

**Senator Dan R. Eastman** proposes the following substitute bill:

**EQUALIZATION OF SCHOOL CAPITAL**

**OUTLAY FUNDING**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Dan R. Eastman**

House Sponsor: Aaron Tilton

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**LONG TITLE**

**General Description:**

This bill makes changes to the Public Education Capital Outlay Act.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ increases the combined capital property tax rate a school district must impose to receive a full distribution from the Capital Outlay Foundation Program;
- ▶ provides for a pro-rated distribution if a school district imposes a combined capital property tax rate less than the rate required for full funding;
- ▶ appropriates additional ongoing funding to the State Board of Education for the Capital Outlay Foundation Program; and
- ▶ makes technical corrections.

**Monies Appropriated in this Bill:**

This bill appropriates as an ongoing appropriation subject to future budget constraints, \$55,788,900 from the Uniform School Fund for fiscal year 2008-09 to the State Board of Education.

**Other Special Clauses:**



26 This bill takes effect on July 1, 2008.

27 This bill coordinates with H.B. 1, Minimum School Program Base Budget  
28 Amendments, by providing which amendments supersede.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **11-13-302**, as last amended by Laws of Utah 2007, Chapter 108

32 **53A-2-103**, as last amended by Laws of Utah 2002, Chapter 301

33 **53A-2-114**, as last amended by Laws of Utah 1996, Chapter 326

34 **53A-2-115**, as last amended by Laws of Utah 1996, Chapter 326

35 **53A-16-110**, as last amended by Laws of Utah 2004, Chapter 371

36 **53A-21-102**, as last amended by Laws of Utah 2003, Chapters 199 and 320

37 **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329

38 ENACTS:

39 **53A-21-101.5**, Utah Code Annotated 1953

40 **53A-21-201**, Utah Code Annotated 1953

41 **53A-21-202**, Utah Code Annotated 1953

42 **53A-21-301**, Utah Code Annotated 1953

43 RENUMBERS AND AMENDS:

44 **53A-21-302**, (Renumbered from 53A-21-103.5, as last amended by Laws of Utah 2005,  
45 Chapters 171 and 184)

46 **53A-21-401**, (Renumbered from 53A-21-104, as last amended by Laws of Utah 2007,  
47 Chapter 344)

48 **53A-21-501**, (Renumbered from 53A-21-105, as last amended by Laws of Utah 2007,  
49 Chapter 2)

50 REPEALS:

51 **53A-21-103**, as last amended by Laws of Utah 2003, Chapter 320



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

54 Section 1. Section **11-13-302** is amended to read:

55 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
56 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

65 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
66 impact alleviation payments under contracts or determination orders provided for in Sections  
67 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the  
68 candidate in which the date of commercial operation of the last generating unit, other than any  
69 generating unit providing additional project capacity, of the project occurs, or, in the case of  
70 any facilities providing additional project capacity, with the fiscal year of the candidate  
71 following the fiscal year of the candidate in which the date of commercial operation of the  
72 generating unit providing the additional project capacity occurs; and

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

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

79 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)  
80 because the ad valorem property tax imposed by a school district and authorized by the  
81 Legislature under Section 53A-17a-135 represents both:

82 (i) a levy mandated by the state for the state minimum school program under Section  
83 53A-17a-135; and

84 (ii) local levies for capital outlay, maintenance, transportation, and other purposes  
85 under Sections 11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,  
86 53A-17a-134, 53A-17a-143, and 53A-17a-145[~~and 53A-21-103~~].

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

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

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

93 (A) an annual fee; or

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

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

101 (b) As used in this section, "tax rate," when applied in respect to a school district,  
102 includes any assessment to be made by the school district under Subsection (2) or Section  
103 63-51-6.

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

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

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

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

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

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

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

118 (b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by

119 this section, the fee base of a project may be determined in accordance with an agreement  
120 among:

121 (A) the project entity; and

122 (B) any county that:

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

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

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

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

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

131 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county  
132 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in  
133 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing  
134 jurisdiction.

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

138 (I) for that year; and

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

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

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

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

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

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

150 (ii) It is the responsibility of the project entity to enforce the obligations of the  
151 purchasers.

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

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

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

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

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

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

164 (A) is not a project entity; and

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

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

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

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

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

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

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

181 Section 2. Section 53A-2-103 is amended to read:

182 **53A-2-103. Transfer of property to new school district -- Rights and obligations**  
183 **of new school board -- Outstanding indebtedness -- Special tax.**

184 (1) On July 1 following the approval of the creation of a new school district under  
185 Section 53A-2-102, the local school boards of the former districts shall convey and deliver all  
186 school property to the local school board of the new district. Title vests in the new board. All  
187 rights, claims, and causes of action to or for the property, for the use or the income from the  
188 property, for conversion, disposition, or withholding of the property, or for any damage or  
189 injury to the property vest at once in the new board.

190 (2) The new board may bring and maintain actions to recover, protect, and preserve the  
191 property and rights of the district schools and to enforce contracts.

192 (3) The new board shall assume and be liable for all outstanding debts and obligations  
193 of each of the former school districts.

194 (4) All of the bonded indebtedness, outstanding debts, and obligations of a former  
195 district, which cannot be reasonably paid from the assets of the former district, shall be paid by  
196 a special tax levied by the new board as needed. The tax shall be levied upon the property  
197 within the former district which was liable for the indebtedness at the time of consolidation. If  
198 bonds are approved in the new district under Section 53A-18-102, the special tax shall be  
199 discontinued and the bonded indebtedness paid as any other bonded indebtedness of the new  
200 district.

201 (5) Bonded indebtedness of a former district which has been refunded shall be paid in  
202 the same manner as that which the new district assumes under Section 53A-18-101.

203 (6) State funds received by the new district under Section [~~53A-21-103~~] 53A-21-202  
204 may be applied toward the payment of outstanding bonded indebtedness of a former district in  
205 the same proportion as the bonded indebtedness of the territory within the former district bears  
206 to the total bonded indebtedness of the districts combined.

207 Section 3. Section 53A-2-114 is amended to read:

208 **53A-2-114. Additional levies -- School board options to abolish or continue after**  
209 **consolidation.**

210 (1) If a school district which has approved an additional levy under Section  
211 53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145[~~, or 53A-21-103~~] is consolidated

212 with a district which does not have such a levy, the board of education of the consolidated  
213 district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated  
214 district.

215 (2) If the board chooses to apply any part of the levy to the entire district, the levy may  
216 continue in force for no more than three years, unless approved by the electors of the  
217 consolidated district in the manner set forth in Section 53A-16-110.

218 Section 4. Section **53A-2-115** is amended to read:

219 **53A-2-115. Additional levies in transferred territory -- Transferee board option**  
220 **to abolish or continue.**

221 If two or more districts undergo restructuring that results in a district receiving territory  
222 that increases the population of the district by at least 25%, and if the transferred territory was,  
223 at the time of transfer, subject to an additional levy under Section 53A-16-110, 53A-17a-133,  
224 53A-17a-134, or 53A-17a-145 [~~or 53A-21-103~~], the board of education of the transferee  
225 district may abolish the levy or apply the levy in whole or in part to the entire restructured  
226 district. Any such levy made applicable to the entire district may continue in force for no more  
227 than five years, unless approved by the electors of the restructured district in the manner set  
228 forth in Section 53A-16-110.

229 Section 5. Section **53A-16-110** is amended to read:

230 **53A-16-110. Special tax to buy school building sites, build and furnish**  
231 **schoolhouses, or improve school property.**

232 (1) (a) A local school board may, by following the process for special elections  
233 established in Sections 20A-1-203 and 20A-1-204, call a special election to determine whether  
234 a special property tax should be levied for one or more years to buy building sites, build and  
235 furnish schoolhouses, or improve the school property under its control.

236 (b) The tax may not exceed .2% of the taxable value of all taxable property in the  
237 district in any one year.

238 (2) The board shall give reasonable notice of the election and follow the same  
239 procedure used in elections for the issuance of bonds.

240 (3) If a majority of those voting on the proposition vote in favor of the tax, it is levied  
241 in addition to [~~those~~] a levy authorized under [~~Sections~~] Section 53A-17a-145 [~~and~~  
242 ~~53A-21-103~~] and computed on the valuation of the county assessment roll for that year.

243 (4) (a) Within 20 days after the election, the board shall certify the amount of the  
244 approved tax to the governing body of the county in which the school district is located.

245 (b) The governing body shall acknowledge receipt of the certification and levy and  
246 collect the special tax.

247 (c) It shall then distribute the collected taxes to the business administrator of the school  
248 district at the end of each calendar month.

249 (5) The special tax becomes due and delinquent and attaches to and becomes a lien on  
250 real and personal property at the same time as state and county taxes.

251 Section 6. Section **53A-21-101.5** is enacted to read:

252 **Part 1. General Provisions**

253 **53A-21-101.5. Definitions.**

254 As used in this chapter:

255 (1) "ADM" or "pupil in average daily membership" is as defined in Section  
256 53A-17a-103.

257 (2) "Combined capital levy rate" means a rate that includes the sum of the following  
258 property tax levies:

259 (a) the capital outlay levy authorized in Section 53A-16-107;

260 (b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
261 budgeted for debt service or capital outlay;

262 (c) the debt service levy authorized in Section 11-14-310; and

263 (d) the voted capital outlay leeway authorized in Section 53A-16-110.

264 (3) "Derived net taxable value" means the total current property tax collections from  
265 April 1 through the following March 31 for a school district, divided by the school district's  
266 total tax rate for the same year.

267 (4) "Property tax yield per ADM" means:

268 (a) the product of:

269 (i) a school district's derived net taxable value; and

270 (ii) .0030; divided by

271 (b) the school district's ADM for the school year beginning after the April 1 referenced  
272 in Subsection (3).

273 Section 7. Section **53A-21-102** is amended to read:

274 **53A-21-102. Capital Outlay Foundation Program -- Enrollment Growth Program**  
275 **-- Loan Program.**

276 [~~(1) The Capital Outlay Foundation Program and the Enrollment Growth Program are~~  
277 ~~established to provide revenues to school districts for the purposes of capital outlay bonding,~~  
278 ~~construction, and renovation.]~~

279 [~~(2) The Capital Outlay Loan Program is established to provide:]~~

280 [~~(a) short-term help to school districts to meet district needs for school building~~  
281 ~~construction and renovation; and]~~

282 [~~(b) assistance to charter schools to meet school building construction and renovation~~  
283 ~~needs.]~~

284 [~~(3) School districts shall]~~ A school district may only use the monies provided [~~to~~  
285 ~~them]~~ under [~~the programs established by this section solely]~~ this chapter for school district  
286 capital outlay and debt service purposes.

287 Section 8. Section **53A-21-201** is enacted to read:

288 **Part 2. Capital Outlay Foundation Program**

289 **53A-21-201. Capital Outlay Foundation Program -- Creation -- Definitions.**

290 (1) There is created the Capital Outlay Foundation Program to guarantee a certain  
291 amount of capital outlay funding to a school district that makes a sufficient local tax effort and  
292 generates local property tax revenues below a foundation guarantee funding level.

293 (2) As used in this part:

294 (a) "Foundation guarantee level per ADM" means a minimum revenue amount per  
295 ADM generated by a combined capital levy rate of .0030 per dollar of taxable value, including  
296 the following:

297 (i) the revenue generated locally from a school district's combined capital levy rate; and

298 (ii) the revenue allocated to a school district by the State Board of Education in  
299 accordance with Section 53A-21-202.

300 (b) "Qualifying school district" means a school district with a property tax yield per  
301 ADM less than the foundation guarantee level per ADM.

302 Section 9. Section **53A-21-202** is enacted to read:

303 **53A-21-202. Capital Outlay Foundation Program -- Distribution Formulas --**  
304 **Allocations.**

305 (1) For fiscal years beginning on or after July 1, 2008, the State Board of Education  
306 shall determine the foundation guarantee level per ADM that fully allocates the funds  
307 appropriated to the State Board of Education for distribution under this section.

308 (2) If a qualifying school district imposes a current year combined capital levy rate of  
309 at least .0030 per dollar of taxable value, the State Board of Education shall allocate to the  
310 qualifying school district an amount equal to the product of the following:

311 (a) the qualifying school district's prior year ADM; and

312 (b) an amount equal to the difference between the following:

313 (i) the foundation guarantee level per ADM for that fiscal year, as determined in  
314 accordance with Subsection (1); and

315 (ii) the qualifying school district's prior year property tax yield per ADM.

316 (3) Except as provided in Subsection (4), if a qualifying school district imposes a  
317 current year combined capital levy rate less than .0030 per dollar of taxable value, the State  
318 Board of Education shall allocate to the qualifying school district an amount equal to the  
319 product of the following:

320 (a) the qualifying school district's prior year ADM;

321 (b) an amount equal to the difference between the following:

322 (i) the foundation guarantee level per ADM for that fiscal year, as determined in  
323 accordance with Subsection (1); and

324 (ii) the qualifying school district's prior year property tax yield per ADM; and

325 (c) a percentage equal to the qualifying school district's current year combined capital  
326 levy rate divided by .0030.

327 (4) Notwithstanding Subsection (3), if a qualifying school district imposes a combined  
328 capital levy rate less than .0030 per dollar of taxable value, the State Board of Education shall  
329 allocate funds to the qualifying school district in accordance with the allocation methodology  
330 under Subsection (2) if:

331 (a) the qualifying school district imposed a combined capital levy rate of at least .0030  
332 in either of the prior two years; and

333 (b) the qualifying school district imposes a combined capital levy rate less than .0030  
334 solely due to a decrease in the qualifying school district's certified tax rate, calculated pursuant  
335 to Section 59-2-924, due to increases in the value of taxable property located within the

336 qualifying school district.

337 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
338 State Board of Education shall make rules to administer this section.

339 Section 10. Section **53A-21-301** is enacted to read:

340 **Part 3. Capital Outlay Enrollment Growth Program**

341 **53A-21-301. Capital Outlay Enrollment Growth Program - Definitions.**

342 (1) There is created the Capital Outlay Enrollment Growth Program to provide capital  
343 outlay funding to school districts experiencing net enrollment increases.

344 (2) As used in this part, "statewide average property tax yield per ADM" means the  
345 quotient of:

346 (a) the sum of all school districts' derived net taxable value multiplied by .0030;  
347 divided by

348 (b) the sum of total school district ADM statewide.

349 Section 11. Section **53A-21-302**, which is renumbered from Section 53A-21-103.5 is  
350 renumbered and amended to read:

351 ~~[53A-21-103.5].~~ **53A-21-302. Capital Outlay Enrollment Growth Program --**  
352 **Distribution Formulas -- Allocations.**

353 ~~[(1) As used in this section:]~~

354 ~~[(a) "ADM" means average daily membership.]~~

355 ~~[(b) "Derived valuation" means total school district property tax current collections~~  
356 ~~from April 1 through the following March 31, divided by the tax rates for the same year.]~~

357 ~~[(c) "Yield per ADM" means the product of the derived valuation multiplied by .0024,~~  
358 ~~divided by average daily membership.]~~

359 ~~[(2)(a) (1) The State Board of Education shall annually distribute monies [in]~~  
360 ~~appropriated for the Capital Outlay Enrollment Growth Program to [qualifying] a school~~  
361 ~~[districts whose] district that:~~

362 ~~[(i) (a) has an average net increase in student enrollment for the prior three years [is a~~  
363 ~~net increase in enrollment]; and~~

364 ~~[(ii) (b) has a prior year property tax yield per ADM that is less than two times the~~  
365 ~~prior year's statewide average property tax yield per ADM [for Utah school districts].~~

366 ~~[(b) A] (2) The State Board of Education shall allocate funding to a school district that~~

367 meets the ~~[criteria]~~ requirements of Subsection ~~[(2)(a)]~~ shall receive Enrollment Growth  
 368 Program monies (1) in the same proportion that the district's three-year average net increased  
 369 enrollment bears to the total three-year net increased enrollment of all the school districts that  
 370 meet the criteria of Subsection ~~[(2)(a)]~~ (1).

371 (3) A school district may use the funds received pursuant to this section for the  
 372 following purposes:

373 (a) general obligation bond principal and interest costs;

374 (b) capital construction;

375 (c) facilities renovation; and

376 (d) other capital project needs.

377 ~~[(e)]~~ (4) The State Board of Education shall make rules in accordance with Title 63,  
 378 Chapter 46a, Utah Administrative Rulemaking Act, to administer this section.

379 Section 12. Section **53A-21-401**, which is renumbered from Section 53A-21-104 is  
 380 renumbered and amended to read:

381 **Part 4. Capital Outlay Loan Program**

382 ~~[53A-21-104].~~ **53A-21-401. School Building Revolving Account -- Access to**  
 383 **the account.**

384 (1) There is created;

385 (a) the "Capital Outlay Loan Program" to provide:

386 (i) short-term help to school districts to meet district needs for school building

387 construction and renovation; and

388 (ii) assistance to charter schools to meet school building construction and renovation  
 389 needs; and

390 (b) a nonlapsing "School Building Revolving Account" administered within the  
 391 Uniform School Fund by the state superintendent of public instruction in accordance with rules  
 392 adopted by the State Board of Education.

393 (2) ~~[Monies received by a school district]~~ The State Board of Education may not  
 394 allocate funds from the School Building Revolving Account [may not] that exceed [the] a  
 395 school district's bonding limit minus its outstanding bonds.

396 (3) In order to receive monies from the account, a school district ~~[must do the~~  
 397 ~~following]~~ shall:

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

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

403 (c) levy sufficient ad valorem taxes under Section 11-14-310 to guarantee annual loan  
404 repayments, unless the state superintendent of public instruction alters the payment schedule to  
405 improve a hardship situation; and

406 (d) meet any other condition established by the State Board of Education pertinent to  
407 the loan.

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

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

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

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

415 (i) the recommended amount of the loan;

416 (ii) the payback schedule; and

417 (iii) the interest rate to be charged.

418 (5) (a) There is established within the School Building Revolving Account the Charter  
419 School Building Subaccount administered by the State Board of Education, in consultation  
420 with the State Charter School Board, in accordance with rules adopted by the State Board of  
421 Education.

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

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

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

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

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

428 (i) planning expenses;

429 (ii) constructing or renovating charter school buildings;

430 (iii) equipment and supplies; or

431 (iv) other start-up or expansion expenses.

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

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

437 (i) review requests by charter schools for loans under this section; and

438 (ii) make recommendations regarding approval or disapproval of the loan applications  
439 to the State Charter School Board and the State Board of Education.

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

442 (i) the recommended amount of the loan;

443 (ii) the payback schedule; and

444 (iii) the interest rate to be charged.

445 (c) The committee members may not:

446 (i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or

447 (ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person  
448 or entity that contracts with a loan applicant.

449 (7) The State Board of Education, in consultation with the State Charter School Board,  
450 shall approve all loans to a charter [schools] school under this section.

451 (8) [~~Loans~~] The term of a loan to a charter [schools] school under this section may not  
452 exceed [~~a term of~~] five years.

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

455 Section 13. Section **53A-21-501**, which is renumbered from Section 53A-21-105 is  
456 renumbered and amended to read:

457 **Part 5. Fiscal Matters**

458 [~~53A-21-105~~]. **53A-21-501. State contribution to capital outlay programs.**

459 (1) As an ongoing appropriation subject to future budget constraints, there is

460 appropriated from the Uniform School Fund for fiscal year [~~2007-08, \$27,288,900~~] 2008-09,  
461 \$55,788,900 to the State Board of Education for the capital outlay programs created in [~~Section~~  
462 ~~53A-21-102~~] this chapter.

463 (2) Of the monies appropriated in Subsection (1), the State Board of Education shall  
464 distribute:

465 (a) [~~\$24,358,000~~] \$52,858,000 in accordance with the Capital Outlay Foundation  
466 Program [~~described in Section 53A-21-103~~] pursuant to Section 53A-21-202; and

467 (b) \$2,930,900 in accordance with the Enrollment Growth Program [~~described in~~  
468 ~~Section 53A-21-103.5~~] pursuant to Section 53A-21-301.

469 Section 14. Section **59-2-924** is amended to read:

470 **59-2-924. Report of valuation of property to county auditor and commission --**  
471 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**  
472 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

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

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

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

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

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

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

483 (iii) the certified tax rate; and

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

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

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

490 (A) collections from redemptions;

- 491 (B) interest;
- 492 (C) penalties; and
- 493 (D) revenue received by a taxing entity from personal property that is:
  - 494 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
  - 495 (II) semiconductor manufacturing equipment.
- 496 (iii) (A) Except as otherwise provided in this section, the certified tax rate shall be
- 497 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
- 498 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).
- 499 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity
- 500 shall calculate an amount as follows:
  - 501 (I) calculate for the taxing entity the difference between:
    - 502 (Aa) the aggregate taxable value of all property taxed; and
    - 503 (Bb) any redevelopment adjustments for the current calendar year;
  - 504 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an
  - 505 amount determined by increasing or decreasing the amount calculated under Subsection
  - 506 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for
  - 507 the equalization period for the three calendar years immediately preceding the current calendar
  - 508 year;
  - 509 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the
  - 510 product of:
    - 511 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and
    - 512 (Bb) the percentage of property taxes collected for the five calendar years immediately
    - 513 preceding the current calendar year; and
  - 514 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an
  - 515 amount determined by subtracting from the amount calculated under Subsection
  - 516 (2)(a)(iii)(B)(III) any new growth as defined in this section:
    - 517 (Aa) within the taxing entity; and
    - 518 (Bb) for the current calendar year.
  - 519 (C) For purposes of Subsection (2)(a)(iii)(B)(I), the aggregate taxable value of all
  - 520 property taxed:
    - 521 (I) except as provided in Subsection (2)(a)(iii)(C)(II), includes the total taxable value of

522 the real and personal property contained on the tax rolls of the taxing entity; and

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

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

526 (Bb) semiconductor manufacturing equipment.

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

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

532 (II) semiconductor manufacturing equipment.

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

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

538 (II) semiconductor manufacturing equipment.

539 (F) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
540 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
541 year.

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

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

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

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

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

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

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

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

561 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,  
562 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145~~[-and~~  
563 ~~53A-21-103]~~; and

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

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

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

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

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

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

576 (B) the total taxable value of personal property contained on the tax rolls of the taxing  
577 entity that is:

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

579 (II) semiconductor manufacturing equipment.

580 (iii) "New growth" means:

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

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

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

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

588 (B) semiconductor manufacturing equipment.

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

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

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

595 (I) the Legislature;

596 (II) a court;

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

598 (IV) the commission in an administrative order.

599 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
600 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
601 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter  
602 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax  
603 rate to offset the increased revenues.

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

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

608 (B) increased by the amount necessary to offset the county's reduction in revenue from  
609 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
610 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
611 (2)(d)(i)(A).

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

614 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort

615 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be  
616 decreased on a one-time basis by the amount necessary to offset the first 12 months of  
617 estimated revenue from the additional resort communities sales and use tax imposed under  
618 Section 59-12-402.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

668 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part  
669 13, Utah Special Service District Act, to provide jail service, as provided in Subsection  
670 17A-2-1304(1)(a)(x); and

671 (B) levies a property tax on behalf of the special service district under Section  
672 17A-2-1322.

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

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

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

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

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

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

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

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

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

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

693 (Aa) for participating counties, in the unincorporated area of all participating counties;  
694 and

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

696 (D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
697 Area Act, in the creation of which an election was not required under Subsection  
698 17B-1-214(3)(c).

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

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

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

707 (F) "Participating county" means a county whose unincorporated area is included

708 within a fire district at the time of the creation of the fire district.

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

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

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

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

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

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

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

728 (i) personal property tax revenue:

729 (A) received by a taxing entity;

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

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

732 (ii) the taxable value of personal property:

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

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

735 (C) that is semiconductor manufacturing equipment.

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

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

- 739 (i) its intent to exceed the certified tax rate; and
- 740 (ii) the amount by which it proposes to exceed the certified tax rate.
- 741 (c) The county auditor shall notify all property owners of any intent to exceed the
- 742 certified tax rate in accordance with Subsection 59-2-919(2).
- 743 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
- 744 reduced for any year to the extent necessary to provide a community development and renewal
- 745 agency established under Title 17C, Limited Purpose Local Government Entities - Community
- 746 Development and Renewal Agencies, with approximately the same amount of money the
- 747 agency would have received without a reduction in the county's certified tax rate if:
- 748 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
- 749 (2)(d)(i);
- 750 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
- 751 previous year; and
- 752 (iii) the decrease results in a reduction of the amount to be paid to the agency under
- 753 Section 17C-1-403 or 17C-1-404.
- 754 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any
- 755 year to the extent necessary to provide a community development and renewal agency with
- 756 approximately the same amount of money as the agency would have received without an
- 757 increase in the certified tax rate that year if:
- 758 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to
- 759 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and
- 760 (ii) The certified tax rate of a city, school district, local district, or special service
- 761 district increases independent of the adjustment to the taxable value of the base year.
- 762 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or
- 763 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community
- 764 development and renewal agency established under Title 17C, Limited Purpose Local
- 765 Government Entities - Community Development and Renewal Agencies, for the payment of
- 766 bonds or other contract indebtedness, but not for administrative costs, may not be less than that
- 767 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or
- 768 (2)(d)(i).

769 Section 15. **Repealer.**

770 This bill repeals:

771 Section **53A-21-103, Qualifications for participation in the foundation program --**

772 **Distribution of monies -- Distribution formulas.**

773 **Section 16. Effective date.**

774 This bill takes effect on July 1, 2008.

775 Section 17. **Coordinating H.B. 1 with S.B. 48 -- Superseding amendments.**

776 If this S.B. 48 and H.B. 1, Minimum School Program Base Budget Amendments, both  
777 pass, it is the intent of the Legislature that the amendments to Section 53A-21-501, renumbered  
778 from Section 53A-21-105, in this bill supersede the amendments to Section 53A-21-105 in  
779 H.B. 1 when the Office of Legislative Research and General Counsel prepares the Utah Code  
780 database for publication.

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**S.B. 48 1st Sub. (Green) - Equalization of School Capital Outlay Funding**

**Fiscal Note**

2008 General Session  
State of Utah

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**State Impact**

Enactment of this bill appropriates an additional \$28,500,000 in ongoing Uniform School Fund revenue to the State Board of Education to support the Capital Outlay Foundation Program. The bill contains a coordinating clause which supercedes the ongoing base budget supporting the Capital Outlay Foundation Program and the Enrollment Growth Program of \$27,288,900 with a total of \$55,788,900 for both programs, a net difference of \$28.5 million.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Uniform School Fund	\$0	\$28,500,000	\$28,500,000	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$28,500,000</b>	<b>\$28,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill may result in increased revenue allocations to school districts that qualify to receive Capital Outlay Foundation Program revenues. Enactment of this bill may also result in additional school districts qualifying for program revenues. Bill provisions increase the property tax threshold rate that school districts may impose to receive a distribution from the Capital Outlay Foundation Program. Districts that meet or exceed the new rate will receive a full allocation, those districts that do not meet the new rate may see a pro-rata allocation based on their participation level.