

PROPERTY TAX AMENDMENTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Merlynn T. Newbold

Senate Sponsor: _____

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

General Description:

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

Highlighted Provisions:

This bill:

- ▶ repeals the authority of school districts to levy certain property taxes;
- ▶ increases the statewide minimum basic tax rate;
- ▶ creates a 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;
- ▶ adjusts a school district's certified tax rate due to the repeal or amendment of the property taxing authority of the school district;
- ▶ eliminates the capital outlay foundation program;
- ▶ amends the provisions relating to the requirement that a school district in a county of the first class levy a property tax of at least .0006 per dollar of taxable value;
- ▶ amends the provisions relating to the requirement that a school district in a divided



28 school district levy a property tax of at least .0006 per dollar of taxable value;

29 ▶ defines terms; and

30 ▶ makes technical changes.

31 **Monies Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 This bill takes effect on January 1, 2010.

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30

38 **11-13-302**, as last amended by Laws of Utah 2008, Chapters 236 and 382

39 **20A-1-203**, as last amended by Laws of Utah 2008, Chapter 16

40 **53A-1a-106**, as last amended by Laws of Utah 2003, Chapter 221

41 **53A-1a-513**, as last amended by Laws of Utah 2008, Chapters 382 and 397

42 **53A-2-103**, as last amended by Laws of Utah 2008, Chapter 236

43 **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236

44 **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236

45 **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297

46 **53A-2-118.3**, as enacted by Laws of Utah 2008, Chapter 236

47 **53A-2-206**, as last amended by Laws of Utah 2008, Chapter 382

48 **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233

49 **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72

50 **53A-16-107.1**, as enacted by Laws of Utah 2008, Chapter 236

51 **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397

52 **53A-17a-105**, as last amended by Laws of Utah 2008, Chapter 382

53 **53A-17a-127**, as last amended by Laws of Utah 2008, Chapter 397

54 **53A-17a-133**, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236

55 **53A-17a-135**, as last amended by Laws of Utah 2008, Chapter 1

56 **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271

57 **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305

58 **53A-21-501**, as last amended by Laws of Utah 2008, Chapter 1 and renumbered and

59 amended by Laws of Utah 2008, Chapter 236

60 **59-2-924**, as last amended by Laws of Utah 2008, Chapters 61, 118, 231, 236, 330, 360,
61 and 382

62 **59-2-924.3**, as enacted by Laws of Utah 2008, Chapter 236

63 **59-2-924.4**, as enacted by Laws of Utah 2008, Chapter 236

64 **59-2-926**, as last amended by Laws of Utah 2008, Chapter 330

65 **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382

66 ENACTS:

67 **53A-17a-163**, Utah Code Annotated 1953

68 REPEALS:

69 **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236

70 **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236

71 **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2

72 **53A-17a-134**, as last amended by Laws of Utah 2008, Chapter 231

73 **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72

74 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305

75 **53A-21-101.5**, as enacted by Laws of Utah 2008, Chapter 236

76 **53A-21-201**, as enacted by Laws of Utah 2008, Chapter 236

77 **53A-21-202**, as enacted by Laws of Utah 2008, Chapter 236

78

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

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

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

83 (1) All expenses incurred in the equipment, operation and maintenance of such
84 recreational facilities and activities shall be paid from the treasuries of the respective cities,
85 towns, counties, or school districts, and, except as provided in Subsection (3), the governing
86 bodies of the same may annually appropriate, and cause to be raised by taxation, money for
87 such purposes.

88 (2) In areas so remote from regular transmission points of the large television stations
89 that television reception is impossible without special equipment and adequate, economical and

90 proper television is not available to the public by private sources, said local authorities may
91 also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain
92 television transmission and relay facilities, all users or owners of television sets within the
93 jurisdiction of said local authorities, and may provide for the collection of the license fees by
94 suit or otherwise and may also enforce obedience to such ordinances with such fine and
95 imprisonment as the local authorities [~~deem~~] consider proper; provided that the punishment for
96 any violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment
97 not exceeding one day for each \$5.00 of said fine, if the fine is not paid.

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

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

101 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
102 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

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

119 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in
120 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the

121 project commences, or, in the case of facilities providing additional project capacity, with the
122 fiscal year of the taxing jurisdiction in which construction of those facilities commences.

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

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

128 (i) a levy mandated by the state for the state minimum school program under Section
129 53A-17a-135; and

130 (ii) local levies for capital outlay, maintenance, transportation, and other purposes
131 under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127,~~
132 ~~53A-17a-133~~, ~~53A-17a-134, 53A-17a-143, and 53A-17a-145~~] and 53A-17a-163.

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

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

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

139 (A) an annual fee; or

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

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

147 (b) As used in this section, "tax rate," when applied in respect to a school district,
148 includes any assessment to be made by the school district under Subsection (2) or Section
149 63M-5-302.

150 (c) There is to be credited against the annual fee due a taxing jurisdiction for each year,
151 an amount equal to the debt service, if any, payable in that year by the project entity on bonds,

152 the proceeds of which were used to provide public facilities and services for impact alleviation
153 in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

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

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

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

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

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

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

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

167 (A) the project entity; and

168 (B) any county that:

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

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

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

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

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

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

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

183 portion of the project for which there is not an agreement:

184 (I) for that year; and

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

186 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax

187 Commission in accordance with rules made by the State Tax Commission.

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

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

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

191 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or

192 other benefits of the project whose tangible property is not exempted by Utah Constitution

193 Article XIII, Section 3, from the payment of ad valorem property tax shall require each

194 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,

195 its share, determined in accordance with the terms of the contract, of these fees.

196 (ii) It is the responsibility of the project entity to enforce the obligations of the

197 purchasers.

198 (5) (a) The responsibility of the project entity to make payment of the annual fees is

199 limited to the extent that there is legally available to the project entity, from bond proceeds or

200 revenues, monies to make these payments, and the obligation to make payments of the annual

201 fees is not otherwise a general obligation or liability of the project entity.

202 (b) No tax lien may attach upon any property or money of the project entity by virtue of

203 any failure to pay all or any part of an annual fee.

204 (c) The project entity or any purchaser may contest the validity of an annual fee to the

205 same extent as if the payment was a payment of the ad valorem property tax itself.

206 (d) The payments of an annual fee shall be reduced to the extent that any contest is

207 successful.

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

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

210 (A) is not a project entity; and

211 (B) owns an interest in a facility providing additional project capacity if the interest is

212 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and

213 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in

214 accordance with Subsection (6)(b).

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

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

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

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

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

227 Section 3. Section **20A-1-203** is amended to read:

228 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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

- 245 (i) a vote on a bond or debt issue;
- 246 (ii) a vote on a [~~voted highway program~~] voted local discretionary levy authorized by
 247 Section 53A-17a-133 [~~or 53A-17a-134~~];
- 248 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - [~~Procedure~~]
 249 Procedures;
- 250 (iv) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;
- 251 (v) if required or authorized by federal law, a vote to determine whether or not Utah's
 252 legal boundaries should be changed;

- 253 (vi) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act;
- 254 (vii) a vote to elect members to school district boards for a new school district and a
 255 remaining school district, as defined in Section 53A-2-117, following the creation of a new
 256 school district under Section 53A-2-118.1; or

- 257 (viii) an election of town officers of a newly incorporated town under Subsection
 258 10-2-125(9).

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

- 261 (i) the date for the local special election; and
- 262 (ii) the purpose for the local special election.

263 Section 4. Section **53A-1a-106** is amended to read:

264 **53A-1a-106. School district and individual school powers.**

265 (1) In order to acquire and develop the characteristics listed in Section 53A-1a-104,
 266 each school district and each public school within its respective district shall implement a
 267 comprehensive system of accountability in which students advance through public schools by
 268 demonstrating competency in required skills and mastery of required knowledge through the
 269 use of diverse assessment instruments such as authentic and criterion referenced tests, projects,
 270 and portfolios.

271 (2) (a) Each school district and public school shall:

- 272 (i) develop and implement programs integrating technology into the curriculum,
 273 instruction, and student assessment;
- 274 (ii) provide for teacher and parent involvement in policymaking at the school site;
- 275 (iii) implement a public school choice program to give parents, students, and teachers

276 greater flexibility in designing and choosing among programs with different focuses through
277 schools within the same district and other districts, subject to space availability, demographics,
278 and legal and performance criteria;

279 (iv) establish strategic planning at both the district and school level and site-based
280 decision making programs at the school level;

281 (v) provide opportunities for each student to acquire and develop academic and
282 occupational knowledge, skills, and abilities;

283 (vi) participate in ongoing research and development projects primarily at the school
284 level aimed at improving the quality of education within the system; and

285 (vii) involve business and industry in the education process through the establishment
286 of partnerships with the business community at the district and school level.

287 (b) (i) Each local school board, in consultation with school personnel, parents, and
288 school community councils or similar entities shall establish policies to provide for the
289 effective implementation of a personalized student education plan (SEP) or student
290 education/occupation plan (SEOP) for each student at the school site.

291 (ii) The policies shall include guidelines and expectations for:

292 (A) recognizing the student's accomplishments, strengths, and progress towards
293 meeting student achievement standards as defined in U-PASS;

294 (B) planning, monitoring, and managing education and career development; and

295 (C) involving students, parents, and school personnel in preparing and implementing
296 SEPs and SEOPs.

297 (iii) A parent may request conferences with school personnel in addition to SEP or
298 SEOP conferences established by local school board policy.

299 (iv) Time spent during the school day to implement SEPs and SEOPs is considered
300 part of the school term referred to in Subsection 53A-17a-103~~(5)~~(3).

301 (3) A school district or public school may submit proposals to modify or waive rules or
302 policies of a supervisory authority within the public education system in order to acquire or
303 develop the characteristics listed in Section 53A-1a-104.

304 (4) (a) Each school district and public school shall make an annual report to its patrons
305 on its activities under this section.

306 (b) The reporting process shall involve participation from teachers, parents, and the

307 community at large in determining how well the district or school is performing.

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

309 **53A-1a-513. Funding for charter schools.**

310 (1) As used in this section:

311 (a) "Charter school students' average local revenues" means the amount determined as
312 follows:

313 (i) for each student enrolled in a charter school on the previous October 1, calculate the
314 district per pupil local revenues of the school district in which the student resides;

315 (ii) sum the district per pupil local revenues for each student enrolled in a charter
316 school on the previous October 1; and

317 (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students
318 enrolled in charter schools on the previous October 1.

319 (b) "District per pupil local revenues" means the amount determined as follows, using
320 data from the most recently published school district annual financial reports and state
321 superintendent's annual report:

322 (i) calculate the sum of a school district's revenue received from:

323 (A) a voted local discretionary levy imposed under Section 53A-17a-133; and

324 (B) a board local discretionary levy imposed under Section [~~53A-17a-134;~~]

325 53A-17a-163; and

326 [~~(C) 10% of the cost of the basic program levy imposed under Section 53A-17a-145;~~]

327 [~~(D) a tort liability levy imposed under Section 63G-7-704;~~]

328 [~~(E) a capital outlay levy imposed under Section 53A-16-107; and]~~

329 [~~(F) a voted capital outlay levy imposed under Section 53A-16-110; and]~~

330 (ii) divide the sum calculated under Subsection (1)(b)(i) by the sum of:

331 (A) a school district's average daily membership; and

332 (B) the average daily membership of a school district's resident students who attend
333 charter schools.

334 (c) "Resident student" means a student who is considered a resident of the school
335 district under Title 53A, Chapter 2, Part 2, District of Residency.

336 (d) "Statewide average debt service revenues" means the amount determined as
337 follows, using data from the most recently published state superintendent's annual report:

338 (i) sum the revenues of each school district from the debt service levy imposed under
339 Section 11-14-310; and

340 (ii) divide the sum calculated under Subsection (1)(d)(i) by statewide school district
341 average daily membership.

342 (2) (a) Charter schools shall receive funding as described in this section, except
343 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

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

347 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state
348 funds, as applicable, on the same basis as a school district receives funds.

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

351 (i) .55 for kindergarten pupils;

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

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

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

355 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), a school district shall allocate a
356 portion of school district revenues for each resident student of the school district who is
357 enrolled in a charter school on October 1 equal to 25% of the lesser of:

358 (A) district per pupil local revenues; or

359 (B) charter school students' average local revenues.

360 (ii) For the purpose of allocating school district revenues under Subsection (4)(a)(i), a
361 kindergarten student who is enrolled in less than a full-day kindergarten program is weighted as
362 .55 of a student.

363 (iii) Nothing in this Subsection (4)(a) affects the school bond guarantee program
364 established under Chapter 28, Utah School Bond Guaranty Act.

365 (b) The State Board of Education shall:

366 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
367 state funds the school district is authorized to receive under Title 53A, Chapter 17a, Minimum
368 School Program Act; and

369 (ii) remit the money to the student's charter school.

370 (c) Notwithstanding the method used to transfer school district revenues to charter
371 schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter
372 schools under this section from:

373 (i) unrestricted revenues available to the school district; or

374 (ii) the revenue sources listed in Subsections (1)(b)(i)(A) [~~through (F)~~] and (B) based
375 on the portion of the allocations to charter schools attributed to each of the revenue sources
376 listed in Subsections (1)(b)(i)(A) [~~through (F)~~] and (B).

377 (d) (i) Subject to future budget constraints, the Legislature shall provide an
378 appropriation for charter schools for each student enrolled on October 1 to supplement the
379 allocation of school district revenues under Subsection (4)(a).

380 (ii) Except as provided in Subsections (4)(d)(iii) and (iv), the amount of money
381 provided by the state for a charter school student shall be the sum of:

382 (A) charter school students' average local revenues minus the allocation of school
383 district revenues under Subsection (4)(a); and

384 (B) statewide average debt service revenues.

385 (iii) If the total of a school district's allocation for a charter school student under
386 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
387 \$1427, the state shall provide an additional supplement so that a charter school receives at least
388 \$1427 per student under this Subsection (4).

389 (iv) For the purpose of providing state monies for charter school students under this
390 Subsection (4)(d), a kindergarten student who is enrolled in less than a full-day kindergarten
391 program is weighted as .55 of a student.

392 (e) Of the monies provided to a charter school under this Subsection (4), 10% shall be
393 expended for funding school facilities only.

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

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

398 (7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state
399 transportation funding.

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

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

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

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

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

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

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

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

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

423 Section 6. Section **53A-2-103** is amended to read:

424 **53A-2-103. Transfer of property to new school district -- Rights and obligations**
425 **of new school board -- Outstanding indebtedness -- Special tax.**

426 (1) On July 1 following the approval of the creation of a new school district under
427 Section 53A-2-102, the local school boards of the former districts shall convey and deliver all
428 school property to the local school board of the new district. Title vests in the new board. All
429 rights, claims, and causes of action to or for the property, for the use or the income from the
430 property, for conversion, disposition, or withholding of the property, or for any damage or

431 injury to the property vest at once in the new board.

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

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

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

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

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

449 Section 7. Section **53A-2-114** is amended to read:

450 **53A-2-114. Additional levies -- School board options to abolish or continue after**
451 **consolidation.**

452 (1) If a school district which has approved an additional levy under Section
453 [~~53A-16-110;~~ 53A-17a-133[~~, 53A-17a-134, or 53A-17a-145~~] or 53A-17a-163 is consolidated
454 with a district which does not have such a levy, the board of education of the consolidated
455 district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated
456 district.

457 (2) If the board chooses to apply any part of the levy to the entire district, the levy may
458 continue in force for no more than three years, unless approved by the electors of the
459 consolidated district in the manner set forth in Section [~~53A-16-110~~] 53A-17a-133.

460 Section 8. Section **53A-2-115** is amended to read:

461 **53A-2-115. Additional levies in transferred territory -- Transferee board option**

462 **to abolish or continue.**

463 If two or more districts undergo restructuring that results in a district receiving territory
464 that increases the population of the district by at least 25%, and if the transferred territory was,
465 at the time of transfer, subject to an additional levy under Section [~~53A-16-110~~]
466 53A-17a-133[~~, 53A-17a-134, or 53A-17a-145~~] or 53A-17a-163, the board of education of the
467 transferee district may abolish the levy or apply the levy in whole or in part to the entire
468 restructured district. Any such levy made applicable to the entire district may continue in force
469 for no more than five years, unless approved by the electors of the restructured district in the
470 manner set forth in Section [~~53A-16-110~~] 53A-17a-133.

471 Section 9. Section **53A-2-118.2** is amended to read:

472 **53A-2-118.2. New school district property tax -- Limitations.**

473 (1) (a) A new school district created under Section 53A-2-118.1 may not impose a
474 property tax prior to the fiscal year in which the new school district assumes responsibility for
475 providing student instruction.

476 (b) The remaining school district retains authority to impose property taxes on the
477 existing school district, including the territory of the new school district, until the fiscal year in
478 which the new school district assumes responsibility for providing student instruction.

479 (2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1
480 assumes responsibility for student instruction any portion of the territory within the new school
481 district was subject to a levy pursuant to Section [~~53A-16-110 or~~] 53A-17a-133 or
482 53A-17a-163, the new school district's board may:

483 (i) discontinue the levy for the new school district;

484 (ii) impose a levy on the new school district as provided in Section [~~53A-16-110 or~~]
485 53A-17a-133 or 53A-17a-163; or

486 (iii) impose the levy on the new school district, subject to Subsection (2)(b).

487 (b) If the new school district's board applies a levy to the new school district pursuant
488 to Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by
489 the voters of the existing district or districts at the time of the vote to create the new school
490 district.

491 Section 10. Section **53A-2-118.3** is amended to read:

492 **53A-2-118.3. Imposition of the board local discretionary levy in qualifying**

493 **divided school districts.**

494 (1) For purposes of this section:

495 (a) "Qualifying divided school district" means a divided school district:

496 (i) located within a county of the second through sixth class; and

497 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide
498 educational services after July 1, 2008.

499 (b) "Qualifying taxable year" means the calendar year in which a new school district
500 begins to provide educational services.

501 (2) Beginning with the qualifying taxable year, in order to qualify for receipt of the
502 state contribution toward the minimum school program described in Section 53A-17a-104, a
503 school district within a qualifying divided school district shall impose a [~~capital outlay~~] board
504 local discretionary levy described in Section [~~53A-16-107~~] 53A-17a-163 of at least .0006 per
505 dollar of taxable value.

506 (3) The county treasurer of a county with a qualifying divided school district shall
507 distribute revenues generated by the .0006 portion of the [~~capital outlay~~] board local
508 discretionary levy required in Subsection (2) to the school districts located within the
509 boundaries of the qualifying divided school district as follows:

510 (a) 25% of the revenues shall be distributed in proportion to a school district's
511 percentage of the total enrollment growth in all of the school districts within the qualifying
512 divided school district that have an increase in enrollment, calculated on the basis of the
513 average annual enrollment growth over the prior three years in all of the school districts within
514 the qualifying divided school district that have an increase in enrollment over the prior three
515 years, as of the October 1 enrollment counts; and

516 (b) 75% of the revenues shall be distributed in proportion to a school district's
517 percentage of the total current year enrollment in all of the school districts within the qualifying
518 divided school district, as of the October 1 enrollment counts.

519 (4) If a new school district is created or school district boundaries are adjusted, the
520 enrollment and average annual enrollment growth for each affected school district shall be
521 calculated on the basis of enrollment in school district schools located within that school
522 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

523 (5) On or before December 31 of each year, the State Board of Education shall provide

524 a county treasurer with audited enrollment information from the fall enrollment audit necessary
525 to distribute revenues as required by this section.

526 (6) On or before March 31 of each year, a county treasurer in a county with a
527 qualifying divided school district shall distribute, in accordance with Subsection (3), the
528 revenue generated within the qualifying divided school district during the prior calendar year
529 from the [~~capital outlay~~] board local discretionary levy required in Subsection (2).

530 Section 11. Section **53A-2-206** is amended to read:

531 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**
532 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**
533 **student agencies.**

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

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

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

542 (2) (a) A school district or charter school may include foreign exchange students in the
543 district's or school's membership and attendance count for the purpose of apportionment of
544 state monies, except as provided in Subsections (2)(b) through (e).

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

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

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

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

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

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

559 (B) 328 foreign exchange students.

560 (ii) The State Board of Education shall make rules in accordance with Title 63G,
561 Chapter 3, Utah Administrative Rulemaking Act, to administer the cap on the number of
562 foreign exchange students that may be counted for the purpose of apportioning state monies
563 under Subsection (2)(b).

564 (d) Notwithstanding Sections 53A-17a-133 [~~and 53A-17a-134~~] or 53A-17a-163,
565 weighted pupil units in the grades 1-12 basic program for foreign exchange students, as
566 determined by Subsections (2)(b) and (c), may not be included for the purposes of determining
567 a school district's state guarantee money under the voted [~~or board leeway programs~~]
568 local discretionary levy or board local discretionary levy.

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

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

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

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

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

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

584 (6) (a) A local school board or charter school governing board shall require each
585 approved exchange student agency to provide it with a sworn affidavit of compliance prior to

586 the beginning of each school year.

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

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

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

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

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

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

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

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

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

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

613 Section 12. Section **53A-2-214** is amended to read:

614 **53A-2-214. Online students' participation in extracurricular activities.**

615 (1) As used in this section:

616 (a) "Online education" means the use of information and communication technologies

617 to deliver educational opportunities to a student in a location other than a school.

618 (b) "Online student" means a student who:

619 (i) participates in an online education program sponsored or supported by the State
620 Board of Education, a school district, or charter school; and

621 (ii) generates funding for the school district or school pursuant to Subsection
622 53A-17a-103~~(5)~~(3) and rules of the State Board of Education.

623 (2) An online student is eligible to participate in extracurricular activities at:

624 (a) the school within whose attendance boundaries the student's custodial parent or
625 legal guardian resides; or

626 (b) the public school from which the student withdrew for the purpose of participating
627 in an online education program.

628 (3) A school other than a school described in Subsection (2)(a) or (b) may allow an
629 online student to participate in extracurricular activities other than:

630 (a) interschool competitions of athletic teams sponsored and supported by a public
631 school; or

632 (b) interschool contests or competitions for music, drama, or forensic groups or teams
633 sponsored and supported by a public school.

634 (4) An online student is eligible for extracurricular activities at a public school
635 consistent with eligibility standards as applied to full-time students of the public school.

636 (5) A school district or public school may not impose additional requirements on an
637 online school student to participate in extracurricular activities that are not imposed on
638 full-time students of the public school.

639 (6) (a) The State Board of Education shall make rules establishing fees for an online
640 school student's participation in extracurricular activities at school district schools.

641 (b) The rules shall provide that:

642 (i) online school students pay the same fees as other students to participate in
643 extracurricular activities;

644 (ii) online school students are eligible for fee waivers pursuant to Section 53A-12-103;

645 (iii) for each online school student who participates in an extracurricular activity at a
646 school district school, the online school shall pay a share of the school district's costs for the
647 extracurricular activity; and

648 (iv) an online school's share of the costs of an extracurricular activity shall reflect state
649 and local tax revenues expended, except capital facilities expenditures, for an extracurricular
650 activity in a school district or school divided by total student enrollment of the school district
651 or school.

652 (c) In determining an online school's share of the costs of an extracurricular activity
653 under Subsections (6)(b)(iii) and (iv), the State Board of Education may establish uniform fees
654 statewide based on average costs statewide or average costs within a sample of school districts.

655 (7) When selection to participate in an extracurricular activity at a public school is
656 made on a competitive basis, an online student is eligible to try out for and participate in the
657 activity as provided in this section.

658 Section 13. Section **53A-3-415** is amended to read:

659 **53A-3-415. School board policy on detaining students after school.**

660 (1) Each local school board shall establish a policy on detaining students after regular
661 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]
662 53A-11-901.

663 (2) The policy shall apply to elementary school students, grades kindergarten through
664 six. The board shall receive input from teachers, school administrators, and parents and
665 guardians of the affected students before adopting the policy.

666 (3) The policy shall provide for notice to the parent or guardian of a student prior to
667 holding the student after school on a particular day. The policy shall also provide for
668 exceptions to the notice provision if detention is necessary for the student's health or safety.

669 Section 14. Section **53A-16-107.1** is amended to read:

670 **53A-16-107.1. Board local discretionary levy in counties of the first class --**
671 **Allocation.**

672 (1) The county treasurer of a county of the first class shall distribute revenues
673 generated by the .0006 portion of the [~~capital outlay~~] board local discretionary levy required in
674 Subsection [~~53A-16-107(3)~~] 53A-17a-163(4) to school districts located within the county of
675 the first class as follows:

676 (a) 25% of the revenues shall be distributed in proportion to a school district's
677 percentage of the total enrollment growth in all of the school districts within the county that
678 have an increase in enrollment, calculated on the basis of the average annual enrollment growth

679 over the prior three years in all of the school districts within the county that have an increase in
680 enrollment over the prior three years, as of the October 1 enrollment counts; and

681 (b) 75% of the revenues shall be distributed in proportion to a school district's
682 percentage of the total current year enrollment in all of the school districts within the county, as
683 of the October 1 enrollment counts.

684 (2) If a new school district is created or school district boundaries are adjusted, the
685 enrollment and average annual enrollment growth for each affected school district shall be
686 calculated on the basis of enrollment in school district schools located within that school
687 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

688 (3) On or before December 31 of each year, the State Board of Education shall provide
689 a county treasurer with audited enrollment information from the fall enrollment audit necessary
690 to distribute revenues as required by this section.

691 (4) On or before March 31 of each year, a county treasurer in a county of the first class
692 shall distribute the revenue generated within the county of the first class during the prior
693 calendar year from the ~~[capital outlay]~~ board local discretionary levy described in Section
694 ~~[53A-16-107]~~ 53A-17a-163.

695 Section 15. Section **53A-17a-103** is amended to read:

696 **53A-17a-103. Definitions.**

697 As used in this chapter:

698 (1) "Basic state-supported school program" or "basic program" means public education
699 programs for kindergarten, elementary, and secondary school students that are operated and
700 maintained for the amount derived by multiplying the number of weighted pupil units for each
701 district by \$2,577, except as otherwise provided in this chapter.

702 ~~[(2) (a) "Certified revenue levy" means a property tax levy that provides an amount of
703 ad valorem property tax revenue equal to the sum of:]~~

704 ~~[(i) the amount of ad valorem property tax revenue to be generated statewide in the
705 previous year from imposing a minimum basic tax rate, as specified in Subsection
706 53A-17a-135(1)(a); and]~~

707 ~~[(ii) the product of:]~~

708 ~~[(A) new growth, as defined in:]~~

709 ~~[(F) Section 59-2-924; and]~~

710 ~~[(H) rules of the State Tax Commission; and]~~
711 ~~[(B) the minimum basic tax rate certified by the State Tax Commission for the~~
712 ~~previous year.]~~
713 ~~[(b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not~~
714 ~~include property tax revenue received statewide from personal property that is:]~~
715 ~~[(i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3;~~
716 ~~County Assessment; and]~~
717 ~~[(ii) semiconductor manufacturing equipment.]~~
718 ~~[(c) For purposes of calculating the certified revenue levy described in this Subsection~~
719 ~~(2), the State Tax Commission shall use:]~~
720 ~~[(i) the taxable value of real property assessed by a county assessor contained on the~~
721 ~~assessment roll;]~~
722 ~~[(ii) the taxable value of real and personal property assessed by the State Tax~~
723 ~~Commission; and]~~
724 ~~[(iii) the taxable year end value of personal property assessed by a county assessor~~
725 ~~contained on the prior year's assessment roll.]~~
726 ~~[(3) "Leeway program" or "leeway" means a state-supported voted leeway program or~~
727 ~~board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.]~~
728 ~~[(4)] (2) "Pupil in average daily membership (ADM)" means a full-day equivalent~~
729 ~~pupil.~~
730 ~~[(5)] (3) (a) "State-supported minimum school program" or "minimum school~~
731 ~~program" means public school programs for kindergarten, elementary, and secondary schools~~
732 ~~as described in this Subsection [(5)] (3).~~
733 (b) The minimum school program established in the districts shall include the
734 equivalent of a school term of nine months as determined by the State Board of Education.
735 (c) (i) The board shall establish the number of days or equivalent instructional hours
736 that school is held for an academic school year.
737 (ii) Education, enhanced by utilization of technologically enriched delivery systems,
738 when approved by local school boards, shall receive full support by the State Board of
739 Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing
740 commercial advertising.

741 (d) The program includes the total of the following annual costs:
 742 (i) the cost of a basic state-supported school program; and
 743 (ii) other amounts appropriated in this chapter in addition to the basic program.
 744 ~~[(6)] (4)~~ "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of
 745 factors that is computed in accordance with this chapter for the purpose of determining the
 746 costs of a program on a uniform basis for each district.

747 Section 16. Section **53A-17a-105** is amended to read:

748 **53A-17a-105. Action required for underestimated or overestimated weighted**
 749 **pupil units -- Action required for underestimating or overestimating local contributions.**

750 (1) If the number of weighted pupil units in a program is underestimated in Section
 751 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so
 752 that the amount paid does not exceed the estimated amount by program.

753 (2) If the number of weighted pupil units in a program is overestimated in Section
 754 53A-17a-104, the state superintendent of public instruction shall either increase the amount
 755 paid in that program per weighted pupil unit or transfer the unused amount in that program to
 756 another program included in the minimum school program.

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

760 (b) Any amounts transferred under Subsection (3)(a) may be spent in addition to the
 761 amounts listed in Section 53A-17a-104.

762 (4) The limitation on the proceeds from local tax rates for ~~[operation and maintenance]~~
 763 all programs under this chapter is subject to modification by local school boards under Sections
 764 53A-17a-133 and ~~[53A-17a-134]~~ 53A-17a-163 and to special tax rates authorized by this
 765 chapter, and shall be adjusted accordingly.

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

769 (6) (a) If local contributions from the basic tax rate ~~[for operation and maintenance~~
 770 programs] are underestimated, the excess is applied;

771 (i) first, to support the value of the weighted pupil unit as set by the Legislature for

772 total weighted pupil units generated by the districts and those costs of Social Security and
773 retirement[;];

774 (ii) second, to transportation[;]; and

775 (iii) third, to board and voted [leeway] local discretionary levy guarantees that occur as
776 a result of the additional generated weighted pupil units, following internal adjustments by the
777 state superintendent as provided in this section.

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

784 (7) As an exception to Section 63J-1-401, the state fiscal officer may not close out
785 appropriations from the Uniform School Fund at the end of a fiscal year.

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

787 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**
788 **routes -- Additional local tax.**

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

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

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

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

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

803 (3) (a) The State Board of Education shall distribute transportation monies to school
804 districts based on:

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

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

807 (iii) an annual allowance for equipment and overhead costs based on approved bus
808 routes and the age of the equipment; and

809 (iv) a minimum allocation for each school district eligible for transportation funding.

810 (b) The State Board of Education shall distribute appropriated transportation funds
811 based on the prior year's eligible transportation costs as legally reported under Subsection
812 53A-17a-126(3).

813 (c) In order for a bus to be considered for the equipment allowance under Subsection
814 (3)(a)(iii), it must meet federal and state regulations and standards for school buses.

815 (d) The State Board of Education shall annually review the allowance per mile, the
816 allowance per hour, and the annual equipment and overhead allowance and adjust the
817 allowance to reflect current economic conditions.

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

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

822 (5) A Transportation Advisory Committee with representation from local school
823 superintendents, business officials, school district transportation supervisors, and the state
824 superintendent's staff shall serve as a review committee for addressing school transportation
825 needs, including recommended approved bus routes.

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

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

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

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

834 the]

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

837 (ii) The state superintendent's staff shall distribute the state contribution according to
838 rules enacted by the State Board of Education.

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

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

845 Section 18. Section **53A-17a-133** is amended to read:

846 **53A-17a-133. Voted local discretionary levy -- Election requirements -- State**
847 **guarantee -- Reconsideration of levy authorization.**

848 (1) An election to consider adoption or modification of a voted leeway program is
849 required if initiative petitions signed by 10% of the number of electors who voted at the last
850 preceding general election are presented to the local school board or by action of the board.

851 (2) (a) (i) To ~~[establish a voted leeway program]~~ impose a voted local discretionary
852 levy, a majority of the electors of a district voting at an election in the manner set forth in
853 ~~[Section 53A-16-110]~~ Subsections (8) and (9) must vote in favor of a special tax.

854 (ii) The tax rate may not exceed .002 per dollar of taxable value.

855 ~~[(b) The district may maintain a school program which exceeds the cost of the program~~
856 ~~referred to in Section 53A-17a-145 with this voted leeway.]~~

857 ~~[(e)]~~ (b) In order to receive state support the first year, a district must receive voter
858 approval no later than December 1 of the year prior to implementation.

859 (3) (a) ~~[Under the voted leeway program]~~ In addition to the revenue a school district
860 collects from the imposition of a levy pursuant to this section, the state shall contribute an
861 amount sufficient to guarantee \$17.54 per weighted pupil unit for each .0001 of the first .0016
862 per dollar of taxable value.

863 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
864 of taxable value under Subsection (3)(a) shall apply to ~~[the board-approved leeway]~~ a portion

865 of the board local discretionary levy authorized in Section [~~53A-17a-134~~] 53A-17a-163, so that
866 the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district
867 levies a tax rate under both programs.

868 (c) (i) Beginning July 1, 2005, the \$17.54 guarantee under Subsections (3)(a) and (b)
869 shall be indexed each year to the value of the weighted pupil unit by making the value of the
870 guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

871 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
872 pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of
873 the prior year's weighted pupil unit.

874 (d) (i) The amount of state guarantee money to which a school district would otherwise
875 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's
876 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
877 pursuant to changes in property valuation.

878 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in
879 the certified tax rate.

880 (4) (a) An election to modify [~~an~~] existing [~~voted leeway program~~] authority to impose
881 a voted local discretionary levy is not a reconsideration of the existing [~~program~~] authority
882 unless the proposition submitted to the electors expressly so states.

883 (b) A majority vote opposing a modification does not deprive the district of authority to
884 continue [~~an~~] the existing [~~program~~] levy.

885 (c) If adoption of a [~~leeway program~~] voted local discretionary levy is contingent upon
886 an offset reducing other local school board levies, the board must allow the electors, in an
887 election, to consider modifying or discontinuing the [~~program~~] imposition of the levy prior to a
888 subsequent increase in other levies that would increase the total local school board levy.

889 (d) Nothing contained in this section terminates, without an election, the authority of a
890 school district to continue [~~an existing voted leeway program~~] imposing an existing voted local
891 discretionary levy previously authorized by the voters as a voted leeway program.

892 (5) Notwithstanding Section 59-2-918, a school district may budget an increased
893 amount of ad valorem property tax revenue derived from a voted [~~leeway~~] local discretionary
894 levy imposed under this section in addition to revenue from new growth as defined in
895 Subsection 59-2-924(4), without having to comply with the advertisement requirements of

896 Section 59-2-918, if:

897 (a) the voted [~~leeway~~] local discretionary levy is approved:

898 (i) in accordance with [~~Section 53A-16-110~~] Subsections (8) and (9) on or after
899 January 1, 2003; and

900 (ii) within the four-year period immediately preceding the year in which the school
901 district seeks to budget an increased amount of ad valorem property tax revenue derived from
902 the voted [~~leeway~~] local discretionary levy; and

903 (b) for a voted [~~leeway~~] local discretionary levy approved or modified in accordance
904 with this section on or after January 1, 2009, the school district complies with the requirements
905 of Subsection (7).

906 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
907 section that exceeds the certified tax rate without having to comply with the advertisement
908 requirements of Section 59-2-919 if:

909 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
910 increased amount of ad valorem property tax revenue derived from a voted [~~leeway~~] local
911 discretionary levy imposed under this section;

912 (b) if the voted [~~leeway~~] local discretionary levy was approved:

913 (i) in accordance with [~~Section 53A-16-110~~] Subsections (8) and (9) on or after
914 January 1, 2003; and

915 (ii) within the four-year period immediately preceding the year in which the school
916 district seeks to budget an increased amount of ad valorem property tax revenue derived from
917 the voted [~~leeway~~] local discretionary levy; and

918 (c) for a voted [~~leeway~~] local discretionary levy approved or modified in accordance
919 with this section on or after January 1, 2009, the school district complies with requirements of
920 Subsection (7).

921 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the
922 electors regarding the adoption or modification of [~~a voted leeway program~~] the authority to
923 impose a voted local discretionary levy shall contain the following statement:

924 "A vote in favor of this tax means that (name of the school district) may increase
925 revenue from this property tax without advertising the increase for the next five years."

926 (8) (a) Before imposing a property tax levy pursuant to this section, a school district

927 shall submit an opinion question to the school district's registered voters voting on the
 928 imposition of the tax rate so that each registered voter has the opportunity to express the
 929 registered voter's opinion on whether the tax rate should be imposed.

930 (b) The election required by this Subsection (8) shall be held:

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

933 (ii) at a municipal general election conducted in accordance with the procedures and
 934 requirements of Section 20A-1-202; or

935 (iii) at a local special election conducted in accordance with the procedures and
 936 requirements of Section 20A-1-203.

937 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or
 938 after January 1, 2010, a school district may levy a tax rate in accordance with this section
 939 without complying with the requirements of Subsections (8)(a) and (b) if:

940 (i) the school district imposed a tax in accordance with this section at any time during
 941 the taxable year beginning on January 1, 2009 and ending on December 31, 2009; and

942 (ii) the authorization to impose the voted local discretionary levy was approved in
 943 accordance with former Section 53A-16-110 on or after January 1, 2003.

944 (9) If a school district determines that a majority of the school district's registered
 945 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
 946 rate in accordance with Subsection (8), the school district may impose the tax rate.

947 Section 19. Section **53A-17a-135** is amended to read:

948 **53A-17a-135. Minimum basic tax rate.**

949 (1) ~~[(a)]~~ In order to qualify for receipt of the state contribution toward the basic
 950 program and as its contribution toward its costs of the basic program, each school district shall
 951 impose a minimum basic tax rate of .00200 per dollar of taxable value ~~[that generates~~
 952 ~~\$260,731,750 in revenues statewide].~~

953 ~~[(b) The preliminary estimate for the 2008-09 minimum basic tax rate is .00125.]~~

954 ~~[(c) The State Tax Commission shall certify on or before June 22 the rate that~~
 955 ~~generates \$260,731,750 in revenues statewide.]~~

956 ~~[(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in~~
 957 ~~Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.]~~

958 (2) (a) The state shall contribute to each district toward the cost of the basic program in
959 the district that portion which exceeds the proceeds of the levy authorized under Subsection
960 (1).

961 (b) In accord with the state strategic plan for public education and to fulfill its
962 responsibility for the development and implementation of that plan, the Legislature instructs
963 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each
964 of the coming five years to develop budgets that will fully fund student enrollment growth.

965 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the
966 cost of the basic program in a school district, no state contribution shall be made to the basic
967 program.

968 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of
969 the basic program shall be paid into the Uniform School Fund as provided by law.

970 Section 20. Section **53A-17a-143** is amended to read:

971 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**
972 **allocations from the Federal Impact Aid Program.**

973 (1) In addition to the revenues received from the levy imposed by each school district
974 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~
975 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between
976 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~
977 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this
978 source for the next preceding fiscal year.

979 ~~[(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~
980 ~~any fiscal year.]~~

981 ~~[(3) This authorization terminates for each district at the end of the third year it is~~
982 ~~used.]~~

983 ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from
984 ~~[this special tax rate plus allocation from Public Law 81-874]~~ a distribution from the
985 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal
986 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from
987 ~~[Public Law 81-874]~~ the Federal Impact Aid Program for the next preceding fiscal year, the
988 excess funds are carried into the next succeeding fiscal year and become in that year a part of

989 the district's contribution to its basic program for operation and maintenance under the state
 990 minimum school finance law.

991 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be
 992 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's
 993 required contribution to its basic program.

994 ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state
 995 minimum school program funds as though the reduction in the tax rate had not been made.

996 Section 21. Section **53A-17a-150** is amended to read:

997 **53A-17a-150. K-3 Reading Improvement Program.**

998 (1) As used in this section:

999 (a) "Program" means the K-3 Reading Improvement Program~~[-and]~~.

1000 (b) "Program monies" means:

1001 ~~[(i) school district revenue from the levy authorized under Section 53A-17a-151;]~~

1002 ~~[(ii)]~~ (i) school district revenue allocated to the program from other monies available to
 1003 the school district, except monies provided by the state, for the purpose of receiving state funds
 1004 under this section; and

1005 ~~[(iii)]~~ (ii) monies appropriated by the Legislature to the program.

1006 (2) The K-3 Reading Improvement Program consists of program monies and is created
 1007 to achieve the state's goal of having third graders reading at or above grade level.

1008 (3) Subject to future budget constraints, the Legislature may annually appropriate
 1009 money to the K-3 Reading Improvement Program.

1010 (4) (a) Prior to using program monies, a school district or charter school shall submit a
 1011 plan to the State Board of Education for reading proficiency improvement that incorporates the
 1012 following components:

1013 (i) assessment;

1014 (ii) intervention strategies;

1015 (iii) professional development;

1016 (iv) reading performance standards; and

1017 (v) specific measurable goals that are based upon gain scores.

1018 (b) The State Board of Education shall provide model plans which a school district or
 1019 charter school may use, or the district or school may develop its own plan.

1020 (c) Plans developed by a school district or charter school shall be approved by the State
1021 Board of Education.

1022 (5) There is created within the K-3 Reading Achievement Program three funding
1023 programs:

1024 (a) the Base Level Program;

1025 (b) the Guarantee Program; and

1026 (c) the Low Income Students Program.

1027 (6) Monies appropriated to the State Board of Education for the K-3 Reading
1028 Improvement Program shall be allocated to the three funding programs as follows:

1029 (a) 8% to the Base Level Program;

1030 (b) 46% to the Guarantee Program; and

1031 (c) 46% to the Low Income Students Program.

1032 (7) (a) To participate in the Base Level Program, a school district or charter school
1033 shall submit a reading proficiency improvement plan to the State Board of Education as
1034 provided in Subsection (4) and must receive approval of the plan from the board.

1035 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying
1036 elementary charter schools combined shall receive a base amount.

1037 (ii) The base amount for the qualifying elementary charter schools combined shall be
1038 allocated among each school in an amount proportionate to:

1039 (A) each existing charter school's prior year fall enrollment in grades kindergarten
1040 through grade 3; and

1041 (B) each new charter school's estimated fall enrollment in grades kindergarten through
1042 grade 3.

1043 (8) (a) A school district that applies for program monies in excess of the Base Level
1044 Program funds shall choose to first participate in either the Guarantee Program or the Low
1045 Income Students Program.

1046 (b) A school district must fully participate in either the Guarantee Program or the Low
1047 Income Students Program before it may elect to either fully or partially participate in the other
1048 program.

1049 (c) To fully participate in the Guarantee Program, a school district shall ~~[(i) levy a tax~~
1050 ~~rate of .000056 under Section 53A-17a-151; (ii)]~~ allocate to the program other monies

1051 available to the school district, except monies provided by the state, equal to the amount of
1052 revenue that would be generated by a tax rate of .000056[;or].

1053 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1054 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1055 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1056 ~~tax rate of .000056.]~~

1057 (d) To fully participate in the Low Income Students Program, a school district shall[;
1058 (i) ~~levy a tax rate of .000065 under Section 53A-17a-151;~~ (ii)] allocate to the program other
1059 monies available to the school district, except monies provided by the state, equal to the
1060 amount of revenue that would be generated by a tax rate of .000065[;or].

1061 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1062 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1063 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1064 ~~tax rate of .000065.]~~

1065 (e) (i) The State Board of Education shall verify that a school district allocates the
1066 monies required in accordance with Subsections (8)(c) and (d) before it distributes funds in
1067 accordance with this section.

1068 (ii) The State Tax Commission will provide the State Board of Education the
1069 information the State Board of Education needs to comply with Subsection (8)(e)(i).

1070 (9) (a) A school district that fully participates in the Guarantee Program shall receive
1071 state funds in an amount that is:

1072 (i) equal to the difference between \$21 times the district's total WPUs and the revenue
1073 the school district is required to generate or allocate under Subsection (8)(c) to fully participate
1074 in the Guarantee Program; and

1075 (ii) not less than \$0.

1076 (b) An elementary charter school shall receive under the Guarantee Program an amount
1077 equal to \$21 times the school's total WPUs.

1078 (10) The State Board of Education shall distribute Low Income Students Program
1079 funds in an amount proportionate to the number of students in each school district or charter
1080 school who qualify for free or reduced price school lunch multiplied by two.

1081 (11) A school district that partially participates in the Guarantee Program or Low

1082 Income Students Program shall receive program funds based on the amount of district revenue
1083 generated for or allocated to the program as a percentage of the amount of revenue that could
1084 have been generated or allocated if the district had fully participated in the program.

1085 (12) (a) Each school district and charter school shall use program monies for reading
1086 proficiency improvement in grades kindergarten through grade three.

1087 (b) Program monies may not be used to supplant funds for existing programs, but may
1088 be used to augment existing programs.

1089 (13) (a) Each school district and charter school shall annually submit a report to the
1090 State Board of Education accounting for the expenditure of program monies in accordance with
1091 its plan for reading proficiency improvement.

1092 (b) If a school district or charter school uses program monies in a manner that is
1093 inconsistent with Subsection (12), the school district or charter school is liable for reimbursing
1094 the State Board of Education for the amount of program monies improperly used, up to the
1095 amount of program monies received from the State Board of Education.

1096 (14) (a) The State Board of Education shall make rules to implement the program.

1097 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter
1098 school to annually report progress in meeting goals stated in the district's or charter school's
1099 plan for student reading proficiency as measured by gain scores.

1100 (ii) If a school district or charter school does not meet or exceed the goals, the school
1101 district or charter school shall prepare a new plan which corrects deficiencies. The new plan
1102 must be approved by the State Board of Education before the school district or charter school
1103 receives an allocation for the next year.

1104 ~~[(15) If after 36 months of program operation, a school district fails to meet goals
1105 stated in the district's plan for student reading proficiency as measured by gain scores, the
1106 school district shall terminate any levy imposed under Section 53A-17a-151.]~~

1107 Section 22. Section **53A-17a-163** is enacted to read:

1108 **53A-17a-163. Board local discretionary levy -- First class county required levy.**

1109 (1) As used in this section:

1110 (a) "Board aggregate tax rate" means a tax rate equal to the sum of the tax rates
1111 imposed by a school district from the following levies:

1112 (i) Section 11-2-7;

- 1113 (ii) Section 53A-16-107;
- 1114 (iii) Section 53A-16-111;
- 1115 (iv) Section 53A-17a-127;
- 1116 (v) Section 53A-17a-134;
- 1117 (vi) Section 53A-17a-143;
- 1118 (vii) Section 53A-17a-145;
- 1119 (viii) Section 53A-17a-151; and
- 1120 (ix) Section 63-7-704.
- 1121 (b) "Board property tax revenue" means an amount equal to the difference between:
- 1122 (i) an amount equal to the sum of the following:
- 1123 (A) the amount of revenue generated during the taxable year beginning on January 1,
- 1124 2009, from the sum of the following levies of a school district:
- 1125 (I) Section 11-2-7;
- 1126 (II) Section 53A-16-107;
- 1127 (III) Section 53A-16-111;
- 1128 (IV) Section 53A-17a-127;
- 1129 (V) Section 53A-17a-134;
- 1130 (VI) Section 53A-17a-143;
- 1131 (VII) Section 53A-17a-145;
- 1132 (VIII) Section 53A-17a-151; and
- 1133 (IX) Section 63-7-704; and
- 1134 (B) new growth as defined in Subsection 59-2-924(4)(c); and
- 1135 (ii) the amount of revenue equal to the difference of the following:
- 1136 (A) the amount of revenue generated within the school district by the imposition of the
- 1137 minimum basic tax rate levied in accordance with Section 53A-17a-135 during the taxable year
- 1138 beginning on January 1, 2009; and
- 1139 (B) the estimated amount of revenue to be generated within the school district by the
- 1140 imposition of the minimum basic tax rate levied in accordance with Section 53A-17a-135
- 1141 during the taxable year beginning on January 1, 2010.
- 1142 (c) "Certified tax rate" means a school district's certified tax rate calculated in
- 1143 accordance with Section 59-2-924.

1144 (2) (a) Subject to the other requirements of this section, for taxable years beginning on
1145 or after January 1, 2010, a local school board may levy a tax to fund the school district's
1146 general fund.

1147 (b) Except as provided in Subsection (2)(c), a tax rate imposed by a school district
1148 pursuant to this section may not exceed .0042 per dollar of taxable value in any fiscal year.

1149 (c) Notwithstanding Subsection (2)(b), a tax rate imposed by a school district pursuant
1150 to this section may not exceed .0052 per dollar of taxable value in any fiscal year if the school
1151 district had a board aggregate tax rate of .003990 per dollar of taxable value or more during the
1152 taxable year beginning on January 1, 2008 and ending on December 31, 2008.

1153 (3) Beginning with fiscal year 2010-11, a school district is exempt from the public
1154 notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's
1155 board local discretionary levy if the school district budgets an amount of ad valorem property
1156 tax revenue equal to or less than the school district's board property tax revenue.

1157 (4) Beginning January 1, 2010, in order to qualify for receipt of the state contribution
1158 toward the minimum school program described in Section 53A-17a-104, a local school board
1159 in a county of the first class shall impose a board local discretionary levy of at least .0006 per
1160 dollar of taxable value.

1161 (5) (a) The county treasurer of a county of the first class shall distribute revenues
1162 generated by the .0006 portion of the board local discretionary levy required in Subsection (4)
1163 to school districts within the county in accordance with Section 53A-16-107.1.

1164 (b) If a school district in a county of the first class imposes a board local discretionary
1165 levy pursuant to this section which exceeds .0006 per dollar of taxable value, the county
1166 treasurer of a county of the first class shall distribute revenues generated by the portion of the
1167 board local discretionary levy which exceeds .0006 to the school district imposing the levy.

1168 Section 23. Section **53A-21-501** is amended to read:

1169 **53A-21-501. State contribution to capital outlay programs.**

1170 (1) As an ongoing appropriation subject to future budget constraints, there is
1171 appropriated from the Uniform School Fund for fiscal year [2008-09] 2010-11, \$27,288,900 to
1172 the State Board of Education for the capital outlay programs created in this chapter.

1173 (2) Of the monies appropriated in Subsection (1), the State Board of Education shall
1174 distribute ~~[(a) \$24,358,000 in accordance with the Capital Outlay Foundation Program~~

1175 pursuant to Section 53A-21-202; and (b) \$2,930,900] \$27,288,900 in accordance with the
1176 Capital Outlay Enrollment Growth Program pursuant to Section 53A-21-302.

1177 Section 24. Section **59-2-924** is amended to read:

1178 **59-2-924. Report of valuation of property to county auditor and commission --**
1179 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
1180 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1181 (1) Before June 1 of each year, the county assessor of each county shall deliver to the
1182 county auditor and the commission the following statements:

1183 (a) a statement containing the aggregate valuation of all taxable real property assessed
1184 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

1185 (b) a statement containing the taxable value of all personal property assessed by a
1186 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

1187 (2) The county auditor shall, on or before June 8, transmit to the governing body of
1188 each taxing entity:

1189 (a) the statements described in Subsections (1)(a) and (b);

1190 (b) an estimate of the revenue from personal property;

1191 (c) the certified tax rate; and

1192 (d) all forms necessary to submit a tax levy request.

1193 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem
1194 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior
1195 year.

1196 (b) For purposes of this Subsection (3):

1197 (i) "Ad valorem property tax revenues" do not include:

1198 (A) collections from redemptions;

1199 (B) interest;

1200 (C) penalties; and

1201 (D) revenue received by a taxing entity from personal property that is:

1202 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1203 (II) semiconductor manufacturing equipment.

1204 (ii) "Aggregate taxable value of all property taxed" means:

1205 (A) the aggregate taxable value of all real property assessed by a county assessor in

1206 accordance with Part 3, County Assessment, for the current year;

1207 (B) the aggregate taxable year end value of all personal property assessed by a county
1208 assessor in accordance with Part 3, County Assessment, for the prior year; and

1209 (C) the aggregate taxable value of all real and personal property assessed by the
1210 commission in accordance with Part 2, Assessment of Property, for the current year.

1211 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be
1212 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
1213 taxing entity by the amount calculated under Subsection (3)(c)(ii).

1214 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall
1215 calculate an amount as follows:

1216 (A) calculate for the taxing entity the difference between:

1217 (I) the aggregate taxable value of all property taxed; and

1218 (II) any redevelopment adjustments for the current calendar year;

1219 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
1220 amount determined by increasing or decreasing the amount calculated under Subsection
1221 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
1222 equalization period for the three calendar years immediately preceding the current calendar
1223 year;

1224 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
1225 product of:

1226 (I) the amount calculated under Subsection (3)(c)(ii)(B); and

1227 (II) the percentage of property taxes collected for the five calendar years immediately
1228 preceding the current calendar year; and

1229 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
1230 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)
1231 any new growth as defined in this section:

1232 (I) within the taxing entity; and

1233 (II) for the following calendar year:

1234 (Aa) for new growth from real property assessed by a county assessor in accordance
1235 with Part 3, County Assessment and all property assessed by the commission in accordance
1236 with Section 59-2-201, the current calendar year; and

1237 (Bb) for new growth from personal property assessed by a county assessor in
1238 accordance with Part 3, County Assessment, the prior calendar year.

1239 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all
1240 property taxed:

1241 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in
1242 Subsection (3)(b)(ii);

1243 (B) does not include the total taxable value of personal property contained on the tax
1244 rolls of the taxing entity that is:

1245 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
1246 (II) semiconductor manufacturing equipment; and

1247 (C) for personal property assessed by a county assessor in accordance with Part 3,
1248 County Assessment, the taxable value of personal property is the year end value of the personal
1249 property contained on the prior year's tax rolls of the entity.

1250 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
1251 January 1, 2007, the value of taxable property does not include the value of personal property
1252 that is:

1253 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
1254 County Assessment; and

1255 (B) semiconductor manufacturing equipment.

1256 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after
1257 January 1, 2007, the percentage of property taxes collected does not include property taxes
1258 collected from personal property that is:

1259 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
1260 County Assessment; and

1261 (B) semiconductor manufacturing equipment.

1262 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
1263 January 1, 2009, the value of taxable property does not include the value of personal property
1264 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County
1265 Assessment.

1266 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1267 the commission may prescribe rules for calculating redevelopment adjustments for a calendar

1268 year.

1269 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1270 the commission shall make rules determining the calculation of ad valorem property tax
1271 revenues budgeted by a taxing entity.

1272 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by
1273 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are
1274 calculated for purposes of Section 59-2-913.

1275 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall
1276 be calculated as follows:

1277 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax
1278 rate is zero;

1279 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1280 (A) in a county of the first, second, or third class, the levy imposed for municipal-type
1281 services under Sections 17-34-1 and 17-36-9; and

1282 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
1283 purposes and such other levies imposed solely for the municipal-type services identified in
1284 Section 17-34-1 and Subsection 17-36-3(22); and

1285 (iii) for debt service voted on by the public, the certified tax rate shall be the actual
1286 levy imposed by that section, except that the certified tax rates for the following levies shall be
1287 calculated in accordance with Section 59-2-913 and this section:

1288 (A) school [~~levies~~] levies provided for under Sections [~~11-2-7, 53A-16-110,~~
1289 ~~53A-17a-125, 53A-17a-127,~~] 53A-17a-133[~~, 53A-17a-134, 53A-17a-143, 53A-17a-145, and~~
1290 ~~53A-21-103~~] and 53A-17a-163; and

1291 (B) levies to pay for the costs of state legislative mandates or judicial or administrative
1292 orders under Section 59-2-1604.

1293 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be
1294 established at that rate which is sufficient to generate only the revenue required to satisfy one
1295 or more eligible judgments, as defined in Section 59-2-102.

1296 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be
1297 considered in establishing the taxing entity's aggregate certified tax rate.

1298 (g) The ad valorem property tax revenue generated by the [~~capital outlay~~] board local

1299 discretionary levy described in Section [~~53A-16-107~~] 53A-17a-163 within a taxing entity in a
1300 county of the first class:

1301 (i) may not be considered in establishing the school district's aggregate certified tax
1302 rate; and

1303 (ii) shall be included by the commission in establishing a certified tax rate for that
1304 [~~capital outlay~~] board local discretionary levy determined in accordance with the calculation
1305 described in Subsection 59-2-913(3).

1306 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1307 (i) the taxable value of real property assessed by a county assessor contained on the
1308 assessment roll;

1309 (ii) the taxable value of real and personal property assessed by the commission; and

1310 (iii) the taxable year end value of personal property assessed by a county assessor
1311 contained on the prior year's assessment roll.

1312 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the
1313 assessment roll does not include new growth as defined in Subsection (4)(c).

1314 (c) "New growth" means:

1315 (i) the difference between the increase in taxable value of the following property of the
1316 taxing entity from the previous calendar year to the current year:

1317 (A) real property assessed by a county assessor in accordance with Part 3, County
1318 Assessment; and

1319 (B) property assessed by the commission under Section 59-2-201; plus

1320 (ii) the difference between the increase in taxable year end value of personal property
1321 of the taxing entity from the year prior to the previous calendar year to the previous calendar
1322 year; minus

1323 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

1324 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the
1325 taxing entity does not include the taxable value of personal property that is:

1326 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county
1327 assessor in accordance with Part 3, County Assessment; and

1328 (ii) semiconductor manufacturing equipment.

1329 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

- 1330 (i) the amount of increase to locally assessed real property taxable values resulting
- 1331 from factoring, reappraisal, or any other adjustments; or
- 1332 (ii) the amount of an increase in the taxable value of property assessed by the
- 1333 commission under Section 59-2-201 resulting from a change in the method of apportioning the
- 1334 taxable value prescribed by:
 - 1335 (A) the Legislature;
 - 1336 (B) a court;
 - 1337 (C) the commission in an administrative rule; or
 - 1338 (D) the commission in an administrative order.
- 1339 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal
- 1340 property on the prior year's assessment roll does not include:
 - 1341 (i) new growth as defined in Subsection (4)(c); or
 - 1342 (ii) the total taxable year end value of personal property contained on the prior year's
 - 1343 tax rolls of the taxing entity that is:
 - 1344 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
 - 1345 (B) semiconductor manufacturing equipment.
- 1346 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.
- 1347 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
- 1348 auditor of:
 - 1349 (i) its intent to exceed the certified tax rate; and
 - 1350 (ii) the amount by which it proposes to exceed the certified tax rate.
- 1351 (c) The county auditor shall notify all property owners of any intent to exceed the
- 1352 certified tax rate in accordance with Subsection 59-2-919(3).
- 1353 Section 25. Section **59-2-924.3** is amended to read:
- 1354 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
- 1355 **district imposing a board local discretionary levy in a county of the first class.**
- 1356 (1) As used in this section:
 - 1357 (a) "~~Capital outlay~~ Board local discretionary levy increment" means the amount of
 - 1358 revenue equal to the difference between:
 - 1359 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 - 1360 within a school district during a fiscal year; and

1361 (ii) the amount of revenue the school district received during the same fiscal year from
1362 the distribution described in Subsection 53A-16-107.1(1).

1363 (b) "Contributing school district" means a school district in a county of the first class
1364 that in a fiscal year receives less revenue from the distribution described in Subsection
1365 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1366 within the school district of .0006 per dollar of taxable value.

1367 (c) "Receiving school district" means a school district in a county of the first class that
1368 in a fiscal year receives more revenue from the distribution described in Subsection
1369 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1370 within the school district of .0006 per dollar of taxable value.

1371 ~~[(2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay~~
1372 ~~certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the~~
1373 ~~receiving school district's estimated capital outlay increment for the current fiscal year.]~~

1374 ~~[(3)]~~ (2) Beginning with fiscal year 2010-11, a receiving school district shall decrease
1375 its ~~[capital outlay]~~ board local discretionary levy certified tax rate under Subsection
1376 59-2-924(3)(g)(ii) by the amount required to offset the receiving school district's ~~[capital~~
1377 ~~outlay]~~ estimated board local discretionary levy increment for the prior fiscal year.

1378 ~~[(4)]~~ (3) For fiscal year ~~[2009-10]~~ 2010-11, a contributing school district is exempt
1379 from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the
1380 school district's ~~[capital outlay]~~ board local discretionary levy certified tax rate calculated
1381 pursuant to Subsection 59-2-924(3)(g)(ii) if:

1382 (a) the contributing school district budgets an increased amount of ad valorem property
1383 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the ~~[capital~~
1384 ~~outlay]~~ board local discretionary levy described in Section ~~[53A-16-107]~~ 53A-17a-163; and

1385 (b) the increased amount of ad valorem property tax revenue described in Subsection
1386 ~~[(4)]~~ (3)(a) is less than or equal to that contributing school district's estimated ~~[capital outlay]~~
1387 board local discretionary increment for the current fiscal year.

1388 ~~[(5)]~~ (4) Beginning with fiscal year ~~[2010-11]~~ 2011-12, a contributing school district is
1389 exempt from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for
1390 the school district's ~~[capital outlay]~~ board local discretionary levy certified tax rate calculated
1391 pursuant to Subsection 59-2-924(3)(g)(ii) if:

1392 (a) the contributing school district budgets an increased amount of ad valorem property
1393 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the [~~capital~~
1394 ~~outlay~~] board local discretionary levy described in Section [~~53A-16-107~~] 53A-17a-163; and

1395 (b) the increased amount of ad valorem property tax revenue described in Subsection
1396 [~~5~~] (4)(a) is less than or equal to that contributing school district's [~~capital-outlay~~] board local
1397 discretionary levy increment for the prior year.

1398 [~~6~~] (5) Beginning with fiscal year 2011-12, a contributing school district is exempt
1399 from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the
1400 school district's [~~capital-outlay~~] board local discretionary levy certified tax rate calculated
1401 pursuant to Subsection 59-2-924(3)(g)(ii) if:

1402 (a) the contributing school district budgets an increased amount of ad valorem property
1403 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the [~~capital~~
1404 ~~outlay~~] board local discretionary levy described in Section [~~53A-16-107~~] 53A-17a-163; and

1405 (b) the increased amount of ad valorem property tax revenue described in Subsection
1406 [~~6~~] (5)(a) is less than or equal to the difference between:

1407 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1408 imposed within the contributing school district during the current taxable year; and

1409 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1410 imposed within the contributing school district during the prior taxable year.

1411 [~~7~~] (6) Regardless of the amount a school district receives from the revenue collected
1412 from the .0006 portion of the [~~capital-outlay~~] board local discretionary levy required in
1413 Subsection [~~53A-16-107(3)~~] 53A-17a-163(4), the revenue generated within the school district
1414 from the .0006 portion of the [~~capital-outlay~~] board local discretionary levy required in
1415 Subsection [~~53A-16-107(3)~~] 53A-17a-163(4) shall be considered to be budgeted ad valorem
1416 property tax revenues of the school district that levies the .0006 portion of the [~~capital-outlay~~]
1417 board local discretionary levy for purposes of calculating the school district's certified tax rate
1418 in accordance with Subsection 59-2-924(3)(g)(ii).

1419 Section 26. Section **59-2-924.4** is amended to read:

1420 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**
1421 **divided school districts.**

1422 (1) As used in this section:

1423 (a) "~~Capital outlay~~ Board local discretionary levy increment" means the amount of
1424 revenue equal to the difference between:

1425 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1426 within a qualifying divided school district during a fiscal year; and

1427 (ii) the amount of revenue the qualifying divided school district received during the
1428 same fiscal year from the distribution described in Section 53A-2-118.3.

1429 (b) "Contributing divided school district" means a school district located within a
1430 qualifying divided school district that in a fiscal year receives less revenue from the distribution
1431 described in Section 53A-2-118.3 than it would have received during the same fiscal year from
1432 a levy imposed within the school district of .0006 per dollar of taxable value.

1433 (c) "Divided school district" means a school district from which a new school district is
1434 created.

1435 (d) "New school district" means a school district:

1436 (i) created under Section 53A-2-118.1;

1437 (ii) that begins to provide educational services after July 1, 2008; and

1438 (iii) located in a qualifying divided school district.

1439 (e) "Qualifying divided school district" means a divided school district:

1440 (i) located within a county of the second through sixth class; and

1441 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide
1442 educational services after July 1, 2008.

1443 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins
1444 to provide educational services.

1445 (g) "Receiving divided school district" means a school district located within a
1446 qualifying divided school district that in a fiscal year receives more revenue from the
1447 distribution described in Section 53A-2-118.3 than it would have received during the same
1448 fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

1449 (2) A receiving divided school district shall decrease its certified tax rate calculated in
1450 accordance with Section 59-2-924 by the amount required to offset the receiving divided
1451 school district's ~~capital outlay~~ board local discretionary levy increment for the prior fiscal
1452 year.

1453 (3) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided

1454 school district is exempt from the public notice and hearing requirements of Sections 59-2-918
1455 and 59-2-919 for the contributing divided school district's certified tax rate calculated pursuant
1456 to Section 59-2-924 if:

1457 (a) the contributing divided school district budgets an increased amount of ad valorem
1458 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1459 [~~capital outlay~~] board local discretionary levy required in Section 53A-2-118.3; and

1460 (b) the increased amount of ad valorem property tax revenue described in Subsection
1461 (3)(a) is less than or equal to that contributing divided school district's [~~capital outlay~~] board
1462 local discretionary levy increment for the prior year.

1463 (4) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
1464 school district is exempt from the public notice and hearing requirements of Sections 59-2-918
1465 and 59-2-919 for the contributing divided school district's certified tax rate calculated pursuant
1466 to Section 59-2-924 if:

1467 (a) the contributing divided school district budgets an increased amount of ad valorem
1468 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1469 [~~capital outlay~~] board local discretionary levy described in Section 53A-2-118.3; and

1470 (b) the increased amount of ad valorem property tax revenue described in Subsection
1471 (4)(a) is less than or equal to the difference between:

1472 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1473 imposed within the contributing divided school district during the current taxable year; and

1474 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1475 imposed within the contributing divided school district during the prior taxable year.

1476 (5) Regardless of the amount a school district receives from the revenue collected from
1477 the .0006 portion of the [~~capital outlay~~] board local discretionary levy described in Section
1478 53A-2-118.3, the revenue generated within the school district from the .0006 portion of the
1479 [~~capital outlay~~] board local discretionary levy described in Section 53A-2-118.3 shall be
1480 considered to be budgeted ad valorem property tax revenues of the school district that levies
1481 the .0006 portion of the [~~capital outlay~~] board local discretionary levy for purposes of
1482 calculating the school district's certified tax rate in accordance with Section 59-2-924.

1483 Section 27. Section **59-2-926** is amended to read:

1484 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1485 If the state authorizes a levy [~~pursuant to Section 53A-17a-135 that exceeds the~~
 1486 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy]~~ pursuant to
 1487 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the
 1488 state shall publish a notice no later than ten days after the last day of the annual legislative
 1489 general session that meets the following requirements:

1490 (1) The Office of the Legislative Fiscal Analyst shall advertise that the state authorized
 1491 a levy that generates revenue in excess of the previous year's ad valorem tax revenue, plus new
 1492 growth, but exclusive of revenue from collections from redemptions, interest, and penalties in a
 1493 newspaper of general circulation in the state. The advertisement shall be no less than 1/4 page
 1494 in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch
 1495 border. The advertisement may not be placed in that portion of the newspaper where legal
 1496 notices and classified advertisements appear. The advertisement shall be run once.

1497 (2) The form and content of the notice shall be substantially as follows:

1498 "NOTICE OF TAX INCREASE

1499 The state has budgeted an increase in its property tax revenue from \$_____ to
 1500 \$_____ or ____%. The increase in property tax revenues will come from the following
 1501 sources (include all of the following provisions):

1502 (a) \$_____ of the increase will come from (provide an explanation of the cause
 1503 of adjustment or increased revenues, such as reappraisals or factoring orders);

1504 (b) \$_____ of the increase will come from natural increases in the value of the
 1505 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);
 1506 and

1507 (c) a home valued at \$100,000 in the state of Utah which based on last year's (~~levy for~~
 1508 ~~the basic state-supported school program,~~) levy for the Property Tax Valuation Agency Fund,
 1509 or both) paid \$_____ in property taxes would pay the following:

1510 (i) \$_____ if the state of Utah did not budget an increase in property tax revenue
 1511 exclusive of new growth; and

1512 (ii) \$_____ under the increased property tax revenues exclusive of new growth
 1513 budgeted by the state of Utah."

1514 Section 28. Section **63G-7-704** is amended to read:

1515 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**

1516 or insurance premiums.

1517 (1) For purposes of this section, "political subdivision" does not include a school
1518 district.

1519 [~~(1)~~] (2) Notwithstanding any provision of law to the contrary, a political subdivision
1520 may levy an annual property tax sufficient to pay:

1521 (a) any claim, settlement, or judgment;

1522 (b) the costs to defend against any claim, settlement, or judgment; or

1523 (c) for the establishment and maintenance of a reserve fund for the payment of claims,
1524 settlements, or judgments that may be reasonably anticipated.

1525 [~~(2)~~] (3) (a) The payments authorized to pay for punitive damages or to pay the
1526 premium for authorized insurance is money spent for a public purpose within the meaning of
1527 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the
1528 maximum levy as otherwise restricted by law is exceeded.

1529 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable
1530 property.

1531 (c) The revenues derived from this levy may not be used for any purpose other than
1532 those specified in this section.

1533 Section 29. **Repealer.**

1534 This bill repeals:

1535 Section 53A-16-107, **Capital outlay levy -- Maintenance of school facilities --**

1536 **Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**

1537 Section 53A-16-110, **Special tax to buy school building sites, build and furnish**
1538 **schoolhouses, or improve school property.**

1539 Section 53A-16-111, **Payment of judgments and warrants -- Special tax.**

1540 Section 53A-17a-134, **Board-approved leeway -- Purpose -- State support --**

1541 **Disapproval.**

1542 Section 53A-17a-145, **Additional levy by district for debt service, school sites,**
1543 **buildings, buses, textbooks, and supplies.**

1544 Section 53A-17a-151, **Board leeway for reading improvement.**

1545 Section 53A-21-101.5, **Definitions.**

1546 Section 53A-21-201, **Capital Outlay Foundation Program -- Creation --**

1547 **Definitions.**

1548 Section **53A-21-202, Capital Outlay Foundation Program -- Distribution formulas**

1549 **-- Allocations.**

1550 Section 30. **Effective date.**

1551 This bill takes effect on January 1, 2010.

Legislative Review Note
as of 12-16-08 1:27 PM

Office of Legislative Research and General Counsel

H.B. 66 - Property Tax Amendments

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill raises the minimum basic state rate. This increases the local portion of the minimum school program by \$155,000,000 in FY 2011. Because of the basic rate increase, other local property tax will decrease by \$155,000,000. The property tax portion of school funding that is provided by the locals to the state may increase from about 20% to 35% in FY 2020. Due to recapture, revenue to the Uniform School Fund could increase by \$9,800,000.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Uniform School Fund	\$0	\$0	\$0	\$0	\$0	\$164,800,000
Property Tax	\$0	\$0	\$0	\$0	\$0	(\$155,000,000)
Total	\$0	\$0	\$0	\$0	\$0	\$9,800,000

Individual, Business and/or Local Impact

Enactment of this bill will shift \$32,000,000 between school districts. If a school district that experiences a decrease in revenue decides to go through truth in taxation to make up the lost revenue, there will be an increase in property tax on individuals and businesses. Some school districts will likely experience an increase in revenue. If a school district that receives an increase in revenue decides to decrease other property taxes, there will be a decrease in local property tax on certain individuals and businesses. On the provision related to the capital outlay foundation program, there will be a shift of \$14,000,000 to high growth districts from non-high growth districts. There will likely be recapture of \$9,800,000 from school districts to the Uniform School Fund.