

**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: \_\_\_\_\_

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**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:

- ▶ modifies the general bonding authority of school districts;
- ▶ 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;



- 26           ▶ prohibits a taxing entity from imposing a property tax rate higher than the taxing
- 27 entity's certified tax rate for three years;
- 28           ▶ provides that a new or existing school district is exempt from the prohibition for
- 29 one year;
- 30           ▶ increases the sales and use tax on certain transactions by 1.45%;
- 31           ▶ dedicates the revenue generated by the 1.45% increase to the Uniform School Fund;
- 32           ▶ adjusts a school district's certified tax rate due to the repeal or amendment of the
- 33 property taxing authority of the school district;
- 34           ▶ defines terms; and
- 35           ▶ makes technical changes.

**36 Monies Appropriated in this Bill:**

37           None

**38 Other Special Clauses:**

39           This bill provides an effective date and provides retrospective operation for Section

40 59-2-919.1.

41           This bill coordinates with H.B. 77, Personal Property Tax Amendments, by changing

42 technical cross references.

**43 Utah Code Sections Affected:**

44 AMENDS:

45           **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30

46           **11-13-302**, as last amended by Laws of Utah 2007, Chapter 108

47           **11-14-103**, as last amended by Laws of Utah 2007, Chapter 10

48           **11-14-301**, as last amended by Laws of Utah 2007, Chapter 329

49           **20A-1-203**, as last amended by Laws of Utah 2007, Chapter 215

50           **53A-1a-513**, as last amended by Laws of Utah 2005, Chapters 9 and 291

51           **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297

52           **53A-2-206**, as last amended by Laws of Utah 2007, Chapter 372

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

54           **53A-17a-105**, as last amended by Laws of Utah 1994, Chapter 268

55           **53A-17a-127**, as last amended by Laws of Utah 2001, Chapter 73

56           **53A-21-103**, as last amended by Laws of Utah 2003, Chapter 320

- 57            **53A-21-104**, as last amended by Laws of Utah 2007, Chapter 344
- 58            **59-2-404**, as last amended by Laws of Utah 1999, Chapter 181
- 59            **59-2-405**, as last amended by Laws of Utah 2005, Chapters 217 and 244
- 60            **59-2-405.1**, as last amended by Laws of Utah 2006, Chapter 164
- 61            **59-2-405.2**, as last amended by Laws of Utah 2006, Fifth Special Session, Chapter 3
- 62            **59-2-405.3**, as enacted by Laws of Utah 2005, Chapter 217
- 63            **59-2-919**, as last amended by Laws of Utah 2006, Chapters 26 and 104
- 64            **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329
- 65            **59-12-103**, as last amended by Laws of Utah 2007, Chapters 9, 101, 126, 206, and 288
- 66            **59-12-1201**, as last amended by Laws of Utah 2006, Chapters 135 and 253
- 67            **63-30d-704**, as enacted by Laws of Utah 2004, Chapter 267

68 ENACTS:

- 69            **53A-17a-154**, Utah Code Annotated 1953
- 70            **53A-17a-155**, Utah Code Annotated 1953
- 71            **59-2-919.1**, Utah Code Annotated 1953

72 REPEALS:

- 73            **53A-2-114**, as last amended by Laws of Utah 1996, Chapter 326
- 74            **53A-2-115**, as last amended by Laws of Utah 1996, Chapter 326
- 75            **53A-16-107**, as last amended by Laws of Utah 1999, Chapter 332
- 76            **53A-16-110**, as last amended by Laws of Utah 2004, Chapter 371
- 77            **53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26
- 78            **53A-17a-134**, as last amended by Laws of Utah 2006, Chapter 26
- 79            **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
- 80            **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72
- 81            **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305



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

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

85            **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**  
86 **of television owners and users -- Collection of license fees.**

87            (1) All expenses incurred in the equipment, operation and maintenance of such

88 recreational facilities and activities shall be paid from the treasuries of the respective cities,  
89 towns, counties, or school districts, and, except as provided in Subsection (3), the governing  
90 bodies of the same may annually appropriate, and cause to be raised by taxation, money for  
91 such purposes.

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

102 (3) A governing body that is a school district may not levy a tax in accordance with this  
103 section.

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

105 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
106 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

115 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
116 impact alleviation payments under contracts or determination orders provided for in Sections  
117 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the  
118 candidate in which the date of commercial operation of the last generating unit, other than any

119 generating unit providing additional project capacity, of the project occurs, or, in the case of  
120 any facilities providing additional project capacity, with the fiscal year of the candidate  
121 following the fiscal year of the candidate in which the date of commercial operation of the  
122 generating unit providing the additional project capacity occurs; and

123 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in  
124 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the  
125 project commences, or, in the case of facilities providing additional project capacity, with the  
126 fiscal year of the taxing jurisdiction in which construction of those facilities commences.

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

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

133 [~~(ii) local levies for capital outlay, maintenance, transportation, and other purposes~~  
134 ~~under Sections 11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,~~  
135 ~~53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103.]~~

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

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

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

142 (A) an annual fee; or

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

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

150 (b) As used in this section, "tax rate," when applied in respect to a school district,  
151 includes any assessment to be made by the school district under Subsection (2) or Section  
152 63-51-6.

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

157 (d) The tax rate for the taxing jurisdiction for that year shall be computed so as to:

158 (i) take into account the fee base or value of the percentage of the project located  
159 within the taxing jurisdiction determined in accordance with Subsection (4) used to produce the  
160 capacity, service, or other benefit sold to the supplier or suppliers; and

161 (ii) reflect any credit to be given in that year.

162 (4) (a) Except as otherwise provided in this section, the annual fees required by this  
163 section shall be paid, collected, and distributed to the taxing jurisdiction as if:

164 (i) the annual fees were ad valorem property taxes; and

165 (ii) the project were assessed at the same rate and upon the same measure of value as  
166 taxable property in the state.

167 (b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by  
168 this section, the fee base of a project may be determined in accordance with an agreement  
169 among:

170 (A) the project entity; and

171 (B) any county that:

172 (I) is due an annual fee from the project entity; and

173 (II) agrees to have the fee base of the project determined in accordance with the  
174 agreement described in this Subsection (4).

175 (ii) The agreement described in Subsection (4)(b)(i):

176 (A) shall specify each year for which the fee base determined by the agreement shall be  
177 used for purposes of an annual fee; and

178 (B) may not modify any provision of this chapter except the method by which the fee  
179 base of a project is determined for purposes of an annual fee.

180 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county

181 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in  
182 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing  
183 jurisdiction.

184 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any  
185 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that  
186 portion of the project for which there is not an agreement:

187 (I) for that year; and

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

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

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

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

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

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

199 (ii) It is the responsibility of the project entity to enforce the obligations of the  
200 purchasers.

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

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

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

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

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

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

213 (A) is not a project entity; and

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

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

218 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax  
219 rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:

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

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

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

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

230 Section 3. Section **11-14-103** is amended to read:

231 **11-14-103. Bond issues authorized -- Purposes -- Use of bond proceeds.**

232 (1) ~~Any~~ Except as provided in Subsection (4), a local political subdivision may, in  
233 the manner and subject to the limitations and restrictions contained in this chapter, issue its  
234 negotiable bonds for the purpose of paying all or part of the cost of:

235 (a) acquiring, improving, or extending any one or more improvements, facilities, or  
236 property that the local political subdivision is authorized by law to acquire, improve, or extend;

237 (b) acquiring, or acquiring an interest in, any one or more or any combination of the  
238 following types of improvements, facilities, or property to be owned by the local political  
239 subdivision, either alone or jointly with one or more other local political subdivisions, or for  
240 the improvement or extension of any of those wholly or jointly owned improvements, facilities,  
241 or properties:

242 (i) public buildings of every nature, including without limitation, offices, courthouses,

243 jails, fire, police and sheriff's stations, detention homes, and any other buildings to  
244 accommodate or house lawful activities of a local political subdivision;

245 (ii) waterworks, irrigation systems, water systems, dams, reservoirs, water treatment  
246 plants, and any other improvements, facilities, or property used in connection with the  
247 acquisition, storage, transportation, and supplying of water for domestic, industrial, irrigation,  
248 recreational, and other purposes and preventing pollution of water;

249 (iii) sewer systems, sewage treatment plants, incinerators, and other improvements,  
250 facilities, or property used in connection with the collection, treatment, and disposal of sewage,  
251 garbage, or other refuse;

252 (iv) drainage and flood control systems, storm sewers, and any other improvements,  
253 facilities, or property used in connection with the collection, transportation, or disposal of  
254 water;

255 (v) recreational facilities of every kind, including without limitation, athletic and play  
256 facilities, playgrounds, athletic fields, gymnasiums, public baths, swimming pools, camps,  
257 parks, picnic grounds, fairgrounds, golf courses, zoos, boating facilities, tennis courts,  
258 auditoriums, stadiums, arenas, and theaters;

259 (vi) convention centers, sports arenas, auditoriums, theaters, and other facilities for the  
260 holding of public assemblies, conventions, and other meetings;

261 (vii) roads, bridges, viaducts, tunnels, sidewalks, curbs, gutters, and parking buildings,  
262 lots, and facilities;

263 (viii) airports, landing fields, landing strips, and air navigation facilities;

264 (ix) educational facilities, including without limitation, schools, gymnasiums,  
265 auditoriums, theaters, museums, art galleries, libraries, stadiums, arenas, and fairgrounds;

266 (x) hospitals, convalescent homes, and homes for the aged or indigent; and

267 (xi) electric light works, electric generating systems, and any other improvements,  
268 facilities, or property used in connection with the generation and acquisition of electricity for  
269 these local political subdivisions and transmission facilities and substations if they do not  
270 duplicate transmission facilities and substations of other entities operating in the state prepared  
271 to provide the proposed service unless these transmission facilities and substations proposed to  
272 be constructed will be more economical to these local political subdivisions; or

273 (c) new construction, renovation, or improvement to a state highway within the

274 boundaries of the local political subdivision or an environmental study for a state highway  
275 within the boundaries of the local political subdivision.

276 (2) Except as provided in Subsection (1)(c), any improvement, facility, or property  
277 under Subsection (1) need not lie within the limits of the local political subdivision.

278 (3) A cost under Subsection (1) may include:

279 (a) the cost of equipment and furnishings for such improvements, facilities, or  
280 property;

281 (b) all costs incident to the authorization and issuance of bonds, including engineering,  
282 legal, and fiscal advisers' fees;

283 (c) costs incident to the issuance of bond anticipation notes, including interest to accrue  
284 on bond anticipation notes;

285 (d) interest estimated to accrue on the bonds during the period to be covered by the  
286 construction of the improvement, facility, or property and for 12 months after that period; and

287 (e) other amounts which the governing body finds necessary to establish bond reserve  
288 funds and to provide working capital related to the improvement, facility, or property.

289 (4) Notwithstanding Subsection (1), a local political subdivision that is a school district  
290 may not issue a bond:

291 (a) in accordance with this chapter; and

292 (b) on or after January 1, 2009.

293 Section 4. Section **11-14-301** is amended to read:

294 **11-14-301. Issuance of bonds by governing body -- Computation of indebtedness**  
295 **under constitutional and statutory limitations.**

296 (1) If the governing body has declared the bond proposition to have carried and no  
297 contest has been filed, or if a contest has been filed and favorably terminated, the governing  
298 body may proceed to issue the bonds voted at the election.

299 (2) [H] (a) Except as provided in Subsection (2)(b), it is not necessary that all of the  
300 bonds be issued at one time, but bonds approved by the voters may not be issued more than ten  
301 years after the date of the election.

302 (b) Notwithstanding Subsection (2)(a), a local political subdivision that is a school  
303 district may not issue a bond:

304 (i) in accordance with this chapter; and

305           (ii) on or after January 1, 2009.

306           (3) (a) Bonds approved by the voters may not be issued to an amount that will cause  
307 the indebtedness of the local political subdivision to exceed that permitted by the Utah  
308 Constitution or statutes.

309           (b) In computing the amount of indebtedness that may be incurred pursuant to  
310 constitutional and statutory limitations, the constitutionally or statutorily permitted percentage,  
311 as the case may be, shall be applied to the fair market value, as defined under Section 59-2-102,  
312 of the taxable property in the local political subdivision, as computed from the last applicable  
313 equalized assessment roll before the incurring of the additional indebtedness.

314           (c) In determining the fair market value of the taxable property in the local political  
315 subdivision as provided in this section, the value of all tax equivalent property, as defined in  
316 Section 59-3-102, shall be included as a part of the total fair market value of taxable property  
317 in the local political subdivision, as provided in Title 59, Chapter 3, Tax Equivalent Property  
318 Act.

319           (4) Bonds of improvement districts issued in a manner that they are payable solely  
320 from the revenues to be derived from the operation of the facilities of the district may not be  
321 included as bonded indebtedness for the purposes of the computation.

322           (5) Where bonds are issued by a city, town, or county payable solely from revenues  
323 derived from the operation of revenue-producing facilities of the city, town, or county, or  
324 payable solely from a special fund into which are deposited excise taxes levied and collected by  
325 the city, town, or county, or excise taxes levied by the state and rebated pursuant to law to the  
326 city, town, or county, or any combination of those excise taxes, the bonds shall be included as  
327 bonded indebtedness of the city, town, or county only to the extent required by the Utah  
328 Constitution, and any bonds not so required to be included as bonded indebtedness of the city,  
329 town, or county need not be authorized at an election, except as otherwise provided by the Utah  
330 Constitution, the bonds being hereby expressly excluded from the election requirement of  
331 Section 11-14-201.

332           (6) A bond election is not void when the amount of bonds authorized at the election  
333 exceeded the limitation applicable to the local political subdivision at the time of holding the  
334 election, but the bonds may be issued from time to time in an amount within the applicable  
335 limitation at the time the bonds are issued.

336 Section 5. Section **20A-1-203** is amended to read:

337 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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

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

355 [~~(ii) a vote on a voted leeway program authorized by Section 53A-17a-133 or~~  
356 ~~53A-17a-134;~~]

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

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

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

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

362 or

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

366 (b) The legislative body of a local political subdivision may call a local special election

367 by adopting an ordinance or resolution that designates:

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

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

370 Section 6. Section **53A-1a-513** is amended to read:

371 **53A-1a-513. Funding for charter schools.**

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

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

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

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

381 (i) .55 for kindergarten pupils;

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

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

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

385 (c) The State Board of Education shall make rules in accordance with Title 63, Chapter  
386 46a, Utah Administrative Rulemaking Act, to administer Subsection (2)(b), including hold  
387 harmless provisions to maintain a charter elementary school's funding level for a period of two  
388 years after the effective date of the distribution formula.

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

391 (3) The State Board of Education shall adopt rules to provide for the distribution of  
392 monies to charter schools under this section.

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

397 (i) calculating the sum of:

398 (A) school districts' operations and maintenance revenues derived from local property  
399 taxes, except revenues from imposing a minimum basic tax rate pursuant to Section  
400 53A-17a-135;

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

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

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

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

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

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

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

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

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

413 (d) Subsection (4)(c) does not apply to charter schools beginning operations in the  
414 2005-06 school year.

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

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

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

422 (7) (a) Notwithstanding Subsection (2), a charter school is not eligible to receive state  
423 transportation funding.

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

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

428 (8) (a) (i) The state superintendent of public instruction may allocate grants for both

429 start-up and ongoing costs to eligible charter school applicants from monies appropriated for  
430 the implementation of this part.

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

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

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

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

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

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

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

449 Section 7. Section **53A-2-118.2** is amended to read:

450 **53A-2-118.2. New school district property tax -- Limitations.**

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

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

457 ~~[(2)(a) If at the time a new school district created pursuant to Section 53A-2-118.1~~  
458 ~~assumes responsibility for student instruction any portion of the territory within the new school~~  
459 ~~district was subject to a levy pursuant to Section 53A-16-110 or 53A-17a-133, the new school~~

460 district's board may:]

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

462 [~~(ii) impose a levy on the new school district as provided in Section 53A-16-110 or~~  
463 ~~53A-17a-133; or]~~

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

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

469 Section 8. Section **53A-2-206** is amended to read:

470 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**

471 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**  
472 **student agencies.**

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

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

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

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

484 (b) (i) Notwithstanding Section 53A-17a-106, foreign exchange students may not be  
485 included in average daily membership for the purpose of determining the number of weighted  
486 pupil units in the grades 1-12 basic program.

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

490 (A) enrolled in a school district or charter school on October 1 of the previous fiscal

491 year; and

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

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

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

498 (B) 328 foreign exchange students.

499 (ii) The State Board of Education shall make rules in accordance with Title 63, Chapter  
500 46a, Utah Administrative Rulemaking Act, to administer the cap on the number of foreign  
501 exchange students that may be counted for the purpose of apportioning state monies under  
502 Subsection (2)(b).

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

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

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

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

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

514 (4) Due to the benefits to all students of having the opportunity to become familiar  
515 with individuals from diverse backgrounds and cultures, school districts are encouraged to  
516 enroll foreign exchange students, as provided in Subsection (3), particularly in schools with  
517 declining or stable enrollments where the incremental cost of enrolling the foreign exchange  
518 student may be minimal.

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

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

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

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

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

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

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

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

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

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

545 (7) (a) A local school board or charter school governing board shall provide each  
546 approved exchange student agency with a list of names and telephone numbers of individuals  
547 not associated with the agency who could be called by an exchange student in the event of a  
548 serious problem.

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

551 Section 9. Section **53A-17a-103** is amended to read:

552 **53A-17a-103. Definitions.**

553 As used in this chapter:

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

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

560 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
561 previous year from imposing a minimum basic tax rate, as specified in Subsection  
562 53A-17a-135(1)(a); and

563 (ii) the product of:

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

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

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

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

572 (ii) semiconductor manufacturing equipment.

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

575 [~~(4)~~] (3) "Pupil in average daily membership (ADM)" means a full-day equivalent  
576 pupil.

577 [~~(5)~~] (4) (a) "State-supported minimum school program" or "minimum school  
578 program" means public school programs for kindergarten, elementary, and secondary schools  
579 as described in this Subsection [~~(5)~~] (4).

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

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

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

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

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

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

591 ~~[(6)]~~ (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of  
592 factors that is computed in accordance with this chapter for the purpose of determining the  
593 costs of a program on a uniform basis for each district.

594 Section 10. Section 53A-17a-105 is amended to read:

595 **53A-17a-105. Action required for underestimated or overestimated weighted**  
596 **pupil units -- Action required for underestimating or overestimating local contributions.**

597 (1) If the number of weighted pupil units in a program is underestimated in Section  
598 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so  
599 that the amount paid does not exceed the estimated amount by program.

600 (2) If the number of weighted pupil units in a program is overestimated in Section  
601 53A-17a-104, the state superintendent of public instruction shall either increase the amount  
602 paid in that program per weighted pupil unit or transfer the unused amount in that program to  
603 another program included in the minimum school program.

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

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

609 (4) The limitation on the proceeds from local tax rates for operation and maintenance  
610 programs under this chapter is subject to ~~[modification by local school boards under Sections~~  
611 ~~53A-17a-133 and 53A-17a-134 and to]~~ special tax rates authorized by this chapter, and shall be  
612 adjusted accordingly.

613 (5) If local contributions are overestimated, the guarantee per weighted pupil unit is  
614 reduced for all programs so the total state contribution for operation and maintenance programs

615 does not exceed the amount authorized in Subsection 53A-17a-104(1).

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

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

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

630 Section 11. Section **53A-17a-127** is amended to read:

631 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**  
632 **routes -- Additional local tax.**

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

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

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

638 (c) a student enrolled in a special program offered by a school district and approved by  
639 the State Board of Education for trainable, motor, multiple-disabled, or other students with  
640 severe disabilities who are incapable of walking to school or where it is unsafe for students to  
641 walk because of their disabling condition, without reference to distance from school.

642 (2) If a school district implements double sessions as an alternative to new building  
643 construction, with the approval of the State Board of Education, those affected elementary  
644 school students residing less than 1-1/2 miles from school may be transported one way to or  
645 from school because of safety factors relating to darkness or other hazardous conditions as

646 determined by the local school board.

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

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

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

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

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

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

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

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

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

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

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

670 ~~[(b) A local school board may use revenue from the tax to pay for transporting  
671 participating students to interscholastic activities, night activities, and educational field trips  
672 approved by the board and for the replacement of school buses.]~~

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

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

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

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

683 (ii) Subsection (6)~~(d)~~(c)(i) applies for a period of two years following the change in  
684 the certified tax rate.

685 (7) There is appropriated for the fiscal year beginning July 1, 1999, \$225,000 to the  
686 state board as the state's contribution under Subsection (6)~~(c)~~(b)(i).

687 Section 12. Section 53A-17a-154 is enacted to read:

688 **53A-17a-154. Homeowner Protection Program -- Increase in the Uniform School**  
689 **Fund --Use of funds received by a school district -- Property tax offset.**

690 (1) The revenue deposited into the Uniform School Fund under Subsection  
691 59-12-103(11) as part of the Homeowner Protection Program, shall be allocated to school  
692 districts based on a school district's total weighted pupil units compared to the total weighted  
693 pupil units for all districts in the state.

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

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

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

698 (3) After making the payments required in Subsection (2), the remaining monies  
699 received by a school district described in Subsection (1) shall be used by the school district to  
700 offset the school district's decreased certified tax rate as a result of the repeal of the school  
701 district's authority to levy the following property taxes as repealed or amended by the  
702 Legislature during the 2008 General Session:

703 (a) Section 11-2-7;

704 (b) Section 11-14-103;

705 (c) Section 53A-16-107;

706 (d) Section 53A-16-110;

707 (e) Section 53A-16-111;

- 708 (f) Section 53A-17a-127;
- 709 (g) Section 53A-17a-133;
- 710 (h) Section 53A-17a-134;
- 711 (i) Section 53A-17a-143;
- 712 (j) Section 53A-17a-145;
- 713 (k) Section 53A-17a-151; and
- 714 (l) Section 63-30d-704.
- 715 (4) Beginning with fiscal year 2009-10, the State Board of Education shall deduct an
- 716 amount equal to the amount of the revenue a charter school receives during the same fiscal year
- 717 from the allocations described in Subsection (1) from the state funds the charter school is
- 718 authorized to receive under Title 53A, Chapter 17a, Minimum School Program Act.

719 Section 13. Section **53A-17a-155** is enacted to read:

720 **53A-17a-155. School district discretionary levy.**

721 (1) As used in this section:

722 (a) "Certified tax rate" means a school district's certified tax rate calculated in

723 accordance with Section 59-2-924.

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

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

726 (A) the amount of revenue generated during the taxable year beginning January 1,

727 2008, from the sum of the following levies of a school district:

728 (I) Section 11-2-7;

729 (II) Section 11-14-103;

730 (III) Section 53A-16-107;

731 (IV) Section 53A-16-110;

732 (V) Section 53A-16-111;

733 (VI) Section 53A-17a-127;

734 (VII) Section 53A-17a-133;

735 (VIII) Section 53A-17a-134;

736 (IX) Section 53A-17a-143;

737 (X) Section 53A-17a-145;

738 (XI) Section 53A-17a-151; and

739 (XII) Section 63-30d-704; and  
740 (B) new growth as defined in Subsection 59-2-924(2)(b)(iii); and  
741 (ii) the amount of revenue the school district receives during fiscal year 2009-10 from  
742 the allocations described in Subsection 53A-17a-154(1).  
743 (2) (a) For taxable years beginning on or after January 1, 2009 and ending on or before  
744 December 31, 2010, a local school board may levy a tax not to exceed a tax rate that would  
745 generate an amount equal to the school district's property tax increment if the amount of  
746 revenue the school district receives during fiscal year 2009-10 from the allocations described in  
747 Subsection 53A-17a-154(1) is less than the amount of revenue described in Subsection (1)(a).  
748 (3) Subject to the other requirements of this section, for taxable years beginning on or  
749 after January 1, 2011, a local school board may levy a tax to fund the school district's general  
750 fund.  
751 (4) (a) Before imposing a property tax levy pursuant to this section, a school district  
752 shall submit an opinion question to the taxing entity's registered voters voting on the  
753 imposition of the tax rate so that each registered voter has the opportunity to express the  
754 registered voter's opinion on whether the tax rate should be imposed if:  
755 (i) the school district levies a tax rate pursuant to this section on or after January 1,  
756 2011; and  
757 (ii) the school district's proposed tax rate exceeds the school district's certified tax rate.  
758 (b) The election required by this Subsection (4) shall be held:  
759 (i) at a regular general election conducted in accordance with the procedures and  
760 requirements of Title 20A, Election Code, governing regular elections; or  
761 (ii) at a municipal general election conducted in accordance with the procedures and  
762 requirements of Section 20A-1-202.  
763 (c) Notwithstanding the requirements of Subsections (4)(a) and (b), beginning on or  
764 after January 1, 2011, a school district may levy a tax rate in accordance with this section  
765 without complying with the requirements of Subsections (4)(a) and (b) if:  
766 (i) the school district imposed a tax in accordance with this section at any time on or  
767 after January 1, 2009 and on or before December 31, 2010; and  
768 (ii) the tax rate generates an amount of revenue equal to or less than the sum of:  
769 (A) the school district's property tax increment; and

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

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

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

778 Section 14. Section **53A-21-103** is amended to read:

779 **53A-21-103. Qualifications for participation in the foundation program --**  
780 **Distribution of monies -- Distribution formulas.**

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

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

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

796 Section 15. Section **53A-21-104** is amended to read:

797 **53A-21-104. School Building Revolving Account -- Access to the account.**

798 (1) There is created a nonlapsing "School Building Revolving Account" administered  
799 within the Uniform School Fund by the state superintendent of public instruction in accordance  
800 with rules adopted by the State Board of Education.

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

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

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

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

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

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

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

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

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

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

821 (i) the recommended amount of the loan;

822 (ii) the payback schedule; and

823 (iii) the interest rate to be charged.

824 (5) (a) There is established within the School Building Revolving Account the Charter  
825 School Building Subaccount administered by the State Board of Education, in consultation  
826 with the State Charter School Board, in accordance with rules adopted by the State Board of  
827 Education.

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

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

830 (ii) money received from the repayment of loans made from the subaccount; and

831 (iii) interest earned on monies in the subaccount.

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

- 834 (i) planning expenses;
- 835 (ii) constructing or renovating charter school buildings;
- 836 (iii) equipment and supplies; or
- 837 (iv) other start-up or expansion expenses.

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

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

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

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

- 848 (i) the recommended amount of the loan;
- 849 (ii) the payback schedule; and
- 850 (iii) the interest rate to be charged.

851 (c) The committee members may not:

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

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

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

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

860 Section 16. Section **59-2-404** is amended to read:

861 **59-2-404. Uniform fee on aircraft -- Collection of fee by county -- Distribution of**  
862 **fees -- Rules to implement section.**

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

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

867	Calendar Year	Uniform Fee
868	2000	0.4%
869	2001	0.3%
870	2002 and all subsequent years	0.2%; and

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

872	Calendar Year	Uniform Fee
873	2000	0.8%
874	2001	0.6%
875	2002 and all subsequent years	0.4%.

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

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

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

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

889 [~~3~~] (4) The commission shall promulgate rules to implement this section.

890 Section 17. Section **59-2-405** is amended to read:

891 **59-2-405. Uniform fee on tangible personal property required to be registered**  
892 **with the state -- Distribution of revenues -- Appeals.**

893 (1) The property described in Subsection (2), except Subsections (2)(b)(ii) and (iii), is

894 exempt from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,  
895 Subsection (6).

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

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

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

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

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

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

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

908 (i) aircraft;

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

910 (iii) state-assessed commercial vehicles;

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

912 (A) Section 59-2-405.1;

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

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

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

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

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

923 (5) (a) ~~The~~ Forty-five percent of the revenues collected in ~~each~~ a county from the  
924 uniform fee shall be distributed by the county to each taxing entity that is not a school district

925 in which the property described in Subsection (2) is located in the same proportion in which  
926 revenue collected from ad valorem real property tax is distributed.

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

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

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

936 Section 18. Section **59-2-405.1** is amended to read:

937 **59-2-405.1. Uniform fee on certain vehicles weighing 12,000 pounds or less --**  
938 **Distribution of revenues -- Appeals.**

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

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

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

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

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

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

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

951 (i) aircraft;

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

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

954 (A) Section 59-2-405;

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

956 (C) Section 59-2-405.3; and  
 957 (iv) tangible personal property that is exempt from state or county ad valorem property  
 958 taxes under the laws of this state or of the federal government.

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

961	Age of Vehicle	Uniform Fee
962	12 or more years	\$10
963	9 or more years but less than 12 years	\$50
964	6 or more years but less than 9 years	\$80
965	3 or more years but less than 6 years	\$110
966	Less than 3 years	\$150

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

969	Age of Vehicle	Uniform Fee
970	12 or more years	\$5
971	9 or more years but less than 12 years	\$25
972	6 or more years but less than 9 years	\$40
973	3 or more years but less than 6 years	\$55
974	Less than 3 years	\$75

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

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

984 (5) (a) [The] Forty-five percent of the revenues collected in [each] a county from the  
 985 uniform fee shall be distributed by the county to each taxing entity that is not a school district  
 986 in which the property described in Subsection (2) is located in the same proportion in which

987 revenue collected from ad valorem real property tax is distributed.

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

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

995 Section 19. Section **59-2-405.2** is amended to read:

996 **59-2-405.2. Definitions -- Uniform statewide fee on certain tangible personal**  
997 **property -- Distribution of revenues -- Rulemaking authority -- Determining the length of**  
998 **a vessel.**

999 (1) As used in this section:

1000 (a) (i) Except as provided in Subsection (1)(a)(ii), "all-terrain vehicle" means a motor  
1001 vehicle that:

1002 (A) is an:

1003 (I) all-terrain type I vehicle as defined in Section 41-22-2; or

1004 (II) all-terrain type II vehicle as defined in Section 41-22-2;

1005 (B) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway  
1006 Vehicles; and

1007 (C) has:

1008 (I) an engine with more than 150 cubic centimeters displacement;

1009 (II) a motor that produces more than five horsepower; or

1010 (III) an electric motor; and

1011 (ii) notwithstanding Subsection (1)(a)(i), "all-terrain vehicle" does not include a  
1012 snowmobile.

1013 (b) "Camper" means a camper:

1014 (i) as defined in Section 41-1a-102; and

1015 (ii) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
1016 Registration.

1017 (c) (i) "Canoe" means a vessel that:

- 1018 (A) is long and narrow;
- 1019 (B) has curved sides; and
- 1020 (C) is tapered:
- 1021 (I) to two pointed ends; or
- 1022 (II) to one pointed end and is blunt on the other end; and
- 1023 (ii) "canoe" includes:
- 1024 (A) a collapsible inflatable canoe;
- 1025 (B) a kayak;
- 1026 (C) a racing shell; or
- 1027 (D) a rowing scull.
- 1028 (d) "Dealer" is as defined in Section 41-1a-102.
- 1029 (e) "Jon boat" means a vessel that:
- 1030 (i) has a square bow; and
- 1031 (ii) has a flat bottom.
- 1032 (f) "Motor vehicle" is as defined in Section 41-22-2.
- 1033 (g) "Other motorcycle" means a motor vehicle that:
- 1034 (i) is:
- 1035 (A) a motorcycle as defined in Section 41-1a-102; and
- 1036 (B) designed primarily for use and operation over unimproved terrain;
- 1037 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
- 1038 Registration; and
- 1039 (iii) has:
- 1040 (A) an engine with more than 150 cubic centimeters displacement; or
- 1041 (B) a motor that produces more than five horsepower.
- 1042 (h) (i) "Other trailer" means a portable vehicle without motive power that is primarily
- 1043 used:
- 1044 (A) to transport tangible personal property; and
- 1045 (B) for a purpose other than a commercial purpose; and
- 1046 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for
- 1047 purposes of Subsection (1)(h)(i)(B), the commission may by rule define what constitutes a
- 1048 purpose other than a commercial purpose.

- 1049 (i) "Outboard motor" is as defined in Section 41-1a-102.
- 1050 (j) "Personal watercraft" means a personal watercraft:
- 1051 (i) as defined in Section 73-18-2; and
- 1052 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State
- 1053 Boating Act.
- 1054 (k) (i) "Pontoon" means a vessel that:
- 1055 (A) is:
- 1056 (I) supported by one or more floats; and
- 1057 (II) propelled by either inboard or outboard power; and
- 1058 (B) is not:
- 1059 (I) a houseboat; or
- 1060 (II) a collapsible inflatable vessel; and
- 1061 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1062 commission may by rule define the term "houseboat".
- 1063 (l) "Qualifying adjustment, exemption, or reduction" means an adjustment, exemption,
- 1064 or reduction:
- 1065 (i) of all or a portion of a qualifying payment;
- 1066 (ii) granted by a county during the refund period; and
- 1067 (iii) received by a qualifying person.
- 1068 (m) (i) "Qualifying payment" means the payment made:
- 1069 (A) of a uniform statewide fee in accordance with this section:
- 1070 (I) by a qualifying person;
- 1071 (II) to a county; and
- 1072 (III) during the refund period; and
- 1073 (B) on an item of qualifying tangible personal property; and
- 1074 (ii) if a qualifying person received a qualifying adjustment, exemption, or reduction for
- 1075 an item of qualifying tangible personal property, the qualifying payment for that qualifying
- 1076 tangible personal property is equal to the difference between:
- 1077 (A) the payment described in this Subsection (1)(m) for that item of qualifying tangible
- 1078 personal property; and
- 1079 (B) the amount of the qualifying adjustment, exemption, or reduction.

- 1080 (n) "Qualifying person" means a person that paid a uniform statewide fee:
- 1081 (i) during the refund period;
- 1082 (ii) in accordance with this section; and
- 1083 (iii) on an item of qualifying tangible personal property.
- 1084 (o) "Qualifying tangible personal property" means a:
- 1085 (i) qualifying vehicle; or
- 1086 (ii) qualifying watercraft.
- 1087 (p) "Qualifying vehicle" means:
- 1088 (i) an all-terrain vehicle with an engine displacement that is 100 or more cubic
- 1089 centimeters but 150 or less cubic centimeters;
- 1090 (ii) an other motorcycle with an engine displacement that is 100 or more cubic
- 1091 centimeters but 150 or less cubic centimeters;
- 1092 (iii) a small motor vehicle with an engine displacement that is 100 or more cubic
- 1093 centimeters but 150 or less cubic centimeters;
- 1094 (iv) a snowmobile with an engine displacement that is 100 or more cubic centimeters
- 1095 but 150 or less cubic centimeters; or
- 1096 (v) a street motorcycle with an engine displacement that is 100 or more cubic
- 1097 centimeters but 150 or less cubic centimeters.
- 1098 (q) "Qualifying watercraft" means a:
- 1099 (i) canoe;
- 1100 (ii) collapsible inflatable vessel;
- 1101 (iii) jon boat;
- 1102 (iv) pontoon;
- 1103 (v) sailboat; or
- 1104 (vi) utility boat.
- 1105 (r) "Refund period" means the time period:
- 1106 (i) beginning on January 1, 2006; and
- 1107 (ii) ending on December 29, 2006.
- 1108 (s) "Sailboat" means a sailboat as defined in Section 73-18-2.
- 1109 (t) (i) "Small motor vehicle" means a motor vehicle that:
- 1110 (A) is required to be registered in accordance with Title 41, Motor Vehicles; and

- 1111 (B) has:
- 1112 (I) an engine with 150 or less cubic centimeters displacement; or
- 1113 (II) a motor that produces five or less horsepower; and
- 1114 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1115 commission may by rule develop a process for an owner of a motor vehicle to certify whether
- 1116 the motor vehicle has:
- 1117 (A) an engine with 150 or less cubic centimeters displacement; or
- 1118 (B) a motor that produces five or less horsepower.
- 1119 (u) "Snowmobile" means a motor vehicle that:
- 1120 (i) is a snowmobile as defined in Section 41-22-2;
- 1121 (ii) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
- 1122 Vehicles; and
- 1123 (iii) has:
- 1124 (A) an engine with more than 150 cubic centimeters displacement; or
- 1125 (B) a motor that produces more than five horsepower.
- 1126 (v) "Street motorcycle" means a motor vehicle that:
- 1127 (i) is:
- 1128 (A) a motorcycle as defined in Section 41-1a-102; and
- 1129 (B) designed primarily for use and operation on highways;
- 1130 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
- 1131 Registration; and
- 1132 (iii) has:
- 1133 (A) an engine with more than 150 cubic centimeters displacement; or
- 1134 (B) a motor that produces more than five horsepower.
- 1135 (w) "Tangible personal property owner" means a person that owns an item of
- 1136 qualifying tangible personal property.
- 1137 (x) "Tent trailer" means a portable vehicle without motive power that:
- 1138 (i) is constructed with collapsible side walls that:
- 1139 (A) fold for towing by a motor vehicle; and
- 1140 (B) unfold at a campsite;
- 1141 (ii) is designed as a temporary dwelling for travel, recreational, or vacation use;

1142 (iii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
1143 Registration; and

1144 (iv) does not require a special highway movement permit when drawn by a  
1145 self-propelled motor vehicle.

1146 (y) (i) Except as provided in Subsection (1)(y)(ii), "travel trailer" means a travel trailer:

1147 (A) as defined in Section 41-1a-102; and

1148 (B) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
1149 Registration; and

1150 (ii) notwithstanding Subsection (1)(y)(i), "travel trailer" does not include:

1151 (A) a camper; or

1152 (B) a tent trailer.

1153 (z) (i) "Utility boat" means a vessel that:

1154 (A) has:

1155 (I) two or three bench seating;

1156 (II) an outboard motor; and

1157 (III) a hull made of aluminum, fiberglass, or wood; and

1158 (B) does not have:

1159 (I) decking;

1160 (II) a permanent canopy; or

1161 (III) a floor other than the hull; and

1162 (ii) notwithstanding Subsection (1)(z)(i), "utility boat" does not include a collapsible  
1163 inflatable vessel.

1164 (aa) "Vessel" means a vessel:

1165 (i) as defined in Section 73-18-2, including an outboard motor of the vessel; and

1166 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State  
1167 Boating Act.

1168 (2) (a) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),  
1169 beginning on January 1, 2006, the tangible personal property described in Subsection (2)(b) is:

1170 (i) exempt from the tax imposed by Section 59-2-103; and

1171 (ii) in lieu of the tax imposed by Section 59-2-103, subject to uniform statewide fees as  
1172 provided in this section.

- 1173 (b) The following tangible personal property applies to Subsection (2)(a) if that  
 1174 tangible personal property is required to be registered with the state:  
 1175 (i) an all-terrain vehicle;  
 1176 (ii) a camper;  
 1177 (iii) an other motorcycle;  
 1178 (iv) an other trailer;  
 1179 (v) a personal watercraft;  
 1180 (vi) a small motor vehicle;  
 1181 (vii) a snowmobile;  
 1182 (viii) a street motorcycle;  
 1183 (ix) a tent trailer;  
 1184 (x) a travel trailer; and  
 1185 (xi) a vessel if that vessel is less than 31 feet in length as determined under Subsection  
 1186 (6).

1187 (3) For purposes of this section, the uniform statewide fees are:

1188 (a) for an all-terrain vehicle, an other motorcycle, or a snowmobile:

Age of All-Terrain Vehicle, Other Motorcycle, or Snowmobile	Uniform Statewide Fee
1190 12 or more years	\$10
1191 9 or more years but less than 12 years	\$20
1192 6 or more years but less than 9 years	\$30
1193 3 or more years but less than 6 years	\$35
1194 Less than 3 years	\$45

1195 (b) for a camper or a tent trailer:

Age of Camper or Tent Trailer	Uniform Statewide Fee
1196 12 or more years	\$10
1197 9 or more years but less than 12 years	\$25
1198 6 or more years but less than 9 years	\$35
1199 3 or more years but less than 6 years	\$50
1200 Less than 3 years	\$70

1202 (c) for an other trailer:

Age of Other Trailer	Uniform Statewide Fee
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1204	12 or more years	\$10
1205	9 or more years but less than 12 years	\$15
1206	6 or more years but less than 9 years	\$20
1207	3 or more years but less than 6 years	\$25
1208	Less than 3 years	\$30
1209	(d) for a personal watercraft:	
1210	Age of Personal Watercraft	Uniform Statewide Fee
1211	12 or more years	\$10
1212	9 or more years but less than 12 years	\$25
1213	6 or more years but less than 9 years	\$35
1214	3 or more years but less than 6 years	\$45
1215	Less than 3 years	\$55
1216	(e) for a small motor vehicle:	
1217	Age of Small Motor Vehicle	Uniform Statewide Fee
1218	6 or more years	\$10
1219	3 or more years but less than 6 years	\$15
1220	Less than 3 years	\$25
1221	(f) for a street motorcycle:	
1222	Age of Street Motorcycle	Uniform Statewide Fee
1223	12 or more years	\$10
1224	9 or more years but less than 12 years	\$35
1225	6 or more years but less than 9 years	\$50
1226	3 or more years but less than 6 years	\$70
1227	Less than 3 years	\$95
1228	(g) for a travel trailer:	
1229	Age of Travel Trailer	Uniform Statewide Fee
1230	12 or more years	\$20
1231	9 or more years but less than 12 years	\$65
1232	6 or more years but less than 9 years	\$90
1233	3 or more years but less than 6 years	\$135
1234	Less than 3 years	\$175

1235 (h) \$10 regardless of the age of the vessel if the vessel is:

1236 (i) less than 15 feet in length;

1237 (ii) a canoe;

1238 (iii) a jon boat; or

1239 (iv) a utility boat;

1240 (i) for a collapsible inflatable vessel, pontoon, or sailboat, regardless of age:

1241 Length of Vessel	Uniform Statewide Fee
1242 15 feet or more in length but less than 19 feet in length	\$15
1243 19 feet or more in length but less than 23 feet in length	\$25
1244 23 feet or more in length but less than 27 feet in length	\$40
1245 27 feet or more in length but less than 31 feet in length	\$75

1246 (j) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
1247 sailboat, or utility boat, that is 15 feet or more in length but less than 19 feet in length:

1248 Age of Vessel	Uniform Statewide Fee
1249 12 or more years	\$25
1250 9 or more years but less than 12 years	\$65
1251 6 or more years but less than 9 years	\$80
1252 3 or more years but less than 6 years	\$110
1253 Less than 3 years	\$150

1254 (k) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
1255 sailboat, or utility boat, that is 19 feet or more in length but less than 23 feet in length:

1256 Age of Vessel	Uniform Statewide Fee
1257 12 or more years	\$50
1258 9 or more years but less than 12 years	\$120
1259 6 or more years but less than 9 years	\$175
1260 3 or more years but less than 6 years	\$220
1261 Less than 3 years	\$275

1262 (l) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
1263 sailboat, or utility boat, that is 23 feet or more in length but less than 27 feet in length:

1264 Age of Vessel	Uniform Statewide Fee
1265 12 or more years	\$100

1266	9 or more years but less than 12 years	\$180
1267	6 or more years but less than 9 years	\$240
1268	3 or more years but less than 6 years	\$310
1269	Less than 3 years	\$400

1270 (m) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
 1271 sailboat, or utility boat, that is 27 feet or more in length but less than 31 feet in length:

1272	Age of Vessel	Uniform Statewide Fee
1273	12 or more years	\$120
1274	9 or more years but less than 12 years	\$250
1275	6 or more years but less than 9 years	\$350
1276	3 or more years but less than 6 years	\$500
1277	Less than 3 years	\$700

1278 (4) Notwithstanding Section 59-2-407, tangible personal property subject to the  
 1279 uniform statewide fees imposed by this section that is brought into the state shall, as a  
 1280 condition of registration, be subject to the uniform statewide fees unless all property taxes or  
 1281 uniform fees imposed by the state of origin have been paid for the current calendar year.

1282 (5) (a) ~~The~~ Forty-five percent of the revenues collected in ~~each~~ a county from the  
 1283 uniform statewide fees imposed by this section shall be distributed by the county to each taxing  
 1284 entity that is not a school district in which each item of tangible personal property subject to the  
 1285 uniform statewide fees is located in the same proportion in which revenues collected from the  
 1286 ad valorem property tax are distributed.

1287 (b) ~~Each~~ A taxing entity described in Subsection (5)(a) that receives revenues from  
 1288 the uniform statewide fees imposed by this section shall distribute the revenues in the same  
 1289 proportion in which revenues collected from the ad valorem property tax are distributed.

1290 (c) Fifty-five percent of the revenues collected in a county from the uniform statewide  
 1291 fees imposed by this section shall be distributed by the county to each school district within the  
 1292 county in proportion to the school district's percentage of the total current year enrollment in all  
 1293 of the school districts within the county, as of the October 1 enrollment counts.

1294 (6) (a) For purposes of the uniform statewide fee imposed by this section, the length of  
 1295 a vessel shall be determined as provided in this Subsection (6).

1296 (b) (i) Except as provided in Subsection (6)(b)(ii), the length of a vessel shall be

1297 measured as follows:

1298 (A) the length of a vessel shall be measured in a straight line; and

1299 (B) the length of a vessel is equal to the distance between the bow of the vessel and the  
1300 stern of the vessel.

1301 (ii) Notwithstanding Subsection (6)(b)(i), the length of a vessel may not include the  
1302 length of:

1303 (A) a swim deck;

1304 (B) a ladder;

1305 (C) an outboard motor; or

1306 (D) an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C) as  
1307 determined by the commission by rule.

1308 (iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
1309 the commission may by rule define what constitutes an appurtenance or attachment similar to  
1310 Subsections (6)(b)(ii)(A) through (C).

1311 (c) The length of a vessel:

1312 (i) (A) for a new vessel, is the length:

1313 (I) listed on the manufacturer's statement of origin if the length of the vessel measured  
1314 under Subsection (6)(b) is equal to the length of the vessel listed on the manufacturer's  
1315 statement of origin; or

1316 (II) listed on a form submitted to the commission by a dealer in accordance with  
1317 Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to  
1318 the length of the vessel listed on the manufacturer's statement of origin; or

1319 (B) for a vessel other than a new vessel, is the length:

1320 (I) corresponding to the model number if the length of the vessel measured under  
1321 Subsection (6)(b) is equal to the length of the vessel determined by reference to the model  
1322 number; or

1323 (II) listed on a form submitted to the commission by an owner of the vessel in  
1324 accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b)  
1325 is not equal to the length of the vessel determined by reference to the model number; and

1326 (ii) (A) is determined at the time of the:

1327 (I) first registration as defined in Section 41-1a-102 that occurs on or after January 1,

1328 2006; or

1329 (II) first renewal of registration that occurs on or after January 1, 2006; and

1330 (B) may be determined after the time described in Subsection (6)(c)(ii)(A) only if the  
1331 commission requests that a dealer or an owner submit a form to the commission in accordance  
1332 with Subsection (6)(d).

1333 (d) (i) A form under Subsection (6)(c) shall:

1334 (A) be developed by the commission;

1335 (B) be provided by the commission to:

1336 (I) a dealer; or

1337 (II) an owner of a vessel;

1338 (C) provide for the reporting of the length of a vessel;

1339 (D) be submitted to the commission at the time the length of the vessel is determined in  
1340 accordance with Subsection (6)(c)(ii);

1341 (E) be signed by:

1342 (I) if the form is submitted by a dealer, that dealer; or

1343 (II) if the form is submitted by an owner of the vessel, an owner of the vessel; and

1344 (F) include a certification that the information set forth in the form is true.

1345 (ii) A certification made under Subsection (6)(d)(i)(F) is considered as if made under  
1346 oath and subject to the same penalties as provided by law for perjury.

1347 (iii) (A) A dealer or an owner that submits a form to the commission under Subsection  
1348 (6)(c) is considered to have given the dealer's or owner's consent to an audit or review by:

1349 (I) the commission;

1350 (II) the county assessor; or

1351 (III) the commission and the county assessor.

1352 (B) The consent described in Subsection (6)(d)(iii)(A) is a condition to the acceptance  
1353 of any form.

1354 (7) (a) A county that collected a qualifying payment from a qualifying person during  
1355 the refund period shall issue a refund to the qualifying person as described in Subsection (7)(b)  
1356 if:

1357 (i) the difference described in Subsection (7)(b) is \$1 or more; and

1358 (ii) the qualifying person submitted a form in accordance with Subsections (7)(c) and

- 1359 (d).
- 1360 (b) The refund amount shall be calculated as follows:
- 1361 (i) for a qualifying vehicle, the refund amount is equal to the difference between:
- 1362 (A) the qualifying payment the qualifying person paid on the qualifying vehicle during
- 1363 the refund period; and
- 1364 (B) the amount of the statewide uniform fee:
- 1365 (I) for that qualifying vehicle; and
- 1366 (II) that the qualifying person would have been required to pay:
- 1367 (Aa) during the refund period; and
- 1368 (Bb) in accordance with this section had [~~Section 1, Chapter 3,~~] Laws of Utah 2006,
- 1369 Fifth Special Session, Chapter 3, Section 1, been in effect during the refund period; and
- 1370 (ii) for a qualifying watercraft, the refund amount is equal to the difference between:
- 1371 (A) the qualifying payment the qualifying person paid on the qualifying watercraft
- 1372 during the refund period; and
- 1373 (B) the amount of the statewide uniform fee:
- 1374 (I) for that qualifying watercraft;
- 1375 (II) that the qualifying person would have been required to pay:
- 1376 (Aa) during the refund period; and
- 1377 (Bb) in accordance with this section had [~~Section 1, Chapter 3,~~] Laws of Utah 2006,
- 1378 Fifth Special Session, Section 1, Chapter 3, been in effect during the refund period.
- 1379 (c) Before the county issues a refund to the qualifying person in accordance with
- 1380 Subsection (7)(a) the qualifying person shall submit a form to the county to verify the
- 1381 qualifying person is entitled to the refund.
- 1382 (d) (i) A form under Subsection (7)(c) or (8) shall:
- 1383 (A) be developed by the commission;
- 1384 (B) be provided by the commission to the counties;
- 1385 (C) be provided by the county to the qualifying person or tangible personal property
- 1386 owner;
- 1387 (D) provide for the reporting of the following:
- 1388 (I) for a qualifying vehicle:
- 1389 (Aa) the type of qualifying vehicle; and

1390 (Bb) the amount of cubic centimeters displacement;  
1391 (II) for a qualifying watercraft:  
1392 (Aa) the length of the qualifying watercraft;  
1393 (Bb) the age of the qualifying watercraft; and  
1394 (Cc) the type of qualifying watercraft;  
1395 (E) be signed by the qualifying person or tangible personal property owner; and  
1396 (F) include a certification that the information set forth in the form is true.  
1397 (ii) A certification made under Subsection (7)(d)(i)(F) is considered as if made under  
1398 oath and subject to the same penalties as provided by law for perjury.  
1399 (iii) (A) A qualifying person or tangible personal property owner that submits a form to  
1400 a county under Subsection (7)(c) or (8) is considered to have given the qualifying person's  
1401 consent to an audit or review by:  
1402 (I) the commission;  
1403 (II) the county assessor; or  
1404 (III) the commission and the county assessor.  
1405 (B) The consent described in Subsection (7)(d)(iii)(A) is a condition to the acceptance  
1406 of any form.  
1407 (e) The county shall make changes to the commission's records with the information  
1408 received by the county from the form submitted in accordance with Subsection (7)(c).  
1409 (8) A county shall change its records regarding an item of qualifying tangible personal  
1410 property if the tangible personal property owner submits a form to the county in accordance  
1411 with Subsection (7)(d).  
1412 (9) (a) For purposes of this Subsection (9) "owner of tangible personal property" means  
1413 a person that was required to pay a uniform statewide fee:  
1414 (i) during the refund period;  
1415 (ii) in accordance with this section; and  
1416 (iii) on an item of tangible personal property subject to the uniform statewide fees  
1417 imposed by this section.  
1418 (b) A county that collected revenues from uniform statewide fees imposed by this  
1419 section during the refund period shall notify an owner of tangible personal property:  
1420 (i) of the tangible personal property classification changes made to this section

1421 pursuant to [~~Section 1, Chapter 3,~~] Laws of Utah 2006, Fifth Special Session, Section 1,  
1422 Chapter 3;

1423 (ii) that the owner of tangible personal property may obtain and file a form to modify  
1424 the county's records regarding the owner's tangible personal property; and

1425 (iii) that the owner may be entitled to a refund pursuant to Subsection (7).

1426 Section 20. Section **59-2-405.3** is amended to read:

1427 **59-2-405.3. Uniform statewide fee on motor homes -- Distribution of revenues.**

1428 (1) For purposes of this section, "motor home" means:

1429 (a) a motor home, as defined in Section 13-14-102, that is required to be registered  
1430 with the state; or

1431 (b) a self-propelled vehicle that is:

1432 (i) modified for primary use as a temporary dwelling for travel, recreational, or  
1433 vacation use; and

1434 (ii) required to be registered with the state.

1435 (2) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),  
1436 beginning on January 1, 2006, a motor home is:

1437 (a) exempt from the tax imposed by Section 59-2-103; and

1438 (b) in lieu of the tax imposed by Section 59-2-103, subject to a uniform statewide fee  
1439 as provided in Subsection (3).

1440 (3) The uniform statewide fee described in Subsection (2)(b) is:

1441 (a) beginning on January 1, 2006, and ending December 31, 2007, 1.25% of the fair  
1442 market value of the motor home, as established by the commission; and

1443 (b) beginning on January 1, 2008, 1% of the fair market value of the motor home, as  
1444 established by the commission.

1445 (4) Notwithstanding Section 59-2-407, a motor home subject to the uniform statewide  
1446 fee imposed by this section that is brought into the state shall, as a condition of registration, be  
1447 subject to the uniform statewide fee unless all property taxes or uniform fees imposed by the  
1448 state of origin have been paid for the current calendar year.

1449 (5) (a) [~~Each~~] A county shall distribute 45% of the revenue collected by the county  
1450 from the uniform statewide fee imposed by this section to each taxing entity that is not a school  
1451 district in which each motor home subject to the uniform statewide fee is located in the same

1452 proportion in which revenue collected from the ad valorem property tax is distributed.

1453 (b) ~~[Each]~~ A taxing entity described in Subsection (5)(a) that receives revenue from the  
1454 uniform statewide fee imposed by this section shall distribute the revenue in the same  
1455 proportion in which revenue collected from the ad valorem property tax is distributed.

1456 (c) Fifty-five percent of the revenues collected in a county from the uniform statewide  
1457 fee imposed by this section shall be distributed by the county to each school district within the  
1458 county in proportion to the school district's percentage of the total current year enrollment in all  
1459 of the school districts within the county, as of the October 1 enrollment counts.

1460 (6) An appeal relating to the uniform statewide fee imposed on a motor home by this  
1461 section shall be filed pursuant to Section 59-2-1005.

1462 Section 21. Section **59-2-919** is amended to read:

1463 **59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of**  
1464 **proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents**  
1465 **of personal mailed notice -- Hearing -- Dates.**

1466 A tax rate in excess of the certified tax rate may not be levied until a resolution has  
1467 been approved by the taxing entity in accordance with the following procedure:

1468 (1) (a) (i) The taxing entity shall advertise its intent to exceed the certified tax rate in a  
1469 newspaper or combination of newspapers of general circulation in the taxing entity.

1470 (ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the  
1471 advertisement or hearing requirements of this section if:

1472 (A) the taxing entity:

1473 (I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year;

1474 or

1475 (II) is expressly exempted by law from complying with the requirements of this  
1476 section; or

1477 (B) (I) the taxing entity is a party to an interlocal agreement under Title 11, Chapter 13,  
1478 Interlocal Cooperation Act, that creates an interlocal entity to provide fire protection,  
1479 emergency, and emergency medical services;

1480 (II) the tax rate increase is approved by the taxing entity's voters at an election held for  
1481 that purpose on or before December 31, 2010;

1482 (III) the purpose of the tax rate increase is to pay for fire protection, emergency, and

1483 emergency medical services provided by the interlocal entity; and

1484 (IV) at least 30 days before its annual budget hearing, the taxing entity:

1485 (Aa) adopts a resolution certifying that the taxing entity will dedicate all revenue from  
1486 the tax rate increase exclusively to pay for fire protection, emergency, and emergency medical  
1487 services provided by the interlocal entity and that the amount of other revenues, independent of  
1488 the revenue generated from the tax rate increase, that the taxing entity spends for fire  
1489 protection, emergency, and emergency medical services each year after the tax rate increase  
1490 will not decrease below the amount spent by the taxing entity during the year immediately  
1491 before the tax rate increase without a corresponding decrease in the taxing entity's property tax  
1492 revenues used in calculating the taxing entity's certified tax rate; and

1493 (Bb) sends a copy of the resolution to the commission.

1494 (iii) The exception under Subsection (1)(a)(ii)(B) from the advertisement and hearing  
1495 requirements of this section does not apply to an increase in a taxing entity's tax rate that occurs  
1496 after December 31, 2010, even if the tax rate increase is approved by the taxing entity's voters  
1497 before that date.

1498 ~~[(iv) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the~~  
1499 ~~advertisement requirements of this section if Section 53A-17a-133 allows the taxing entity to~~  
1500 ~~levy a tax rate that exceeds that certified tax rate without having to comply with the~~  
1501 ~~advertisement requirements of this section.]~~

1502 (b) The advertisement described in this section shall:

1503 (i) be no less than 1/4 page in size;

1504 (ii) use type no smaller than 18 point; and

1505 (iii) be surrounded by a 1/4-inch border.

1506 (c) The advertisement described in this section may not be placed in that portion of the  
1507 newspaper where legal notices and classified advertisements appear.

1508 (d) It is the intent of the Legislature that:

1509 (i) whenever possible, the advertisement described in this section appear in a  
1510 newspaper that is published at least one day per week; and

1511 (ii) the newspaper or combination of newspapers selected:

1512 (A) be of general interest and readership in the taxing entity; and

1513 (B) not be of limited subject matter.

1514 (e) The advertisement described in this section shall:

1515 (i) be run once each week for the two weeks preceding the adoption of the final budget;

1516 and

1517 (ii) state that the taxing entity will meet on a certain day, time, and place fixed in the  
1518 advertisement, which shall be not less than seven days after the day the first advertisement is  
1519 published, for the purpose of hearing comments regarding any proposed increase and to explain  
1520 the reasons for the proposed increase.

1521 (f) The meeting on the proposed increase may coincide with the hearing on the  
1522 proposed budget of the taxing entity.

1523 (2) The form and content of the notice shall be substantially as follows:

1524 "NOTICE OF PROPOSED TAX INCREASE  
1525 (NAME OF TAXING ENTITY)

1526 The (name of the taxing entity) is proposing to increase its property tax revenue.

1527 ● If the proposed budget is approved, this would be an increase of \_\_\_\_\_% above  
1528 the (name of the taxing entity) property tax budgeted revenue for the prior year.

1529 ● The (name of the taxing entity) tax on a (insert the average value of a residence  
1530 in the taxing entity rounded to the nearest thousand dollars) residence would  
1531 increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

1532 ● The (name of the taxing entity) tax on a (insert the value of a business having  
1533 the same value as the average value of a residence in the taxing entity) business  
1534 would increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

1535 (Name of taxing entity) property tax revenue from new growth and other sources will  
1536 increase from \$\_\_\_\_\_ to \$\_\_\_\_\_.

1537 All concerned citizens are invited to a public hearing on the tax increase.

1538 PUBLIC HEARING

1539 Date/Time: (date) (time)

1540 Location: (name of meeting place and address of meeting place)

1541 To obtain more information regarding the tax increase, citizens may contact the (name  
1542 of the taxing entity) at (phone number of taxing entity)."

1543 (3) The commission:

1544 (a) shall adopt rules governing the joint use of one advertisement under this section or

1545 Section 59-2-918 by two or more taxing entities; and  
1546 (b) may, upon petition by any taxing entity, authorize either:  
1547 (i) the use of weekly newspapers in counties having both daily and weekly newspapers  
1548 where the weekly newspaper would provide equal or greater notice to the taxpayer; or  
1549 (ii) the use of a commission-approved direct notice to each taxpayer if the:  
1550 (A) cost of the advertisement would cause undue hardship; and  
1551 (B) direct notice is different and separate from that provided for in Subsection (4).  
1552 (4) (a) In addition to providing the notice required by Subsections (1) and (2), the  
1553 county auditor, on or before July 22 of each year, shall notify, by mail, each owner of real  
1554 estate as defined in Section 59-2-102 who is listed on the assessment roll.  
1555 (b) The notice described in Subsection (4)(a) shall:  
1556 (i) be sent to all owners of real property by mail not less than ten days before the day  
1557 on which:  
1558 (A) the county board of equalization meets; and  
1559 (B) the taxing entity holds a public hearing on the proposed increase in the certified tax  
1560 rate;  
1561 (ii) be printed on a form that is:  
1562 (A) approved by the commission; and  
1563 (B) uniform in content in all counties in the state; and  
1564 (iii) contain for each property:  
1565 (A) the value of the property;  
1566 (B) the date the county board of equalization will meet to hear complaints on the  
1567 valuation;  
1568 (C) itemized tax information for all taxing entities, including a separate statement for  
1569 the minimum school levy under Section 53A-17a-135 stating:  
1570 (I) the dollar amount the taxpayer would have paid based on last year's rate; and  
1571 (II) the amount of the taxpayer's liability under the current rate;  
1572 (D) the tax impact on the property;  
1573 (E) the time and place of the required public hearing for each entity;  
1574 (F) property tax information pertaining to:  
1575 (I) taxpayer relief;

1576 (II) options for payment of taxes; and

1577 (III) collection procedures;

1578 (G) information specifically authorized to be included on the notice under Title 59,  
1579 Chapter 2, Property Tax Act; and

1580 (H) other property tax information approved by the commission.

1581 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt  
1582 a resolution levying a tax rate in excess of the certified tax rate.

1583 (b) If a resolution adopting a tax rate is not adopted on the day of the public hearing,  
1584 the scheduled time and place for consideration and adoption of the resolution shall be  
1585 announced at the public hearing.

1586 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more  
1587 than two weeks after the public hearing described in Subsection (4)(b)(iii)(E), a taxing entity,  
1588 other than a taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the  
1589 proposed adoption of the resolution in the same manner as provided under Subsections (1) and  
1590 (2).

1591 (6) (a) All hearings described in this section shall be open to the public.

1592 (b) The governing body of a taxing entity conducting a hearing shall permit all  
1593 interested parties desiring to be heard an opportunity to present oral testimony within  
1594 reasonable time limits.

1595 (7) (a) Each taxing entity shall notify the county legislative body by March 1 of each  
1596 year of the date, time, and place a public hearing is held by the taxing entity pursuant to this  
1597 section.

1598 (b) A taxing entity may not schedule a hearing described in this section at the same  
1599 time as another overlapping taxing entity in the same county, but all taxing entities in which the  
1600 power to set tax levies is vested in the same governing board or authority may consolidate the  
1601 required hearings into one hearing.

1602 (c) The county legislative body shall resolve any conflicts in hearing dates and times  
1603 after consultation with each affected taxing entity.

1604 (8) A taxing entity shall hold a public hearing under this section beginning at or after 6  
1605 p.m.

1606 Section 22. Section **59-2-919.1** is enacted to read:

1607 **59-2-919.1. Property tax increases prohibited.**

1608 (1) For purposes of this section:

1609 (a) "Calendar year taxing entity" means a taxing entity that operates under a January 1  
1610 through December 31 fiscal year.

1611 (b) "Certified tax rate" means a taxing entity's certified tax rate calculated in  
1612 accordance with Section 59-2-924.

1613 (c) "Divided school district" means a school district from which a new school district is  
1614 created in accordance with Section 53A-2-118 or 53A-2-118.1.

1615 (d) "Fiscal year taxing entity" means a taxing entity that operates under a July 1  
1616 through June 30 fiscal year.

1617 (e) "New school district" is as defined in Section 53A-2-117.

1618 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins  
1619 to provide educational services.

1620 (g) "Remaining school district" is as defined in Section 53A-2-117.

1621 (2) Except as provided in Subsection (4), for taxable years beginning on or after  
1622 January 1, 2008, and ending on or before December 31, 2010, a fiscal year taxing entity may  
1623 not levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate.

1624 (3) For taxable years beginning on or after January 1, 2009, and ending on or before  
1625 December 31, 2011, a calendar year taxing entity may not levy a tax rate that exceeds the  
1626 calendar year taxing entity's certified tax rate.

1627 (4) Notwithstanding Subsection (2), this section does not apply to a new school district  
1628 or remaining school district for a budget set for the qualifying fiscal year.

1629 Section 23. Section **59-2-924** is amended to read:

1630 **59-2-924. Report of valuation of property to county auditor and commission --**  
1631 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**  
1632 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1633 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to  
1634 the county auditor and the commission the following statements:

1635 (i) a statement containing the aggregate valuation of all taxable property in each taxing  
1636 entity; and

1637 (ii) a statement containing the taxable value of any additional personal property

1638 estimated by the county assessor to be subject to taxation in the current year.

1639 (b) The county auditor shall, on or before June 8, transmit to the governing body of  
1640 each taxing entity:

1641 (i) the statements described in Subsections (1)(a)(i) and (ii);

1642 (ii) an estimate of the revenue from personal property;

1643 (iii) the certified tax rate; and

1644 (iv) all forms necessary to submit a tax levy request.

1645 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad  
1646 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the  
1647 prior year.

1648 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not  
1649 include:

1650 (A) collections from redemptions;

1651 (B) interest;

1652 (C) penalties; and

1653 (D) revenue received by a taxing entity from personal property that is:

1654 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1655 (II) semiconductor manufacturing equipment.

1656 (iii) (A) Except as otherwise provided in this section, the certified tax rate shall be  
1657 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the  
1658 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).

1659 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity  
1660 shall calculate an amount as follows:

1661 (I) calculate for the taxing entity the difference between:

1662 (Aa) the aggregate taxable value of all property taxed; and

1663 (Bb) any redevelopment adjustments for the current calendar year;

1664 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an  
1665 amount determined by increasing or decreasing the amount calculated under Subsection  
1666 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for  
1667 the equalization period for the three calendar years immediately preceding the current calendar  
1668 year;

1669 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the  
1670 product of:

1671 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and

1672 (Bb) the percentage of property taxes collected for the five calendar years immediately  
1673 preceding the current calendar year; and

1674 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an  
1675 amount determined by subtracting from the amount calculated under Subsection  
1676 (2)(a)(iii)(B)(III) any new growth as defined in this section:

1677 (Aa) within the taxing entity; and

1678 (Bb) for the current calendar year.

1679 (C) For purposes of Subsection (2)(a)(iii)(B)(I), the aggregate taxable value of all  
1680 property taxed:

1681 (I) except as provided in Subsection (2)(a)(iii)(C)(II), includes the total taxable value of  
1682 the real and personal property contained on the tax rolls of the taxing entity; and

1683 (II) does not include the total taxable value of personal property contained on the tax  
1684 rolls of the taxing entity that is:

1685 (Aa) assessed by a county assessor in accordance with Part 3, County Assessment; and

1686 (Bb) semiconductor manufacturing equipment.

1687 (D) For purposes of Subsection (2)(a)(iii)(B)(II), for calendar years beginning on or  
1688 after January 1, 2007, the value of taxable property does not include the value of personal  
1689 property that is:

1690 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1691 County Assessment; and

1692 (II) semiconductor manufacturing equipment.

1693 (E) For purposes of Subsection (2)(a)(iii)(B)(III)(Bb), for calendar years beginning on  
1694 or after January 1, 2007, the percentage of property taxes collected does not include property  
1695 taxes collected from personal property that is:

1696 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1697 County Assessment; and

1698 (II) semiconductor manufacturing equipment.

1699 (F) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,

1700 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
1701 year.

1702 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking  
1703 Act, the commission shall make rules determining the calculation of ad valorem property tax  
1704 revenues budgeted by a taxing entity.

1705 (B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues  
1706 budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax  
1707 revenues are calculated for purposes of Section 59-2-913.

1708 (v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v)  
1709 shall be calculated as follows:

1710 (A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified  
1711 tax rate is zero;

1712 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1713 (I) in a county of the first, second, or third class, the levy imposed for municipal-type  
1714 services under Sections 17-34-1 and 17-36-9; and

1715 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
1716 purposes and such other levies imposed solely for the municipal-type services identified in  
1717 Section 17-34-1 and Subsection 17-36-3(22); and

1718 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy  
1719 imposed by that section, except that the certified tax rates for the following levies shall be  
1720 calculated in accordance with Section 59-2-913 and this section:

1721 (I) the school [teeways] appropriation provided for under [Sections 11-2-7,  
1722 53A-16-110;] Section 53A-17a-125[~~, 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143,~~  
1723 ~~53A-17a-145, and 53A-21-103];~~ and

1724 (II) levies to pay for the costs of state legislative mandates or judicial or administrative  
1725 orders under Section 59-2-906.3.

1726 (vi) (A) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be  
1727 established at that rate which is sufficient to generate only the revenue required to satisfy one  
1728 or more eligible judgments, as defined in Section 59-2-102.

1729 (B) The ad valorem property tax revenue generated by the judgment levy shall not be  
1730 considered in establishing the taxing entity's aggregate certified tax rate.

1731 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use  
1732 the taxable value of property on the assessment roll.

1733 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the  
1734 assessment roll does not include:

1735 (A) new growth as defined in Subsection (2)(b)(iii); or  
1736 (B) the total taxable value of personal property contained on the tax rolls of the taxing  
1737 entity that is:

1738 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and  
1739 (II) semiconductor manufacturing equipment.

1740 (iii) "New growth" means:  
1741 (A) the difference between the increase in taxable value of the taxing entity from the  
1742 previous calendar year to the current year; minus  
1743 (B) the amount of an increase in taxable value described in Subsection (2)(b)(v).  
1744 (iv) For purposes of Subsection (2)(b)(iii), the taxable value of the taxing entity does  
1745 not include the taxable value of personal property that is:

1746 (A) contained on the tax rolls of the taxing entity if that property is assessed by a  
1747 county assessor in accordance with Part 3, County Assessment; and  
1748 (B) semiconductor manufacturing equipment.

1749 (v) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:  
1750 (A) the amount of increase to locally assessed real property taxable values resulting  
1751 from factoring, reappraisal, or any other adjustments; or  
1752 (B) the amount of an increase in the taxable value of property assessed by the  
1753 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
1754 taxable value prescribed by:

1755 (I) the Legislature;  
1756 (II) a court;  
1757 (III) the commission in an administrative rule; or  
1758 (IV) the commission in an administrative order.

1759 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
1760 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
1761 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter

1762 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax  
1763 rate to offset the increased revenues.

1764 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under  
1765 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

1766 (A) decreased on a one-time basis by the amount of the estimated sales and use tax  
1767 revenue to be distributed to the county under Subsection 59-12-1102(3); and

1768 (B) increased by the amount necessary to offset the county's reduction in revenue from  
1769 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
1770 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
1771 (2)(d)(i)(A).

1772 (ii) The commission shall determine estimates of sales and use tax distributions for  
1773 purposes of Subsection (2)(d)(i).

1774 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort  
1775 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be  
1776 decreased on a one-time basis by the amount necessary to offset the first 12 months of  
1777 estimated revenue from the additional resort communities sales and use tax imposed under  
1778 Section 59-12-402.

1779 (f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under  
1780 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the  
1781 unincorporated area of the county shall be decreased by the amount necessary to reduce  
1782 revenues in that fiscal year by an amount equal to the difference between the amount the county  
1783 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services  
1784 countywide and the amount the county spent during fiscal year 2000 for those services,  
1785 excluding amounts spent from a municipal services fund for those services.

1786 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection  
1787 (2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal  
1788 year by the amount that the county spent during fiscal year 2000 for advanced life support and  
1789 paramedic services countywide, excluding amounts spent from a municipal services fund for  
1790 those services.

1791 (ii) (A) A city or town located within a county of the first class to which Subsection  
1792 (2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within

1793 the city or town the same amount of revenues as the county would collect from that city or  
1794 town if the decrease under Subsection (2)(f)(i) did not occur.

1795 (B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year  
1796 or spread over multiple fiscal years, is not subject to the notice and hearing requirements of  
1797 Sections 59-2-918 and 59-2-919.

1798 (g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to  
1799 provide detective investigative services to the unincorporated area of the county shall be  
1800 decreased:

1801 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year  
1802 by at least \$4,400,000; and

1803 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year  
1804 by an amount equal to the difference between \$9,258,412 and the amount of the reduction in  
1805 revenues under Subsection (2)(g)(i)(A).

1806 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a  
1807 county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate  
1808 within the city or town the same amount of revenue as the county would have collected during  
1809 county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).

1810 (II) Beginning with municipal fiscal year 2003, a city or town located within a county  
1811 to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the  
1812 city or town the same amount of revenue as the county would have collected during county  
1813 fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).

1814 (B) (I) Except as provided in Subsection (2)(g)(ii)(B)(II), an increase in the city or  
1815 town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year  
1816 or spread over multiple fiscal years, is subject to the notice and hearing requirements of  
1817 Sections 59-2-918 and 59-2-919.

1818 (II) For an increase under this Subsection (2)(g)(ii) that generates revenue that does not  
1819 exceed the same amount of revenue as the county would have collected except for Subsection  
1820 (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

1821 (Aa) publishes a notice that meets the size, type, placement, and frequency  
1822 requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed  
1823 by the county to one imposed by the city or town, and explains how the revenues from the tax

1824 increase will be used; and

1825 (Bb) holds a public hearing on the tax shift that may be held in conjunction with the  
1826 city or town's regular budget hearing.

1827 (h) (i) This Subsection (2)(h) applies to each county that:

1828 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part  
1829 13, Utah Special Service District Act, to provide jail service, as provided in Subsection  
1830 17A-2-1304(1)(a)(x); and

1831 (B) levies a property tax on behalf of the special service district under Section  
1832 17A-2-1322.

1833 (ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies  
1834 shall be decreased by the amount necessary to reduce county revenues by the same amount of  
1835 revenues that will be generated by the property tax imposed on behalf of the special service  
1836 district.

1837 (B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with  
1838 the levy on behalf of the special service district under Section 17A-2-1322.

1839 (i) (i) As used in this Subsection (2)(i):

1840 (A) "Annexing county" means a county whose unincorporated area is included within a  
1841 fire district by annexation.

1842 (B) "Annexing municipality" means a municipality whose area is included within a fire  
1843 district by annexation.

1844 (C) "Equalized fire protection tax rate" means the tax rate that results from:

1845 (I) calculating, for each participating county and each participating municipality, the  
1846 property tax revenue necessary to cover all of the costs associated with providing fire  
1847 protection, paramedic, and emergency services:

1848 (Aa) for a participating county, in the unincorporated area of the county; and

1849 (Bb) for a participating municipality, in the municipality; and

1850 (II) adding all the amounts calculated under Subsection (2)(i)(i)(C)(I) for all  
1851 participating counties and all participating municipalities and then dividing that sum by the  
1852 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

1853 (Aa) for participating counties, in the unincorporated area of all participating counties;  
1854 and

1855 (Bb) for participating municipalities, in all the participating municipalities.

1856 (D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
1857 Area Act, in the creation of which an election was not required under Subsection  
1858 17B-1-214(3)(c).

1859 (E) "Fire protection tax rate" means:

1860 (I) for an annexing county, the property tax rate that, when applied to taxable property  
1861 in the unincorporated area of the county, generates enough property tax revenue to cover all the  
1862 costs associated with providing fire protection, paramedic, and emergency services in the  
1863 unincorporated area of the county; and

1864 (II) for an annexing municipality, the property tax rate that generates enough property  
1865 tax revenue in the municipality to cover all the costs associated with providing fire protection,  
1866 paramedic, and emergency services in the municipality.

1867 (F) "Participating county" means a county whose unincorporated area is included  
1868 within a fire district at the time of the creation of the fire district.

1869 (G) "Participating municipality" means a municipality whose area is included within a  
1870 fire district at the time of the creation of the fire district.

1871 (ii) In the first year following creation of a fire district, the certified tax rate of each  
1872 participating county and each participating municipality shall be decreased by the amount of  
1873 the equalized fire protection tax rate.

1874 (iii) In the first year following annexation to a fire district, the certified tax rate of each  
1875 annexing county and each annexing municipality shall be decreased by the fire protection tax  
1876 rate.

1877 (iv) Each tax levied under this section by a fire district shall be considered to be levied  
1878 by:

1879 (A) each participating county and each annexing county for purposes of the county's  
1880 tax limitation under Section 59-2-908; and

1881 (B) each participating municipality and each annexing municipality for purposes of the  
1882 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a  
1883 city.

1884 (j) For the calendar year beginning on January 1, 2007, the calculation of a taxing  
1885 entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the

1886 certified tax rate that may result from excluding the following from the certified tax rate under  
1887 Subsection (2)(a) enacted by the Legislature during the 2007 General Session:

1888 (i) personal property tax revenue:

1889 (A) received by a taxing entity;

1890 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and

1891 (C) for personal property that is semiconductor manufacturing equipment; or

1892 (ii) the taxable value of personal property:

1893 (A) contained on the tax rolls of a taxing entity;

1894 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and

1895 (C) that is semiconductor manufacturing equipment.

1896 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

1897 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county  
1898 auditor of:

1899 (i) its intent to exceed the certified tax rate; and

1900 (ii) the amount by which it proposes to exceed the certified tax rate.

1901 (c) The county auditor shall notify all property owners of any intent to exceed the

1902 certified tax rate in accordance with Subsection 59-2-919(2).

1903 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be  
1904 reduced for any year to the extent necessary to provide a community development and renewal  
1905 agency established under Title 17C, Limited Purpose Local Government Entities - Community  
1906 Development and Renewal Agencies, with approximately the same amount of money the  
1907 agency would have received without a reduction in the county's certified tax rate if:

1908 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or  
1909 (2)(d)(i);

1910 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the  
1911 previous year; and

1912 (iii) the decrease results in a reduction of the amount to be paid to the agency under  
1913 Section 17C-1-403 or 17C-1-404.

1914 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any  
1915 year to the extent necessary to provide a community development and renewal agency with  
1916 approximately the same amount of money as the agency would have received without an

1917 increase in the certified tax rate that year if:

1918 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to  
1919 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

1920 (ii) The certified tax rate of a city, school district, local district, or special service  
1921 district increases independent of the adjustment to the taxable value of the base year.

1922 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or  
1923 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community  
1924 development and renewal agency established under Title 17C, Limited Purpose Local  
1925 Government Entities - Community Development and Renewal Agencies, for the payment of  
1926 bonds or other contract indebtedness, but not for administrative costs, may not be less than that  
1927 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or  
1928 (2)(d)(i).

1929 Section 24. Section **59-12-103** is amended to read:

1930 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
1931 **tax revenues.**

1932 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or  
1933 charged for the following transactions:

1934 (a) retail sales of tangible personal property made within the state;

1935 (b) amounts paid:

1936 (i) to a:

1937 (A) telephone service provider regardless of whether the telephone service provider is  
1938 municipally or privately owned; or

1939 (B) telegraph corporation:

1940 (I) as defined in Section 54-2-1; and

1941 (II) regardless of whether the telegraph corporation is municipally or privately owned;  
1942 and

1943 (ii) for:

1944 (A) telephone service, other than mobile telecommunications service, that originates  
1945 and terminates within the boundaries of this state;

1946 (B) mobile telecommunications service that originates and terminates within the  
1947 boundaries of one state only to the extent permitted by the Mobile Telecommunications

1948 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or  
1949 (C) telegraph service;  
1950 (c) sales of the following for commercial use:  
1951 (i) gas;  
1952 (ii) electricity;  
1953 (iii) heat;  
1954 (iv) coal;  
1955 (v) fuel oil; or  
1956 (vi) other fuels;  
1957 (d) sales of the following for residential use:  
1958 (i) gas;  
1959 (ii) electricity;  
1960 (iii) heat;  
1961 (iv) coal;  
1962 (v) fuel oil; or  
1963 (vi) other fuels;  
1964 (e) sales of prepared food;  
1965 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or  
1966 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,  
1967 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,  
1968 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
1969 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
1970 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
1971 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
1972 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
1973 exhibition, cultural, or athletic activity;  
1974 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
1975 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:  
1976 (i) the tangible personal property; and  
1977 (ii) parts used in the repairs or renovations of the tangible personal property described  
1978 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations

1979 of that tangible personal property;

1980 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
1981 assisted cleaning or washing of tangible personal property;

1982 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
1983 accommodations and services that are regularly rented for less than 30 consecutive days;

1984 (j) amounts paid or charged for laundry or dry cleaning services;

1985 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
1986 this state the tangible personal property is:

1987 (i) stored;

1988 (ii) used; or

1989 (iii) otherwise consumed;

1990 (l) amounts paid or charged for tangible personal property if within this state the  
1991 tangible personal property is:

1992 (i) stored;

1993 (ii) used; or

1994 (iii) consumed; and

1995 (m) amounts paid or charged for prepaid telephone calling cards.

1996 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
1997 is imposed on a transaction described in Subsection (1) equal to the sum of:

1998 (i) a state tax imposed on the transaction at a tax rate of [~~4.65%~~] 6.1%; and

1999 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
2000 transaction under this chapter other than this part.

2001 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
2002 on a transaction described in Subsection (1)(d) equal to the sum of:

2003 (i) a state tax imposed on the transaction at a tax rate of 2%; and

2004 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
2005 transaction under this chapter other than this part.

2006 (c) Except as provided in Subsection (2)(d) or (e), beginning on January 1, 2007, a  
2007 state tax and a local tax is imposed on amounts paid or charged for food and food ingredients  
2008 equal to the sum of:

2009 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at

2010 a tax rate of 1.75%; and

2011 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
2012 amounts paid or charged for food and food ingredients under this chapter other than this part.

2013 (d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with  
2014 Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local  
2015 tax is imposed on the transaction equal to the sum of:

2016 (i) a state tax imposed on the transaction at a tax rate of:

2017 (A) [~~4.65%~~] 6.1% for a transaction other than a transaction described in Subsection

2018 (2)(d)(i)(B) or (2)(d)(i)(C);

2019 (B) 2% for a transaction described in Subsection (1)(d); or

2020 (C) beginning on January 1, 2007, 1.75% on the amounts paid or charged for food and  
2021 food ingredients; and

2022 (ii) a local tax imposed on the transaction at a tax rate equal to the sum of the following  
2023 tax rates:

2024 (A) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,  
2025 and towns in the state impose the tax authorized by Section 59-12-204; and

2026 (B) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the  
2027 state impose the tax authorized by Section 59-12-1102.

2028 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as  
2029 provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food  
2030 ingredients and tangible personal property other than food and food ingredients.

2031 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a  
2032 seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),  
2033 beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled  
2034 transaction equal to the sum of:

2035 (A) a state tax imposed on the entire bundled transaction at the tax rate described in  
2036 Subsection (2)(a)(i); and

2037 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
2038 described in Subsection (2)(a)(ii).

2039 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by  
2040 a seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state

2041 tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

2042       (A) a state tax imposed on the entire bundled transaction at the tax rate described in

2043 Subsection (2)(d)(i)(A); and

2044       (B) a local tax imposed on the entire bundled transaction at a tax rate equal to the sum

2045 of the following tax rates:

2046       (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,

2047 and towns in the state impose the tax authorized by Section 59-12-204; and

2048       (II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the

2049 state impose the tax authorized by Section 59-12-1102.

2050       (f) Subject to Subsections (2)(g) and (h), a tax rate repeal or tax rate change for a tax

2051 rate imposed under the following shall take effect on the first day of a calendar quarter:

2052       (i) Subsection (2)(a)(i);

2053       (ii) Subsection (2)(b)(i);

2054       (iii) Subsection (2)(c)(i);

2055       (iv) Subsection (2)(d)(i);

2056       (v) Subsection (2)(e)(ii)(A); or

2057       (vi) Subsection (2)(e)(iii)(A).

2058       (g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take

2059 effect on the first day of the first billing period that begins after the effective date of the tax rate

2060 increase if the billing period for the transaction begins before the effective date of a tax rate

2061 increase imposed under:

2062       (A) Subsection (2)(a)(i);

2063       (B) Subsection (2)(b)(i);

2064       (C) Subsection (2)(c)(i);

2065       (D) Subsection (2)(d)(i);

2066       (E) Subsection (2)(e)(ii)(A); or

2067       (F) Subsection (2)(e)(iii)(A).

2068       (ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate

2069 decrease shall take effect on the first day of the last billing period that began before the

2070 effective date of the repeal of the tax or the tax rate decrease if the billing period for the

2071 transaction begins before the effective date of the repeal of the tax or the tax rate decrease

2072 imposed under:

- 2073 (A) Subsection (2)(a)(i);
- 2074 (B) Subsection (2)(b)(i);
- 2075 (C) Subsection (2)(c)(i);
- 2076 (D) Subsection (2)(d)(i);
- 2077 (E) Subsection (2)(e)(ii)(A); or
- 2078 (F) Subsection (2)(e)(iii)(A).

2079 (iii) Subsections (2)(g)(i) and (ii) apply to transactions subject to a tax under:

- 2080 (A) Subsection (1)(b);
- 2081 (B) Subsection (1)(c);
- 2082 (C) Subsection (1)(d);
- 2083 (D) Subsection (1)(e);
- 2084 (E) Subsection (1)(f);
- 2085 (F) Subsection (1)(g);
- 2086 (G) Subsection (1)(h);
- 2087 (H) Subsection (1)(i);
- 2088 (I) Subsection (1)(j); or
- 2089 (J) Subsection (1)(k).

2090 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale  
2091 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal  
2092 or change in a tax rate takes effect:

- 2093 (A) on the first day of a calendar quarter; and
- 2094 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

2095 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:

- 2096 (A) Subsection (2)(a)(i);
- 2097 (B) Subsection (2)(b)(i);
- 2098 (C) Subsection (2)(c)(i);
- 2099 (D) Subsection (2)(d)(i);
- 2100 (E) Subsection (2)(e)(ii)(A); or
- 2101 (F) Subsection (2)(e)(iii)(A).

2102 (iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,

2103 the commission may by rule define the term "catalogue sale."

2104 (3) (a) Except as provided in Subsections (4) through (10), the following state taxes  
2105 shall be deposited into the General Fund:

- 2106 (i) the tax imposed by Subsection (2)(a)(i);
- 2107 (ii) the tax imposed by Subsection (2)(b)(i);
- 2108 (iii) the tax imposed by Subsection (2)(c)(i);
- 2109 (iv) the tax imposed by Subsection (2) (d)(i);
- 2110 (v) the tax imposed by Subsection (2)(e)(ii)(A); and
- 2111 (vi) the tax imposed by Subsection (2)(e)(iii)(A).

2112 (b) The following local taxes shall be distributed to a county, city, or town as provided  
2113 in this chapter:

- 2114 (i) the tax imposed by Subsection (2)(a)(ii);
- 2115 (ii) the tax imposed by Subsection (2)(b)(ii);
- 2116 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 2117 (iv) the tax imposed by Subsection (2)(e)(ii)(B).

2118 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the  
2119 state shall receive the county's, city's, or town's proportionate share of the revenues generated  
2120 by the following local taxes as provided in Subsection (3)(c)(ii):

- 2121 (A) the local tax described in Subsection (2)(d)(ii); and
- 2122 (B) the local tax described in Subsection (2)(e)(iii)(B).

2123 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission  
2124 shall determine a county's, city's, or town's proportionate share of the revenues by:

2125 (A) calculating an amount equal to the population of the unincorporated area of the  
2126 county, city, or town divided by the total population of the state; and

2127 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total  
2128 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,  
2129 cities, and towns.

2130 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for  
2131 purposes of this section shall be derived from the most recent official census or census estimate  
2132 of the United States Census Bureau.

2133 (B) If a needed population estimate is not available from the United States Census

2134 Bureau, population figures shall be derived from the estimate from the Utah Population  
2135 Estimates Committee created by executive order of the governor.

2136 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
2137 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
2138 through (g):

2139 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2140 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2141 (B) for the fiscal year; or

2142 (ii) \$17,500,000.

2143 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
2144 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the  
2145 Department of Natural Resources to:

2146 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to  
2147 protect sensitive plant and animal species; or

2148 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
2149 act, to political subdivisions of the state to implement the measures described in Subsections  
2150 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

2151 (ii) Money transferred to the Department of Natural Resources under Subsection  
2152 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
2153 person to list or attempt to have listed a species as threatened or endangered under the  
2154 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2155 (iii) At the end of each fiscal year:

2156 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
2157 Conservation and Development Fund created in Section 73-10-24;

2158 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
2159 Program Subaccount created in Section 73-10c-5; and

2160 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
2161 Program Subaccount created in Section 73-10c-5.

2162 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
2163 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
2164 created in Section 4-18-6.

2165 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
2166 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
2167 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
2168 water rights.

2169 (ii) At the end of each fiscal year:

2170 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
2171 Conservation and Development Fund created in Section 73-10-24;

2172 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
2173 Program Subaccount created in Section 73-10c-5; and

2174 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
2175 Program Subaccount created in Section 73-10c-5.

2176 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
2177 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development  
2178 Fund created in Section 73-10-24 for use by the Division of Water Resources.

2179 (ii) In addition to the uses allowed of the Water Resources Conservation and  
2180 Development Fund under Section 73-10-24, the Water Resources Conservation and  
2181 Development Fund may also be used to:

2182 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
2183 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
2184 quantifying surface and ground water resources and describing the hydrologic systems of an  
2185 area in sufficient detail so as to enable local and state resource managers to plan for and  
2186 accommodate growth in water use without jeopardizing the resource;

2187 (B) fund state required dam safety improvements; and

2188 (C) protect the state's interest in interstate water compact allocations, including the  
2189 hiring of technical and legal staff.

2190 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
2191 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount  
2192 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2193 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
2194 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount  
2195 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2196 (i) provide for the installation and repair of collection, treatment, storage, and  
2197 distribution facilities for any public water system, as defined in Section 19-4-102;  
2198 (ii) develop underground sources of water, including springs and wells; and  
2199 (iii) develop surface water sources.

2200 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
2201 2006, the difference between the following amounts shall be expended as provided in this  
2202 Subsection (5), if that difference is greater than \$1:

2203 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
2204 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and  
2205 (ii) \$17,500,000.

2206 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:  
2207 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
2208 credits; and  
2209 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
2210 restoration.

2211 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
2212 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
2213 created in Section 73-10-24.

2214 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
2215 remaining difference described in Subsection (5)(a) shall be:  
2216 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
2217 credits; and  
2218 (B) expended by the Division of Water Resources for cloud-seeding projects  
2219 authorized by Title 73, Chapter 15, Modification of Weather.

2220 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
2221 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
2222 created in Section 73-10-24.

2223 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the  
2224 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
2225 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
2226 Division of Water Resources for:

2227 (i) preconstruction costs:  
2228 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
2229 26, Bear River Development Act; and  
2230 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
2231 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;  
2232 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
2233 Chapter 26, Bear River Development Act;  
2234 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
2235 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and  
2236 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and  
2237 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).  
2238 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water  
2239 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.  
2240 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to  
2241 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be  
2242 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
2243 incurred for employing additional technical staff for the administration of water rights.  
2244 (g) At the end of each fiscal year, any unexpended dedicated credits described in  
2245 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development  
2246 Fund created in Section 73-10-24.  
2247 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
2248 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
2249 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
2250 the Transportation Fund created by Section 72-2-102.  
2251 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,  
2252 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial  
2253 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed  
2254 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable  
2255 transactions under Subsection (1).  
2256 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds  
2257 have been paid off and the highway projects completed that are intended to be paid from

2258 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the  
2259 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of  
2260 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section  
2261 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
2262 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2263 (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal  
2264 year 2004-05, the commission shall each year on or before the September 30 immediately  
2265 following the last day of the fiscal year deposit the difference described in Subsection (8)(b)  
2266 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is  
2267 greater than \$0.

2268 (b) The difference described in Subsection (8)(a) is equal to the difference between:

2269 (i) the total amount of the revenues the commission received from sellers collecting the  
2270 taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately  
2271 preceding the September 30 described in Subsection (8)(a); and

2272 (ii) \$7,279,673.

2273 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in  
2274 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after  
2275 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund  
2276 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection  
2277 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a  
2278 portion of the approximately 17% of sales and use tax revenues generated annually by the sales  
2279 and use tax on vehicles and vehicle-related products:

2280 (i) the tax imposed by Subsection (2)(a)(i);

2281 (ii) the tax imposed by Subsection (2)(b)(i);

2282 (iii) the tax imposed by Subsection (2)(c)(i); and

2283 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2284 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under  
2285 Subsection (7)(b), when the highway general obligation bonds have been paid off and the  
2286 highway projects completed that are intended to be paid from revenues deposited in the  
2287 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations  
2288 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the

2289 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes  
2290 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,  
2291 which represents a portion of the approximately 17% of sales and use tax revenues generated  
2292 annually by the sales and use tax on vehicles and vehicle-related products:

- 2293 (i) the tax imposed by Subsection (2)(a)(i);
- 2294 (ii) the tax imposed by Subsection (2)(b)(i);
- 2295 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2296 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2297 (10) (a) Notwithstanding Subsection (3)(a) and until Subsection (10)(b) applies, the  
2298 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes  
2299 listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section  
2300 72-2-125.

2301 (b) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under  
2302 Subsections (7) and (9), when the general obligation bonds authorized by Section 63B-16-101  
2303 have been paid off and the highway projects completed that are included in the prioritized  
2304 project list under Subsection 72-2-125(4) as determined in accordance with Subsection  
2305 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues  
2306 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund  
2307 of 2005 created by Section 72-2-124.

2308 (11) (a) Notwithstanding Subsection (3)(a), beginning on July 1, 2009, the Division of  
2309 Finance shall deposit into the Uniform School Fund a portion of the taxes listed under  
2310 Subsection (3)(a) equal to the revenues generated by a 1.45% tax rate on the taxable  
2311 transactions under Subsection (1).

2312 (b) For purposes of this Subsection (11), taxable transactions under Subsection (1) do  
2313 not include:

- 2314 (i) taxable transactions on a transaction described in Subsection (1)(d); or
- 2315 (ii) the amounts paid or charged for food and food ingredients.
- 2316 (c) The revenue deposited into the Uniform School Fund under Subsection (11)(a)  
2317 shall be allocated to school districts in accordance with Section 53A-17a-154.

2318 Section 25. Section **59-12-1201** is amended to read:

2319 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**

2320 **collection, and enforcement of tax -- Administrative fee -- Deposits.**

2321 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all  
2322 short-term leases and rentals of motor vehicles not exceeding 30 days.

2323 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
2324 fees and taxes imposed on rentals of motor vehicles.

2325 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
2326 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

2327 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
2328 take effect on the first day of the first billing period:

2329 (A) that begins after the effective date of the tax rate increase; and

2330 (B) if the billing period for the transaction begins before the effective date of a tax rate  
2331 increase imposed under Subsection (1).

2332 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
2333 rate decrease shall take effect on the first day of the last billing period:

2334 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
2335 and

2336 (B) if the billing period for the transaction begins before the effective date of the repeal  
2337 of the tax or the tax rate decrease imposed under Subsection (1).

2338 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

2339 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

2340 (b) the motor vehicle is rented as a personal household goods moving van; or

2341 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
2342 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
2343 insurance agreement.

2344 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
2345 enforced in accordance with:

2346 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
2347 Tax Collection; and

2348 (B) Chapter 1, General Taxation Policies.

2349 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
2350 Subsections 59-12-103(4) through [~~9~~] (11) or Section 59-12-107.1.

2351 (b) The commission may retain a maximum of 1-1/2% of the tax collected under this  
2352 section for the costs of rendering its services under this section.

2353 (c) Except as provided under Subsection (4)(b), all revenue received by the  
2354 commission under this section shall be deposited daily with the state treasurer and credited  
2355 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section  
2356 72-2-117.

2357 Section 26. Section **63-30d-704** is amended to read:

2358 **63-30d-704. Tax levy by political subdivisions for payment of claims, judgments,**  
2359 **or insurance premiums.**

2360 (1) For purposes of this section, "political subdivision" does not include a school  
2361 district.

2362 [~~(1)~~] (2) Notwithstanding any provision of law to the contrary, a political subdivision  
2363 may levy an annual property tax sufficient to pay:

2364 (a) any claim, settlement, or judgment;

2365 (b) the costs to defend against any claim, settlement, or judgment; or

2366 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
2367 settlements, or judgments that may be reasonably anticipated.

2368 [~~(2)~~] (3) (a) The payments authorized to pay for punitive damages or to pay the  
2369 premium for authorized insurance is money spent for a public purpose within the meaning of  
2370 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the  
2371 maximum levy as otherwise restricted by law is exceeded.

2372 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable  
2373 property.

2374 (c) The revenues derived from this levy may not be used for any purpose other than  
2375 those specified in this section.

2376 Section 27. **Repealer.**

2377 This bill repeals:

2378 Section **53A-2-114, Additional levies -- School board options to abolish or continue**  
2379 **after consolidation.**

2380 Section **53A-2-115, Additional levies in transferred territory -- Transferee board**  
2381 **option to abolish or continue.**

2382           Section 53A-16-107, Debt service and capital outlay -- Maintenance of school  
2383 plants -- Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.  
2384           Section 53A-16-110, Special tax to buy school building sites, build and furnish  
2385 schoolhouses, or improve school property.  
2386           Section 53A-17a-133, State-supported voted leeway program authorized -- Election  
2387 requirements -- State guarantee -- Reconsideration of the program.  
2388           Section 53A-17a-134, Board-approved leeway -- Purpose -- State support --  
2389 Disapproval.  
2390           Section 53A-17a-143, District tax rate -- Increase of local property tax rate --  
2391 Termination.  
2392           Section 53A-17a-145, Additional levy by district for debt service, school sites,  
2393 buildings, buses, textbooks, and supplies.  
2394           Section 53A-17a-151, Board leeway for reading improvement.  
2395           Section 28. Effective date -- Retrospective operation.  
2396           (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2009.  
2397           (2) Section 59-2-919.1 has retrospective operation for taxable years beginning on or  
2398 after January 1, 2008.  
2399           Section 29. **Coordinating H.B. 391 with H.B. 77 -- Technical amendments.**  
2400           If this H.B. 391 and H.B. 77, Personal Property Tax Amendments, both pass, it is the  
2401 intent of the Legislature that the Office of Legislative Research and General Counsel, in  
2402 preparing the Utah Code database for publication replace the references in Subsections  
2403 53A-17a-155(1)(b)(i)(B) and (4)(c)(ii)(B) to "Subsection 59-2-924(2)(b)(iii)" with "Subsection  
2404 59-2-924(4)(c)".