1410 ~~advertisement requirements of this section.]~~

1411 (b) The advertisement described in this section shall:

1412 (i) be no less than 1/4 page in size;

1413 (ii) use type no smaller than 18 point; and

1414 (iii) be surrounded by a 1/4-inch border.

1415 (c) The advertisement described in this section may not be placed in that portion of the
1416 newspaper where legal notices and classified advertisements appear.

1417 (d) It is the intent of the Legislature that:

1418 (i) whenever possible, the advertisement described in this section appear in a
1419 newspaper that is published at least one day per week; and

1420 (ii) the newspaper or combination of newspapers selected:

1421 (A) be of general interest and readership in the taxing entity; and

1422 (B) not be of limited subject matter.

1423 (e) The advertisement described in this section shall:

1424 (i) be run once each week for the two weeks preceding the adoption of the final budget;

1425 and

1426 (ii) state that the taxing entity will meet on a certain day, time, and place fixed in the
1427 advertisement, which shall be not less than seven days after the day the first advertisement is
1428 published, for the purpose of hearing comments regarding any proposed increase and to explain
1429 the reasons for the proposed increase.

1430 (f) The meeting on the proposed increase may coincide with the hearing on the
1431 proposed budget of the taxing entity.

1432 (2) The form and content of the notice shall be substantially as follows:

1433 "NOTICE OF PROPOSED TAX INCREASE
1434 (NAME OF TAXING ENTITY)

1435 The (name of the taxing entity) is proposing to increase its property tax revenue.

1436 ● If the proposed budget is approved, this would be an increase of ____% above
1437 the (name of the taxing entity) property tax budgeted revenue for the prior year.

1438 ● The (name of the taxing entity) tax on a (insert the average value of a residence
1439 in the taxing entity rounded to the nearest thousand dollars) residence would
1440 increase from \$_____ to \$_____, which is \$_____ per year.

1441 ● The (name of the taxing entity) tax on a (insert the value of a business having
1442 the same value as the average value of a residence in the taxing entity) business
1443 would increase from \$_____ to \$_____, which is \$_____ per year.

1444 (Name of taxing entity) property tax revenue from new growth and other sources will
1445 increase from \$_____ to \$_____.

1446 All concerned citizens are invited to a public hearing on the tax increase.

1447 PUBLIC HEARING

1448 Date/Time: (date) (time)

1449 Location: (name of meeting place and address of meeting place)

1450 To obtain more information regarding the tax increase, citizens may contact the (name
1451 of the taxing entity) at (phone number of taxing entity)."

- 1452 (3) The commission:
- 1453 (a) shall adopt rules governing the joint use of one advertisement under this section or
- 1454 Section 59-2-918 by two or more taxing entities; and
- 1455 (b) may, upon petition by any taxing entity, authorize either:
- 1456 (i) the use of weekly newspapers in counties having both daily and weekly newspapers
- 1457 where the weekly newspaper would provide equal or greater notice to the taxpayer; or
- 1458 (ii) the use of a commission-approved direct notice to each taxpayer if the:
- 1459 (A) cost of the advertisement would cause undue hardship; and
- 1460 (B) direct notice is different and separate from that provided for in Subsection (4).
- 1461 (4) (a) In addition to providing the notice required by Subsections (1) and (2), the
- 1462 county auditor, on or before July 22 of each year, shall notify, by mail, each owner of real
- 1463 estate as defined in Section 59-2-102 who is listed on the assessment roll.
- 1464 (b) The notice described in Subsection (4)(a) shall:
- 1465 (i) be sent to all owners of real property by mail not less than ten days before the day
- 1466 on which:
- 1467 (A) the county board of equalization meets; and
- 1468 (B) the taxing entity holds a public hearing on the proposed increase in the certified tax
- 1469 rate;
- 1470 (ii) be printed on a form that is:
- 1471 (A) approved by the commission; and
- 1472 (B) uniform in content in all counties in the state; and
- 1473 (iii) contain for each property:
- 1474 (A) the value of the property;
- 1475 (B) the date the county board of equalization will meet to hear complaints on the
- 1476 valuation;
- 1477 (C) itemized tax information for all taxing entities, including a separate statement for
- 1478 the minimum school levy under Section 53A-17a-135 stating:
- 1479 (I) the dollar amount the taxpayer would have paid based on last year's rate; and
- 1480 (II) the amount of the taxpayer's liability under the current rate;
- 1481 (D) the tax impact on the property;
- 1482 (E) the time and place of the required public hearing for each entity;

- 1483 (F) property tax information pertaining to:
- 1484 (I) taxpayer relief;
- 1485 (II) options for payment of taxes; and
- 1486 (III) collection procedures;
- 1487 (G) information specifically authorized to be included on the notice under Title 59,
- 1488 Chapter 2, Property Tax Act; and
- 1489 (H) other property tax information approved by the commission.
- 1490 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt
- 1491 a resolution levying a tax rate in excess of the certified tax rate.
- 1492 (b) If a resolution adopting a tax rate is not adopted on the day of the public hearing,
- 1493 the scheduled time and place for consideration and adoption of the resolution shall be
- 1494 announced at the public hearing.
- 1495 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more
- 1496 than two weeks after the public hearing described in Subsection (4)(b)(iii)(E), a taxing entity,
- 1497 other than a taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the
- 1498 proposed adoption of the resolution in the same manner as provided under Subsections (1) and
- 1499 (2).
- 1500 (6) (a) All hearings described in this section shall be open to the public.
- 1501 (b) The governing body of a taxing entity conducting a hearing shall permit all
- 1502 interested parties desiring to be heard an opportunity to present oral testimony within
- 1503 reasonable time limits.
- 1504 (7) (a) Each taxing entity shall notify the county legislative body by March 1 of each
- 1505 year of the date, time, and place a public hearing is held by the taxing entity pursuant to this
- 1506 section.
- 1507 (b) A taxing entity may not schedule a hearing described in this section at the same
- 1508 time as another overlapping taxing entity in the same county, but all taxing entities in which the
- 1509 power to set tax levies is vested in the same governing board or authority may consolidate the
- 1510 required hearings into one hearing.
- 1511 (c) The county legislative body shall resolve any conflicts in hearing dates and times
- 1512 after consultation with each affected taxing entity.
- 1513 (8) A taxing entity shall hold a public hearing under this section beginning at or after 6

1514 p.m.

1515 Section 21. Section **59-2-919.1** is enacted to read:

1516 **59-2-919.1. Property tax increases prohibited.**

1517 (1) For purposes of this section:

1518 (a) "Calendar year taxing entity" means a taxing entity that operates under a January 1
1519 through December 31 fiscal year.

1520 (b) "Certified tax rate" means a taxing entity's certified tax rate calculated in
1521 accordance with Section 59-2-924.

1522 (c) "Fiscal year taxing entity" means a taxing entity that operates under a July 1
1523 through June 30 fiscal year.

1524 (2) For taxable years beginning on or after January 1, 2008, and ending on or before
1525 December 31, 2010, a fiscal year taxing entity may not levy a tax rate that exceeds the fiscal
1526 year taxing entity's certified tax rate.

1527 (3) For taxable years beginning on or after January 1, 2009, and ending on or before
1528 December 31, 2011, a calendar year taxing entity may not levy a tax rate that exceeds the
1529 calendar year taxing entity's certified tax rate.

1530 Section 22. Section **59-2-924** is amended to read:

1531 **59-2-924. Report of valuation of property to county auditor and commission --**
1532 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
1533 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1534 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to
1535 the county auditor and the commission the following statements:

1536 (i) a statement containing the aggregate valuation of all taxable property in each taxing
1537 entity; and

1538 (ii) a statement containing the taxable value of any additional personal property
1539 estimated by the county assessor to be subject to taxation in the current year.

1540 (b) The county auditor shall, on or before June 8, transmit to the governing body of
1541 each taxing entity:

1542 (i) the statements described in Subsections (1)(a)(i) and (ii);

1543 (ii) an estimate of the revenue from personal property;

1544 (iii) the certified tax rate; and

- 1545 (iv) all forms necessary to submit a tax levy request.
- 1546 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad
- 1547 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the
- 1548 prior year.
- 1549 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not
- 1550 include:
- 1551 (A) collections from redemptions;
- 1552 (B) interest;
- 1553 (C) penalties; and
- 1554 (D) revenue received by a taxing entity from personal property that is:
- 1555 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1556 (II) semiconductor manufacturing equipment.
- 1557 (iii) (A) Except as otherwise provided in this section, the certified tax rate shall be
- 1558 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
- 1559 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).
- 1560 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity
- 1561 shall calculate an amount as follows:
- 1562 (I) calculate for the taxing entity the difference between:
- 1563 (Aa) the aggregate taxable value of all property taxed; and
- 1564 (Bb) any redevelopment adjustments for the current calendar year;
- 1565 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an
- 1566 amount determined by increasing or decreasing the amount calculated under Subsection
- 1567 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for
- 1568 the equalization period for the three calendar years immediately preceding the current calendar
- 1569 year;
- 1570 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the
- 1571 product of:
- 1572 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and
- 1573 (Bb) the percentage of property taxes collected for the five calendar years immediately
- 1574 preceding the current calendar year; and
- 1575 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an

1576 amount determined by subtracting from the amount calculated under Subsection
1577 (2)(a)(iii)(B)(III) any new growth as defined in this section:
1578 (Aa) within the taxing entity; and
1579 (Bb) for the current calendar year.
1580 (C) For purposes of Subsection (2)(a)(iii)(B)(I), the aggregate taxable value of all
1581 property taxed:
1582 (I) except as provided in Subsection (2)(a)(iii)(C)(II), includes the total taxable value of
1583 the real and personal property contained on the tax rolls of the taxing entity; and
1584 (II) does not include the total taxable value of personal property contained on the tax
1585 rolls of the taxing entity that is:
1586 (Aa) assessed by a county assessor in accordance with Part 3, County Assessment; and
1587 (Bb) semiconductor manufacturing equipment.
1588 (D) For purposes of Subsection (2)(a)(iii)(B)(II), for calendar years beginning on or
1589 after January 1, 2007, the value of taxable property does not include the value of personal
1590 property that is:
1591 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,
1592 County Assessment; and
1593 (II) semiconductor manufacturing equipment.
1594 (E) For purposes of Subsection (2)(a)(iii)(B)(III)(Bb), for calendar years beginning on
1595 or after January 1, 2007, the percentage of property taxes collected does not include property
1596 taxes collected from personal property that is:
1597 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,
1598 County Assessment; and
1599 (II) semiconductor manufacturing equipment.
1600 (F) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1601 the commission may prescribe rules for calculating redevelopment adjustments for a calendar
1602 year.
1603 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
1604 Act, the commission shall make rules determining the calculation of ad valorem property tax
1605 revenues budgeted by a taxing entity.
1606 (B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues

1607 budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax
1608 revenues are calculated for purposes of Section 59-2-913.

1609 (v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v)
1610 shall be calculated as follows:

1611 (A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified
1612 tax rate is zero;

1613 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1614 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
1615 services under Sections 17-34-1 and 17-36-9; and

1616 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
1617 purposes and such other levies imposed solely for the municipal-type services identified in
1618 Section 17-34-1 and Subsection 17-36-3(22); and

1619 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy
1620 imposed by that section, except that the certified tax rates for the following levies shall be
1621 calculated in accordance with Section 59-2-913 and this section:

1622 (I) the school [teeways] appropriation provided for under [~~Sections 11-2-7;~~
1623 ~~53A-16-110;~~] Section 53A-17a-125[~~, 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143,~~
1624 ~~53A-17a-145, and 53A-21-103~~]; and

1625 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
1626 orders under Section 59-2-906.3.

1627 (vi) (A) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be
1628 established at that rate which is sufficient to generate only the revenue required to satisfy one
1629 or more eligible judgments, as defined in Section 59-2-102.

1630 (B) The ad valorem property tax revenue generated by the judgment levy shall not be
1631 considered in establishing the taxing entity's aggregate certified tax rate.

1632 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use
1633 the taxable value of property on the assessment roll.

1634 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the
1635 assessment roll does not include:

1636 (A) new growth as defined in Subsection (2)(b)(iii); or

1637 (B) the total taxable value of personal property contained on the tax rolls of the taxing

1638 entity that is:

1639 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1640 (II) semiconductor manufacturing equipment.

1641 (iii) "New growth" means:

1642 (A) the difference between the increase in taxable value of the taxing entity from the
1643 previous calendar year to the current year; minus

1644 (B) the amount of an increase in taxable value described in Subsection (2)(b)(v).

1645 (iv) For purposes of Subsection (2)(b)(iii), the taxable value of the taxing entity does
1646 not include the taxable value of personal property that is:

1647 (A) contained on the tax rolls of the taxing entity if that property is assessed by a
1648 county assessor in accordance with Part 3, County Assessment; and

1649 (B) semiconductor manufacturing equipment.

1650 (v) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

1651 (A) the amount of increase to locally assessed real property taxable values resulting
1652 from factoring, reappraisal, or any other adjustments; or

1653 (B) the amount of an increase in the taxable value of property assessed by the
1654 commission under Section 59-2-201 resulting from a change in the method of apportioning the
1655 taxable value prescribed by:

1656 (I) the Legislature;

1657 (II) a court;

1658 (III) the commission in an administrative rule; or

1659 (IV) the commission in an administrative order.

1660 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from
1661 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1662 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
1663 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
1664 rate to offset the increased revenues.

1665 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under
1666 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

1667 (A) decreased on a one-time basis by the amount of the estimated sales and use tax
1668 revenue to be distributed to the county under Subsection 59-12-1102(3); and

1669 (B) increased by the amount necessary to offset the county's reduction in revenue from
1670 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1671 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
1672 (2)(d)(i)(A).

1673 (ii) The commission shall determine estimates of sales and use tax distributions for
1674 purposes of Subsection (2)(d)(i).

1675 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort
1676 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
1677 decreased on a one-time basis by the amount necessary to offset the first 12 months of
1678 estimated revenue from the additional resort communities sales and use tax imposed under
1679 Section 59-12-402.

1680 (f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under
1681 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the
1682 unincorporated area of the county shall be decreased by the amount necessary to reduce
1683 revenues in that fiscal year by an amount equal to the difference between the amount the county
1684 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services
1685 countywide and the amount the county spent during fiscal year 2000 for those services,
1686 excluding amounts spent from a municipal services fund for those services.

1687 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection
1688 (2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal
1689 year by the amount that the county spent during fiscal year 2000 for advanced life support and
1690 paramedic services countywide, excluding amounts spent from a municipal services fund for
1691 those services.

1692 (ii) (A) A city or town located within a county of the first class to which Subsection
1693 (2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within
1694 the city or town the same amount of revenues as the county would collect from that city or
1695 town if the decrease under Subsection (2)(f)(i) did not occur.

1696 (B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year
1697 or spread over multiple fiscal years, is not subject to the notice and hearing requirements of
1698 Sections 59-2-918 and 59-2-919.

1699 (g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to

1700 provide detective investigative services to the unincorporated area of the county shall be
1701 decreased:

1702 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year
1703 by at least \$4,400,000; and

1704 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year
1705 by an amount equal to the difference between \$9,258,412 and the amount of the reduction in
1706 revenues under Subsection (2)(g)(i)(A).

1707 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a
1708 county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate
1709 within the city or town the same amount of revenue as the county would have collected during
1710 county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).

1711 (II) Beginning with municipal fiscal year 2003, a city or town located within a county
1712 to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the
1713 city or town the same amount of revenue as the county would have collected during county
1714 fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).

1715 (B) (I) Except as provided in Subsection (2)(g)(ii)(B)(II), an increase in the city or
1716 town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year
1717 or spread over multiple fiscal years, is subject to the notice and hearing requirements of
1718 Sections 59-2-918 and 59-2-919.

1719 (II) For an increase under this Subsection (2)(g)(ii) that generates revenue that does not
1720 exceed the same amount of revenue as the county would have collected except for Subsection
1721 (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

1722 (Aa) publishes a notice that meets the size, type, placement, and frequency
1723 requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed
1724 by the county to one imposed by the city or town, and explains how the revenues from the tax
1725 increase will be used; and

1726 (Bb) holds a public hearing on the tax shift that may be held in conjunction with the
1727 city or town's regular budget hearing.

1728 (h) (i) This Subsection (2)(h) applies to each county that:

1729 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part
1730 13, Utah Special Service District Act, to provide jail service, as provided in Subsection

1731 17A-2-1304(1)(a)(x); and

1732 (B) levies a property tax on behalf of the special service district under Section
1733 17A-2-1322.

1734 (ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies
1735 shall be decreased by the amount necessary to reduce county revenues by the same amount of
1736 revenues that will be generated by the property tax imposed on behalf of the special service
1737 district.

1738 (B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with
1739 the levy on behalf of the special service district under Section 17A-2-1322.

1740 (i) (i) As used in this Subsection (2)(i):

1741 (A) "Annexing county" means a county whose unincorporated area is included within a
1742 fire district by annexation.

1743 (B) "Annexing municipality" means a municipality whose area is included within a fire
1744 district by annexation.

1745 (C) "Equalized fire protection tax rate" means the tax rate that results from:

1746 (I) calculating, for each participating county and each participating municipality, the
1747 property tax revenue necessary to cover all of the costs associated with providing fire
1748 protection, paramedic, and emergency services:

1749 (Aa) for a participating county, in the unincorporated area of the county; and

1750 (Bb) for a participating municipality, in the municipality; and

1751 (II) adding all the amounts calculated under Subsection (2)(i)(i)(C)(I) for all
1752 participating counties and all participating municipalities and then dividing that sum by the
1753 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

1754 (Aa) for participating counties, in the unincorporated area of all participating counties;
1755 and

1756 (Bb) for participating municipalities, in all the participating municipalities.

1757 (D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
1758 Area Act, in the creation of which an election was not required under Subsection
1759 17B-1-214(3)(c).

1760 (E) "Fire protection tax rate" means:

1761 (I) for an annexing county, the property tax rate that, when applied to taxable property

1762 in the unincorporated area of the county, generates enough property tax revenue to cover all the
1763 costs associated with providing fire protection, paramedic, and emergency services in the
1764 unincorporated area of the county; and

1765 (II) for an annexing municipality, the property tax rate that generates enough property
1766 tax revenue in the municipality to cover all the costs associated with providing fire protection,
1767 paramedic, and emergency services in the municipality.

1768 (F) "Participating county" means a county whose unincorporated area is included
1769 within a fire district at the time of the creation of the fire district.

1770 (G) "Participating municipality" means a municipality whose area is included within a
1771 fire district at the time of the creation of the fire district.

1772 (ii) In the first year following creation of a fire district, the certified tax rate of each
1773 participating county and each participating municipality shall be decreased by the amount of
1774 the equalized fire protection tax rate.

1775 (iii) In the first year following annexation to a fire district, the certified tax rate of each
1776 annexing county and each annexing municipality shall be decreased by the fire protection tax
1777 rate.

1778 (iv) Each tax levied under this section by a fire district shall be considered to be levied
1779 by:

1780 (A) each participating county and each annexing county for purposes of the county's
1781 tax limitation under Section 59-2-908; and

1782 (B) each participating municipality and each annexing municipality for purposes of the
1783 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a
1784 city.

1785 (j) For the calendar year beginning on January 1, 2007, the calculation of a taxing
1786 entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the
1787 certified tax rate that may result from excluding the following from the certified tax rate under
1788 Subsection (2)(a) enacted by the Legislature during the 2007 General Session:

1789 (i) personal property tax revenue:

1790 (A) received by a taxing entity;

1791 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and

1792 (C) for personal property that is semiconductor manufacturing equipment; or

- 1793 (ii) the taxable value of personal property:
- 1794 (A) contained on the tax rolls of a taxing entity;
- 1795 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1796 (C) that is semiconductor manufacturing equipment.
- 1797 (k) For the calendar year beginning on January 1, 2009, the calculation of a school
- 1798 district's certified tax rate shall be adjusted by the amount necessary to offset any change in the
- 1799 certified tax rate that may result from the repeal of the school district's authority to levy
- 1800 property taxes as repealed or amended by the Legislature during the 2008 General Session:
- 1801 (i) Section 11-2-7;
- 1802 (ii) Section 11-14-102;
- 1803 (iii) Section 53A-16-107;
- 1804 (iv) Section 53A-16-110;
- 1805 (v) Section 53A-16-111;
- 1806 (vi) Section 53A-17a-127;
- 1807 (vii) Section 53A-17a-133;
- 1808 (viii) Section 53A-17a-134;
- 1809 (ix) Section 53A-17a-143;
- 1810 (x) Section 53A-17a-145;
- 1811 (xi) Section 53A-17a-151; and
- 1812 (xii) Section 63-30d-704.
- 1813 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.
- 1814 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
- 1815 auditor of:
- 1816 (i) its intent to exceed the certified tax rate; and
- 1817 (ii) the amount by which it proposes to exceed the certified tax rate.
- 1818 (c) The county auditor shall notify all property owners of any intent to exceed the
- 1819 certified tax rate in accordance with Subsection 59-2-919(2).
- 1820 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
- 1821 reduced for any year to the extent necessary to provide a community development and renewal
- 1822 agency established under Title 17C, Limited Purpose Local Government Entities - Community
- 1823 Development and Renewal Agencies, with approximately the same amount of money the

1824 agency would have received without a reduction in the county's certified tax rate if:

1825 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
1826 (2)(d)(i);

1827 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
1828 previous year; and

1829 (iii) the decrease results in a reduction of the amount to be paid to the agency under
1830 Section 17C-1-403 or 17C-1-404.

1831 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any
1832 year to the extent necessary to provide a community development and renewal agency with
1833 approximately the same amount of money as the agency would have received without an
1834 increase in the certified tax rate that year if:

1835 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to
1836 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

1837 (ii) The certified tax rate of a city, school district, local district, or special service
1838 district increases independent of the adjustment to the taxable value of the base year.

1839 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or
1840 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community
1841 development and renewal agency established under Title 17C, Limited Purpose Local
1842 Government Entities - Community Development and Renewal Agencies, for the payment of
1843 bonds or other contract indebtedness, but not for administrative costs, may not be less than that
1844 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or
1845 (2)(d)(i).

1846 Section 23. Section **59-12-103** is amended to read:

1847 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
1848 **tax revenues.**

1849 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
1850 charged for the following transactions:

1851 (a) retail sales of tangible personal property made within the state;

1852 (b) amounts paid:

1853 (i) to a:

1854 (A) telephone service provider regardless of whether the telephone service provider is

1855 municipally or privately owned; or
1856 (B) telegraph corporation:
1857 (I) as defined in Section 54-2-1; and
1858 (II) regardless of whether the telegraph corporation is municipally or privately owned;
1859 and
1860 (ii) for:
1861 (A) telephone service, other than mobile telecommunications service, that originates
1862 and terminates within the boundaries of this state;
1863 (B) mobile telecommunications service that originates and terminates within the
1864 boundaries of one state only to the extent permitted by the Mobile Telecommunications
1865 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
1866 (C) telegraph service;
1867 (c) sales of the following for commercial use:
1868 (i) gas;
1869 (ii) electricity;
1870 (iii) heat;
1871 (iv) coal;
1872 (v) fuel oil; or
1873 (vi) other fuels;
1874 (d) sales of the following for residential use:
1875 (i) gas;
1876 (ii) electricity;
1877 (iii) heat;
1878 (iv) coal;
1879 (v) fuel oil; or
1880 (vi) other fuels;
1881 (e) sales of prepared food;
1882 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
1883 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
1884 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
1885 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit

1886 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
1887 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
1888 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
1889 horseback rides, sports activities, or any other amusement, entertainment, recreation,
1890 exhibition, cultural, or athletic activity;

1891 (g) amounts paid or charged for services for repairs or renovations of tangible personal
1892 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

1893 (i) the tangible personal property; and

1894 (ii) parts used in the repairs or renovations of the tangible personal property described
1895 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
1896 of that tangible personal property;

1897 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
1898 assisted cleaning or washing of tangible personal property;

1899 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
1900 accommodations and services that are regularly rented for less than 30 consecutive days;

1901 (j) amounts paid or charged for laundry or dry cleaning services;

1902 (k) amounts paid or charged for leases or rentals of tangible personal property if within
1903 this state the tangible personal property is:

1904 (i) stored;

1905 (ii) used; or

1906 (iii) otherwise consumed;

1907 (l) amounts paid or charged for tangible personal property if within this state the
1908 tangible personal property is:

1909 (i) stored;

1910 (ii) used; or

1911 (iii) consumed; and

1912 (m) amounts paid or charged for prepaid telephone calling cards.

1913 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
1914 is imposed on a transaction described in Subsection (1) equal to the sum of:

1915 (i) a state tax imposed on the transaction at a tax rate of [~~4.65%~~] 6.3%; and

1916 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

1917 transaction under this chapter other than this part.

1918 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
1919 on a transaction described in Subsection (1)(d) equal to the sum of:

1920 (i) a state tax imposed on the transaction at a tax rate of 2%; and

1921 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1922 transaction under this chapter other than this part.

1923 (c) Except as provided in Subsection (2)(d) or (e), beginning on January 1, 2007, a
1924 state tax and a local tax is imposed on amounts paid or charged for food and food ingredients
1925 equal to the sum of:

1926 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
1927 a tax rate of 1.75%; and

1928 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1929 amounts paid or charged for food and food ingredients under this chapter other than this part.

1930 (d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with
1931 Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local
1932 tax is imposed on the transaction equal to the sum of:

1933 (i) a state tax imposed on the transaction at a tax rate of:

1934 (A) [~~4.65%~~] 6.3% for a transaction other than a transaction described in Subsection
1935 (2)(d)(i)(B) or (2)(d)(i)(C);

1936 (B) 2% for a transaction described in Subsection (1)(d); or

1937 (C) beginning on January 1, 2007, 1.75% on the amounts paid or charged for food and
1938 food ingredients; and

1939 (ii) a local tax imposed on the transaction at a tax rate equal to the sum of the following
1940 tax rates:

1941 (A) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
1942 and towns in the state impose the tax authorized by Section 59-12-204; and

1943 (B) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
1944 state impose the tax authorized by Section 59-12-1102.

1945 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as
1946 provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food
1947 ingredients and tangible personal property other than food and food ingredients.

1948 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a
1949 seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),
1950 beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled
1951 transaction equal to the sum of:

1952 (A) a state tax imposed on the entire bundled transaction at the tax rate described in
1953 Subsection (2)(a)(i); and

1954 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
1955 described in Subsection (2)(a)(ii).

1956 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by
1957 a seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state
1958 tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

1959 (A) a state tax imposed on the entire bundled transaction at the tax rate described in
1960 Subsection (2)(d)(i)(A); and

1961 (B) a local tax imposed on the entire bundled transaction at a tax rate equal to the sum
1962 of the following tax rates:

1963 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
1964 and towns in the state impose the tax authorized by Section 59-12-204; and

1965 (II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
1966 state impose the tax authorized by Section 59-12-1102.

1967 (f) Subject to Subsections (2)(g) and (h), a tax rate repeal or tax rate change for a tax
1968 rate imposed under the following shall take effect on the first day of a calendar quarter:

1969 (i) Subsection (2)(a)(i);

1970 (ii) Subsection (2)(b)(i);

1971 (iii) Subsection (2)(c)(i);

1972 (iv) Subsection (2)(d)(i);

1973 (v) Subsection (2)(e)(ii)(A); or

1974 (vi) Subsection (2)(e)(iii)(A).

1975 (g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take
1976 effect on the first day of the first billing period that begins after the effective date of the tax rate
1977 increase if the billing period for the transaction begins before the effective date of a tax rate
1978 increase imposed under:

- 1979 (A) Subsection (2)(a)(i);
- 1980 (B) Subsection (2)(b)(i);
- 1981 (C) Subsection (2)(c)(i);
- 1982 (D) Subsection (2)(d)(i);
- 1983 (E) Subsection (2)(e)(ii)(A); or
- 1984 (F) Subsection (2)(e)(iii)(A).
- 1985 (ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate
- 1986 decrease shall take effect on the first day of the last billing period that began before the
- 1987 effective date of the repeal of the tax or the tax rate decrease if the billing period for the
- 1988 transaction begins before the effective date of the repeal of the tax or the tax rate decrease
- 1989 imposed under:
- 1990 (A) Subsection (2)(a)(i);
- 1991 (B) Subsection (2)(b)(i);
- 1992 (C) Subsection (2)(c)(i);
- 1993 (D) Subsection (2)(d)(i);
- 1994 (E) Subsection (2)(e)(ii)(A); or
- 1995 (F) Subsection (2)(e)(iii)(A).
- 1996 (iii) Subsections (2)(g)(i) and (ii) apply to transactions subject to a tax under:
- 1997 (A) Subsection (1)(b);
- 1998 (B) Subsection (1)(c);
- 1999 (C) Subsection (1)(d);
- 2000 (D) Subsection (1)(e);
- 2001 (E) Subsection (1)(f);
- 2002 (F) Subsection (1)(g);
- 2003 (G) Subsection (1)(h);
- 2004 (H) Subsection (1)(i);
- 2005 (I) Subsection (1)(j); or
- 2006 (J) Subsection (1)(k).
- 2007 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale
- 2008 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
- 2009 or change in a tax rate takes effect:

- 2010 (A) on the first day of a calendar quarter; and
- 2011 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 2012 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:
- 2013 (A) Subsection (2)(a)(i);
- 2014 (B) Subsection (2)(b)(i);
- 2015 (C) Subsection (2)(c)(i);
- 2016 (D) Subsection (2)(d)(i);
- 2017 (E) Subsection (2)(e)(ii)(A); or
- 2018 (F) Subsection (2)(e)(iii)(A).
- 2019 (iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 2020 the commission may by rule define the term "catalogue sale."
- 2021 (3) (a) Except as provided in Subsections (4) through (10), the following state taxes
- 2022 shall be deposited into the General Fund:
- 2023 (i) the tax imposed by Subsection (2)(a)(i);
- 2024 (ii) the tax imposed by Subsection (2)(b)(i);
- 2025 (iii) the tax imposed by Subsection (2)(c)(i);
- 2026 (iv) the tax imposed by Subsection (2) (d)(i);
- 2027 (v) the tax imposed by Subsection (2)(e)(ii)(A); and
- 2028 (vi) the tax imposed by Subsection (2)(e)(iii)(A).
- 2029 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 2030 in this chapter:
- 2031 (i) the tax imposed by Subsection (2)(a)(ii);
- 2032 (ii) the tax imposed by Subsection (2)(b)(ii);
- 2033 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 2034 (iv) the tax imposed by Subsection (2)(e)(ii)(B).
- 2035 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the
- 2036 state shall receive the county's, city's, or town's proportionate share of the revenues generated
- 2037 by the following local taxes as provided in Subsection (3)(c)(ii):
- 2038 (A) the local tax described in Subsection (2)(d)(ii); and
- 2039 (B) the local tax described in Subsection (2)(e)(iii)(B).
- 2040 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission

2041 shall determine a county's, city's, or town's proportionate share of the revenues by:

2042 (A) calculating an amount equal to the population of the unincorporated area of the
2043 county, city, or town divided by the total population of the state; and

2044 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total
2045 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,
2046 cities, and towns.

2047 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for
2048 purposes of this section shall be derived from the most recent official census or census estimate
2049 of the United States Census Bureau.

2050 (B) If a needed population estimate is not available from the United States Census
2051 Bureau, population figures shall be derived from the estimate from the Utah Population
2052 Estimates Committee created by executive order of the governor.

2053 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2054 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
2055 through (g):

2056 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2057 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2058 (B) for the fiscal year; or

2059 (ii) \$17,500,000.

2060 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
2061 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
2062 Department of Natural Resources to:

2063 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
2064 protect sensitive plant and animal species; or

2065 (B) award grants, up to the amount authorized by the Legislature in an appropriations
2066 act, to political subdivisions of the state to implement the measures described in Subsections
2067 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

2068 (ii) Money transferred to the Department of Natural Resources under Subsection
2069 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
2070 person to list or attempt to have listed a species as threatened or endangered under the
2071 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2072 (iii) At the end of each fiscal year:
2073 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2074 Conservation and Development Fund created in Section 73-10-24;
2075 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2076 Program Subaccount created in Section 73-10c-5; and
2077 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2078 Program Subaccount created in Section 73-10c-5.
2079 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2080 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
2081 created in Section 4-18-6.
2082 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
2083 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
2084 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
2085 water rights.
2086 (ii) At the end of each fiscal year:
2087 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2088 Conservation and Development Fund created in Section 73-10-24;
2089 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2090 Program Subaccount created in Section 73-10c-5; and
2091 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2092 Program Subaccount created in Section 73-10c-5.
2093 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2094 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
2095 Fund created in Section 73-10-24 for use by the Division of Water Resources.
2096 (ii) In addition to the uses allowed of the Water Resources Conservation and
2097 Development Fund under Section 73-10-24, the Water Resources Conservation and
2098 Development Fund may also be used to:
2099 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2100 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2101 quantifying surface and ground water resources and describing the hydrologic systems of an
2102 area in sufficient detail so as to enable local and state resource managers to plan for and

2103 accommodate growth in water use without jeopardizing the resource;

2104 (B) fund state required dam safety improvements; and

2105 (C) protect the state's interest in interstate water compact allocations, including the
2106 hiring of technical and legal staff.

2107 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2108 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
2109 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2110 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2111 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
2112 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2113 (i) provide for the installation and repair of collection, treatment, storage, and
2114 distribution facilities for any public water system, as defined in Section 19-4-102;

2115 (ii) develop underground sources of water, including springs and wells; and

2116 (iii) develop surface water sources.

2117 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2118 2006, the difference between the following amounts shall be expended as provided in this
2119 Subsection (5), if that difference is greater than \$1:

2120 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
2121 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

2122 (ii) \$17,500,000.

2123 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2124 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
2125 credits; and

2126 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2127 restoration.

2128 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2129 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
2130 created in Section 73-10-24.

2131 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2132 remaining difference described in Subsection (5)(a) shall be:

2133 (A) transferred each fiscal year to the Division of Water Resources as dedicated

2134 credits; and

2135 (B) expended by the Division of Water Resources for cloud-seeding projects
2136 authorized by Title 73, Chapter 15, Modification of Weather.

2137 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2138 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
2139 created in Section 73-10-24.

2140 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
2141 remaining difference described in Subsection (5)(a) shall be deposited into the Water
2142 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
2143 Division of Water Resources for:

2144 (i) preconstruction costs:

2145 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
2146 26, Bear River Development Act; and

2147 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2148 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

2149 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
2150 Chapter 26, Bear River Development Act;

2151 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
2152 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2153 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
2154 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2155 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
2156 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

2157 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to
2158 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be
2159 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
2160 incurred for employing additional technical staff for the administration of water rights.

2161 (g) At the end of each fiscal year, any unexpended dedicated credits described in
2162 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development
2163 Fund created in Section 73-10-24.

2164 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

2165 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
2166 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
2167 the Transportation Fund created by Section 72-2-102.

2168 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,
2169 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
2170 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
2171 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
2172 transactions under Subsection (1).

2173 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
2174 have been paid off and the highway projects completed that are intended to be paid from
2175 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
2176 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
2177 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
2178 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
2179 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2180 (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal
2181 year 2004-05, the commission shall each year on or before the September 30 immediately
2182 following the last day of the fiscal year deposit the difference described in Subsection (8)(b)
2183 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is
2184 greater than \$0.

2185 (b) The difference described in Subsection (8)(a) is equal to the difference between:

2186 (i) the total amount of the revenues the commission received from sellers collecting the
2187 taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately
2188 preceding the September 30 described in Subsection (8)(a); and

2189 (ii) \$7,279,673.

2190 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
2191 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after
2192 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund
2193 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
2194 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a
2195 portion of the approximately 17% of sales and use tax revenues generated annually by the sales

2196 and use tax on vehicles and vehicle-related products:

- 2197 (i) the tax imposed by Subsection (2)(a)(i);
- 2198 (ii) the tax imposed by Subsection (2)(b)(i);
- 2199 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2200 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2201 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
2202 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
2203 highway projects completed that are intended to be paid from revenues deposited in the
2204 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
2205 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
2206 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
2207 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
2208 which represents a portion of the approximately 17% of sales and use tax revenues generated
2209 annually by the sales and use tax on vehicles and vehicle-related products:

- 2210 (i) the tax imposed by Subsection (2)(a)(i);
- 2211 (ii) the tax imposed by Subsection (2)(b)(i);
- 2212 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2213 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2214 (10) (a) Notwithstanding Subsection (3)(a) and until Subsection (10)(b) applies, the
2215 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes
2216 listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section
2217 72-2-125.

2218 (b) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
2219 Subsections (7) and (9), when the general obligation bonds authorized by Section 63B-16-101
2220 have been paid off and the highway projects completed that are included in the prioritized
2221 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
2222 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues
2223 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
2224 of 2005 created by Section 72-2-124.

2225 (11) (a) Notwithstanding Subsection (3)(a), beginning on July 1, 2009, the Division of
2226 Finance shall deposit into the Uniform School Fund a portion of the taxes listed under

2227 Subsection (3)(a) equal to the revenues generated by a 1.65% tax rate on the taxable
2228 transactions under Subsection (1).

2229 (b) For purposes of this Subsection (11), taxable transactions under Subsection (1) do
2230 not include:

2231 (i) taxable transactions on a transaction described in Subsection (1)(d); or

2232 (ii) the amounts paid or charged for food and food ingredients.

2233 (c) The revenue deposited into the Uniform School Fund under Subsection (11)(a)
2234 shall be allocated to school districts in accordance with Section 53A-17a-154.

2235 Section 24. Section **59-12-1201** is amended to read:

2236 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
2237 **collection, and enforcement of tax -- Administrative fee -- Deposits.**

2238 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all
2239 short-term leases and rentals of motor vehicles not exceeding 30 days.

2240 (b) The tax imposed in this section is in addition to all other state, county, or municipal
2241 fees and taxes imposed on rentals of motor vehicles.

2242 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
2243 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

2244 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
2245 take effect on the first day of the first billing period:

2246 (A) that begins after the effective date of the tax rate increase; and

2247 (B) if the billing period for the transaction begins before the effective date of a tax rate
2248 increase imposed under Subsection (1).

2249 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
2250 rate decrease shall take effect on the first day of the last billing period:

2251 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
2252 and

2253 (B) if the billing period for the transaction begins before the effective date of the repeal
2254 of the tax or the tax rate decrease imposed under Subsection (1).

2255 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

2256 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

2257 (b) the motor vehicle is rented as a personal household goods moving van; or

2258 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
2259 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
2260 insurance agreement.

2261 (4) (a) (i) The tax authorized under this section shall be administered, collected, and
2262 enforced in accordance with:

2263 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
2264 Tax Collection; and

2265 (B) Chapter 1, General Taxation Policies.

2266 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
2267 Subsections 59-12-103(4) through [~~9~~] (11) or Section 59-12-107.1.

2268 (b) The commission may retain a maximum of 1-1/2% of the tax collected under this
2269 section for the costs of rendering its services under this section.

2270 (c) Except as provided under Subsection (4)(b), all revenue received by the
2271 commission under this section shall be deposited daily with the state treasurer and credited
2272 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section
2273 72-2-117.

2274 Section 25. Section **63-30d-704** is amended to read:

2275 **63-30d-704. Tax levy by political subdivisions for payment of claims, judgments,**
2276 **or insurance premiums.**

2277 (1) For purposes of this section, "political subdivision" does not include a school
2278 district.

2279 [~~1~~] (2) Notwithstanding any provision of law to the contrary, a political subdivision
2280 may levy an annual property tax sufficient to pay:

2281 (a) any claim, settlement, or judgment;

2282 (b) the costs to defend against any claim, settlement, or judgment; or

2283 (c) for the establishment and maintenance of a reserve fund for the payment of claims,
2284 settlements, or judgments that may be reasonably anticipated.

2285 [~~2~~] (3) (a) The payments authorized to pay for punitive damages or to pay the
2286 premium for authorized insurance is money spent for a public purpose within the meaning of
2287 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the
2288 maximum levy as otherwise restricted by law is exceeded.

2289 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable
2290 property.

2291 (c) The revenues derived from this levy may not be used for any purpose other than
2292 those specified in this section.

2293 Section 26. **Repealer.**

2294 This bill repeals:

2295 Section **53A-2-114, Additional levies -- School board options to abolish or continue**
2296 **after consolidation.**

2297 Section **53A-2-115, Additional levies in transferred territory -- Transferee board**
2298 **option to abolish or continue.**

2299 Section **53A-16-107, Debt service and capital outlay -- Maintenance of school**
2300 **plants -- Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**

2301 Section **53A-16-110, Special tax to buy school building sites, build and furnish**
2302 **schoolhouses, or improve school property.**

2303 Section **53A-17a-133, State-supported voted leeway program authorized -- Election**
2304 **requirements -- State guarantee -- Reconsideration of the program.**

2305 Section **53A-17a-134, Board-approved leeway -- Purpose -- State support --**
2306 **Disapproval.**

2307 Section **53A-17a-143, District tax rate -- Increase of local property tax rate --**
2308 **Termination.**

2309 Section **53A-17a-145, Additional levy by district for debt service, school sites,**
2310 **buildings, buses, textbooks, and supplies.**

2311 Section **53A-17a-151, Board leeway for reading improvement.**

2312 Section 27. **Effective date -- Retrospective operation.**

2313 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2009.

2314 (2) Section 59-2-919.1 has retrospective operation for taxable years beginning on or
2315 after January 1, 2008.

2316 Section 28. **Coordinating H.B. 391 with H.B. 77 -- Technical amendments.**

2317 If this H.B. 391 and H.B. 77, Personal Property Tax Amendments, both pass, it is the
2318 intent of the Legislature that the Office of Legislative Research and General Counsel, in
2319 preparing the Utah Code database for publication replace the references in Subsections

2320 53A-17a-155(1)(b)(i)(B) and (4)(c)(ii)(B) to "Subsection 59-2-924(2)(b)(iii)" with "Subsection
2321 59-2-924(4)©".

H.B. 391 1st Sub. (Buff) - Public School Funding

Fiscal Note

2008 General Session
State of Utah

State Impact

Enactment of this bill would increase sales tax revenue to be allocated to schools by \$614,000,000 in FY 2010. The bill increases sales tax for part of FY 2009. This increase is \$292 million. This revenue would be distributed to the schools based on WPU.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Uniform School Fund	\$0	\$0	\$614,000,000	\$0	\$292,000,000	\$614,000,000
Property Tax	\$0	\$0	(\$594,000,000)	\$0	\$0	(\$594,000,000)
Total	\$0	\$0	\$20,000,000	\$0	\$292,000,000	\$20,000,000

Individual, Business and/or Local Impact

Enactment of this bill repeals certain property taxes imposed by school districts. Property tax is likely to decrease by \$594,000,000 in FY 2010. Individuals and businesses will experience a property tax decrease and a sales tax increase. The effect on locals and school districts depends on the structure of the respective revenue sources and on the weighted pupil unit.