

Representative Jim Bird proposes the following substitute bill:

PROPERTY TAX AMENDMENTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Merlynn T. Newbold

Senate Sponsor: _____

LONG TITLE

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;
- ▶ requires the Legislature to increase the value of the weighted pupil unit for purposes of determining school districts' income tax funding by an amount equal to the amount of revenue generated statewide by the increase in the minimum basic levy rate;
- ▶ creates a local school district discretionary levy and a capital discretionary levy;
- ▶ sets the tax rates for the local school district discretionary levy and the capital discretionary levy for the first taxable year;
- ▶ provides procedures for setting the certified tax rates for the levies 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;



- 26 ▶ creates the divided school district levy;
- 27 ▶ requires equalization of school property taxes at a certain amount per student when
- 28 a school district is divided;
- 29 ▶ sets the rate for the divided school district levy;
- 30 ▶ requires the state superintendent to report certain information;
- 31 ▶ requires county officials to perform certain functions;
- 32 ▶ modifies truth in taxation procedures related to the equalization of school property
- 33 taxes in a divided district;
- 34 ▶ amends the provisions relating to the requirement that a school district in a county
- 35 of the first class levy a property tax of at least .0006 per dollar of taxable value;
- 36 ▶ amends the provisions relating to the requirement that a school district in a divided
- 37 school district levy a property tax of at least .0006 per dollar of taxable value;
- 38 ▶ defines terms; and
- 39 ▶ makes technical changes.

40 Monies Appropriated in this Bill:

41 None

42 Other Special Clauses:

43 This bill takes effect on January 1, 2010.

44 Utah Code Sections Affected:

45 AMENDS:

- 46 **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30
- 47 **11-13-302**, as last amended by Laws of Utah 2008, Chapters 236 and 382
- 48 **20A-1-203**, as last amended by Laws of Utah 2008, Chapter 16
- 49 **53A-1a-106**, as last amended by Laws of Utah 2003, Chapter 221
- 50 **53A-1a-513**, as last amended by Laws of Utah 2008, Chapters 382 and 397
- 51 **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236
- 52 **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236
- 53 **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297
- 54 **53A-2-118.3**, as enacted by Laws of Utah 2008, Chapter 236
- 55 **53A-2-206**, as last amended by Laws of Utah 2008, Chapter 382
- 56 **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233

- 57 **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72
- 58 **53A-16-107.1**, as enacted by Laws of Utah 2008, Chapter 236
- 59 **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397
- 60 **53A-17a-105**, as last amended by Laws of Utah 2008, Chapter 382
- 61 **53A-17a-127**, as last amended by Laws of Utah 2008, Chapter 397
- 62 **53A-17a-133**, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236
- 63 **53A-17a-135**, as last amended by Laws of Utah 2008, Chapter 1
- 64 **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
- 65 **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
- 66 **53A-21-101.5**, as enacted by Laws of Utah 2008, Chapter 236
- 67 **59-2-924**, as last amended by Laws of Utah 2008, Chapters 61, 118, 231, 236, 330, 360,
- 68 and 382
- 69 **59-2-924.3**, as enacted by Laws of Utah 2008, Chapter 236
- 70 **59-2-924.4**, as enacted by Laws of Utah 2008, Chapter 236
- 71 **59-2-926**, as last amended by Laws of Utah 2008, Chapter 330
- 72 **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382

73 ENACTS:

- 74 **53A-17a-163**, Utah Code Annotated 1953
- 75 **53A-17a-164**, Utah Code Annotated 1953

76 REPEALS:

- 77 **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236
- 78 **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236
- 79 **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2
- 80 **53A-17a-134**, as last amended by Laws of Utah 2008, Chapter 231
- 81 **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72
- 82 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305



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

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

86 **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**

87 **of television owners and users -- Collection of license fees.**

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

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

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

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

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

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

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

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

116 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
117 impact alleviation payments under contracts or determination orders provided for in Sections
118 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the

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

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

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

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

133 (i) a levy mandated by the state for the state minimum school program under Section
134 53A-17a-135; and

135 (ii) local levies for capital outlay, maintenance, transportation, and other purposes
136 under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127,~~
137 ~~53A-17a-133~~, ~~53A-17a-134, 53A-17a-143, and 53A-17a-145~~], 53A-17a-163, and
138 53A-17a-164.

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

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

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

145 (A) an annual fee; or

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

148 (3) (a) An annual fee due a taxing jurisdiction for a particular year shall be calculated
149 by multiplying the tax rate or rates of the jurisdiction for that year by the product obtained by

150 multiplying the fee base or value determined in accordance with Subsection (4) for that year of
151 the portion of the project located within the jurisdiction by the percentage of the project which
152 is used to produce the capacity, service, or other benefit sold to the energy supplier or suppliers.

153 (b) As used in this section, "tax rate," when applied in respect to a school district,
154 includes any assessment to be made by the school district under Subsection (2) or Section
155 63M-5-302.

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

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

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

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

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

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

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

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

173 (A) the project entity; and

174 (B) any county that:

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

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

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

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

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

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

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

190 (I) for that year; and

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

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

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

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

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

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

202 (ii) It is the responsibility of the project entity to enforce the obligations of the
203 purchasers.

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

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

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

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

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

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

216 (A) is not a project entity; and

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

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

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

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

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

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

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

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

234 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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

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

252 (ii) a vote on a ~~[voted leeway program]~~ voted local discretionary levy authorized by
253 Section 53A-17a-133 ~~[or 53A-17a-134]~~;

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

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

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

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

260 (vii) a vote to elect members to school district boards for a new school district and a
261 remaining school district, as defined in Section 53A-2-117, following the creation of a new
262 school district under Section 53A-2-118.1; or

263 (viii) an election of town officers of a newly incorporated town under Subsection
264 10-2-125(9).

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

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

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

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

270 **53A-1a-106. School district and individual school powers.**

271 (1) In order to acquire and develop the characteristics listed in Section 53A-1a-104,
272 each school district and each public school within its respective district shall implement a
273 comprehensive system of accountability in which students advance through public schools by

274 demonstrating competency in required skills and mastery of required knowledge through the
275 use of diverse assessment instruments such as authentic and criterion referenced tests, projects,
276 and portfolios.

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

278 (i) develop and implement programs integrating technology into the curriculum,
279 instruction, and student assessment;

280 (ii) provide for teacher and parent involvement in policymaking at the school site;

281 (iii) implement a public school choice program to give parents, students, and teachers
282 greater flexibility in designing and choosing among programs with different focuses through
283 schools within the same district and other districts, subject to space availability, demographics,
284 and legal and performance criteria;

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

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

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

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

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

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

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

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

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

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

305 (iv) Time spent during the school day to implement SEPs and SEOPs is considered
306 part of the school term referred to in Subsection 53A-17a-103~~[(5)]~~(4).

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

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

312 (b) The reporting process shall involve participation from teachers, parents, and the
313 community at large in determining how well the district or school is performing.

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

315 **53A-1a-513. Funding for charter schools.**

316 (1) As used in this section:

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

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

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

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

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

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

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

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

331 53A-17a-163; and

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

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

334 ~~[(E) (C) a capital [outlay] discretionary levy imposed under Section [53A-16-107]~~

335 53A-17a-164; and

336 ~~[(F) a voted capital outlay levy imposed under Section 53A-16-110; and]~~
337 (ii) divide the sum calculated under Subsection (1)(b)(i) by the sum of:
338 (A) a school district's average daily membership; and
339 (B) the average daily membership of a school district's resident students who attend
340 charter schools.
341 (c) "Resident student" means a student who is considered a resident of the school
342 district under Title 53A, Chapter 2, Part 2, District of Residency.
343 (d) "Statewide average debt service revenues" means the amount determined as
344 follows, using data from the most recently published state superintendent's annual report:
345 (i) sum the revenues of each school district from the debt service levy imposed under
346 Section 11-14-310; and
347 (ii) divide the sum calculated under Subsection (1)(d)(i) by statewide school district
348 average daily membership.
349 (2) (a) Charter schools shall receive funding as described in this section, except
350 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).
351 (b) Charter schools authorized by local school boards that are converted from district
352 schools or operate in district facilities without paying reasonable rent shall receive funding as
353 prescribed in Section 53A-1a-515.
354 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state
355 funds, as applicable, on the same basis as a school district receives funds.
356 (b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act,
357 to charter schools, charter school pupils shall be weighted, where applicable, as follows:
358 (i) .55 for kindergarten pupils;
359 (ii) .9 for pupils in grades 1-6;
360 (iii) .99 for pupils in grades 7-8; and
361 (iv) 1.2 for pupils in grades 9-12.
362 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), a school district shall allocate a
363 portion of school district revenues for each resident student of the school district who is
364 enrolled in a charter school on October 1 equal to 25% of the lesser of:
365 (A) district per pupil local revenues; or
366 (B) charter school students' average local revenues.

367 (ii) For the purpose of allocating school district revenues under Subsection (4)(a)(i), a
368 kindergarten student who is enrolled in less than a full-day kindergarten program is weighted as
369 .55 of a student.

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

372 (b) The State Board of Education shall:

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

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

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

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

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

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

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

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

391 (B) statewide average debt service revenues.

392 (iii) If the total of a school district's allocation for a charter school student under
393 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
394 \$1427, the state shall provide an additional supplement so that a charter school receives at least
395 \$1427 per student under this Subsection (4).

396 (iv) For the purpose of providing state monies for charter school students under this
397 Subsection (4)(d), a kindergarten student who is enrolled in less than a full-day kindergarten

398 program is weighted as .55 of a student.

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

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

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

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

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

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

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

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

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

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

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

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

426 (b) It is unlawful for any person affiliated with a charter school to demand or request
427 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated
428 with the charter school as a condition for employment or enrollment at the school or continued

429 attendance at the school.

430 Section 6. Section **53A-2-114** is amended to read:

431 **53A-2-114. Additional levies -- School board options to abolish or continue after**
432 **consolidation.**

433 (1) If a school district which has approved an additional levy under Section
434 [~~53A-16-110~~], 53A-17a-133[~~, 53A-17a-134, or 53A-17a-145~~] or 53A-17a-163 is consolidated
435 with a district which does not have such a levy, the board of education of the consolidated
436 district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated
437 district.

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

441 Section 7. Section **53A-2-115** is amended to read:

442 **53A-2-115. Additional levies in transferred territory -- Transferee board option**
443 **to abolish or continue.**

444 If two or more districts undergo restructuring that results in a district receiving territory
445 that increases the population of the district by at least 25%, and if the transferred territory was,
446 at the time of transfer, subject to an additional levy under Section [~~53A-16-110~~],
447 53A-17a-133[~~, 53A-17a-134, or 53A-17a-145~~] or 53A-17a-163, the board of education of the
448 transferee district may abolish the levy or apply the levy in whole or in part to the entire
449 restructured district. Any such levy made applicable to the entire district may continue in force
450 for no more than five years, unless approved by the electors of the restructured district in the
451 manner set forth in Section [~~53A-16-110~~] 53A-17a-133.

452 Section 8. Section **53A-2-118.2** is amended to read:

453 **53A-2-118.2. New school district property tax -- Limitations.**

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

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

460 (2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1
 461 assumes responsibility for student instruction any portion of the territory within the new school
 462 district was subject to a levy pursuant to Section [~~53A-16-110 or~~] 53A-17a-133 or
 463 53A-17a-163, the new school district's board may:

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

465 (ii) impose a levy on the new school district as provided in Section [~~53A-16-110 or~~]
 466 53A-17a-133 or 53A-17a-163; or

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

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

472 Section 9. Section **53A-2-118.3** is amended to read:

473 **53A-2-118.3. Imposition of the divided school district levy in qualifying divided**
 474 **school districts.**

475 (1) For purposes of this section:

476 (a) "Capital outlay increment" is as defined in Section 59-2-924.3.

477 (b) "Contributing divided school district" is as defined in Section 59-2-924.4.

478 (c) "Divided school district levy" means a property tax levy imposed in accordance
 479 with this section.

480 (d) "Equalized property tax revenues per enrolled student" means:

481 (i) the total amount of property tax, including fee-in-lieu revenues, imposed by a
 482 qualifying divided school district in the calendar year preceding a qualifying taxable year; less

483 (ii) revenue generated by:

484 (A) the minimum basic tax rate imposed under Section 53A-17a-135; and

485 (B) a levy for bonded indebtedness imposed under Title 11, Chapter 14, Local
 486 Government Bonding Act; divided by

487 (iii) the qualifying divided school district enrollment for the year preceding the
 488 qualifying taxable year, as of the October 1 enrollment count.

489 [~~(a)~~] (e) "Qualifying divided school district" means a divided school district
 490 located within a county of the second through sixth class; and ~~(ii)] with a new school district~~

491 created under Section 53A-2-118.1 that begins to provide educational services on or after July
492 1, 2008.

493 [(b)] (f) "Qualifying taxable year" means the calendar year in which a new school
494 district begins to provide educational services.

495 (g) "Receiving divided school district" is as defined in Section 59-2-924.4.

496 (h) "Total equalized property tax revenues" means the equalized property tax revenues
497 per enrolled student multiplied by the total enrollment within the qualifying divided school
498 district, as of the October 1 counts in the preceding calendar year.

499 (2) When a new school district is created pursuant to Section 53A-2-118.1, the state
500 superintendent shall:

501 (a) (i) determine the amount of equalized property tax revenues per enrolled student
502 generated in the qualifying divided school district during the calendar year preceding the
503 qualifying taxable year; and

504 (ii) notify the affected districts within a qualifying divided school district and the
505 county auditor of the superintendent's:

506 (A) initial estimate of the equalized property tax revenues per enrolled student by
507 March 15 of the qualifying taxable year; and

508 (B) final determination of the equalized property tax revenues per enrolled student by
509 June 1 of the qualifying taxable year; and

510 (b) annually calculate and notify the affected school districts within a qualifying
511 divided school district and the county auditor of the total equalized property tax revenues by
512 January 1 of each year.

513 (3) (a) The county auditor of a county with a qualifying divided school district shall
514 determine the property tax rates described in Subsections (3)(b) and (c) by July 1 of each
515 taxable year beginning with the qualifying taxable year.

516 (b) Except as provided in Subsection (3)(c), the tax rate for a qualifying divided school
517 district's divided school district levy is a tax rate that generates an amount of property tax
518 revenues equal to the qualifying divided school district's total equalized property tax revenues.

519 (c) If the qualifying divided school district is located within a county of the first class,
520 the tax rate for a qualifying divided school district's divided school district levy is a tax rate that
521 generates an amount of property tax revenues equal to:

522 (i) the qualifying divided school district's total equalized property tax revenues; minus
523 (ii) the sum of the capital outlay increments of all receiving divided school districts
524 located within the qualifying divided school district.

525 ~~[(2)]~~ (4) Beginning with the qualifying taxable year, in order to qualify for receipt of
526 the state contribution toward the minimum school program described in Section 53A-17a-104,
527 a school district within a qualifying divided school district shall impose a ~~[capital outlay]~~
528 divided school district levy ~~[described in Section 53A-16-107 of at least .0006 per dollar of~~
529 taxable value] at the rate calculated by the county auditor under Subsection (3).

530 ~~[(3)]~~ (5) The county treasurer of a county with a qualifying divided school district shall
531 distribute revenues generated by ~~[the .0006 portion of the capital outlay]~~ the divided school
532 district levy required in Subsection ~~[(2)]~~ (4) to ~~[the]~~ a school ~~[districts]~~ district located within
533 the boundaries of the qualifying divided school district ~~[as follows:]~~ in proportion to each
534 school district's proportion of total current year enrollment within the qualifying divided school
535 district, as of the October 1 enrollment counts in the calendar year in which the levy is
536 imposed.

537 ~~[(a) 25% of the revenues shall be distributed in proportion to a school district's~~
538 ~~percentage of the total enrollment growth in all of the school districts within the qualifying~~
539 ~~divided school district that have an increase in enrollment, calculated on the basis of the~~
540 ~~average annual enrollment growth over the prior three years in all of the school districts within~~
541 ~~the qualifying divided school district that have an increase in enrollment over the prior three~~
542 ~~years, as of the October 1 enrollment counts; and]~~

543 ~~[(b) 75% of the revenues shall be distributed in proportion to a school district's~~
544 ~~percentage of the total current year enrollment in all of the school districts within the qualifying~~
545 ~~divided school district, as of the October 1 enrollment counts.]~~

546 ~~[(4)]~~ (6) If a new school district is created or school district boundaries are adjusted,
547 the enrollment ~~[and average annual enrollment growth]~~ for each affected school district shall be
548 calculated on the basis of enrollment in school district schools located within that school
549 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

550 ~~[(5) On or before December 31 of each year, the State Board of Education shall~~
551 ~~provide a county treasurer with audited enrollment information from the fall enrollment audit~~
552 ~~necessary to distribute revenues as required by this section.]~~

553 ~~[(6)]~~ (7) On or before March 31 of each year, a county treasurer in a county with a
554 qualifying divided school district shall distribute, in accordance with Subsection ~~[(3)]~~ (5), the
555 revenue generated within the qualifying divided school district during the prior calendar year
556 from the ~~[capital outlay]~~ levy required in Subsection ~~[(2)]~~ (4).

557 Section 10. Section **53A-2-206** is amended to read:

558 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**
559 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**
560 **student agencies.**

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

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

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

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

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

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

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

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

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

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

586 (B) 328 foreign exchange students.

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

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

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

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

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

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

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

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

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

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

- 615 (i) that the agency has complied with all applicable policies of the board;
- 616 (ii) that a household study, including a background check of all adult residents, has
617 been made of each household where an exchange student is to reside, and that the study was of
618 sufficient scope to provide reasonable assurance that the exchange student will receive proper
619 care and supervision in a safe environment;
- 620 (iii) that host parents have received training appropriate to their positions, including
621 information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who
622 are in a position of special trust;
- 623 (iv) that a representative of the exchange student agency shall visit each student's place
624 of residence at least once each month during the student's stay in Utah;
- 625 (v) that the agency will cooperate with school and other public authorities to ensure
626 that no exchange student becomes an unreasonable burden upon the public schools or other
627 public agencies;
- 628 (vi) that each exchange student will be given in the exchange student's native language
629 names and telephone numbers of agency representatives and others who could be called at any
630 time if a serious problem occurs; and
- 631 (vii) that alternate placements are readily available so that no student is required to
632 remain in a household if conditions appear to exist which unreasonably endanger the student's
633 welfare.
- 634 (7) (a) A local school board or charter school governing board shall provide each
635 approved exchange student agency with a list of names and telephone numbers of individuals
636 not associated with the agency who could be called by an exchange student in the event of a
637 serious problem.
- 638 (b) The agency shall make a copy of the list available to each of its exchange students
639 in the exchange student's native language.
- 640 Section 11. Section **53A-2-214** is amended to read:
- 641 **53A-2-214. Online students' participation in extracurricular activities.**
- 642 (1) As used in this section:
- 643 (a) "Online education" means the use of information and communication technologies
644 to deliver educational opportunities to a student in a location other than a school.
- 645 (b) "Online student" means a student who:

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

648 (ii) generates funding for the school district or school pursuant to Subsection
649 53A-17a-103~~(5)~~(4) and rules of the State Board of Education.

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

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

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

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

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

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

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

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

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

668 (b) The rules shall provide that:

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

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

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

675 (iv) an online school's share of the costs of an extracurricular activity shall reflect state
676 and local tax revenues expended, except capital facilities expenditures, for an extracurricular

677 activity in a school district or school divided by total student enrollment of the school district
678 or school.

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

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

685 Section 12. Section **53A-3-415** is amended to read:

686 **53A-3-415. School board policy on detaining students after school.**

687 (1) Each local school board shall establish a policy on detaining students after regular
688 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]
689 53A-11-901.

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

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

696 Section 13. Section **53A-16-107.1** is amended to read:

697 **53A-16-107.1. Capital discretionary levy in counties of the first class --**
698 **Allocation.**

699 (1) The county treasurer of a county of the first class shall distribute revenues
700 generated by the .0006 portion of the capital [~~outlay~~] discretionary levy required in [~~Subsection~~
701 ~~53A-16-107(3)~~] Section 53A-17a-164 to school districts located within the county of the first
702 class as follows:

703 (a) 25% of the revenues shall be distributed in proportion to a school district's
704 percentage of the total enrollment growth in all of the school districts within the county that
705 have an increase in enrollment, calculated on the basis of the average annual enrollment growth
706 over the prior three years in all of the school districts within the county that have an increase in
707 enrollment over the prior three years, as of the October 1 enrollment counts; and

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

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

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

718 (4) On or before March 31 of each year, a county treasurer in a county of the first class
719 shall distribute the revenue generated within the county of the first class during the prior
720 calendar year from the capital ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~
721 53A-17a-164.

722 Section 14. Section **53A-17a-103** is amended to read:

723 **53A-17a-103. Definitions.**

724 As used in this chapter:

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

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

731 (i) the amount of ad valorem property tax revenue to be generated statewide in the
732 previous year from imposing a minimum basic tax rate, as specified in Subsection
733 53A-17a-135(1)~~[(a)]~~; and

734 (ii) the product of:

735 (A) new growth, as defined in:

736 (I) Section 59-2-924; and

737 (II) rules of the State Tax Commission; and

738 (B) the minimum basic tax rate certified by the State Tax Commission for the previous

739 year.

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

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

744 (ii) semiconductor manufacturing equipment.

745 (c) For purposes of calculating the certified revenue levy described in this Subsection
746 (2), the State Tax Commission shall use:

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

749 (ii) the taxable value of real and personal property assessed by the State Tax
750 Commission; and

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

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

755 ~~[(4)]~~ (3) "Pupil in average daily membership (ADM)" means a full-day equivalent
756 pupil.

757 ~~[(5)]~~ (4) (a) "State-supported minimum school program" or "minimum school
758 program" means public school programs for kindergarten, elementary, and secondary schools
759 as described in this Subsection ~~[(5)]~~ (4).

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

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

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

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

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

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

771 [(6)] (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of
772 factors that is computed in accordance with this chapter for the purpose of determining the
773 costs of a program on a uniform basis for each district.

774 Section 15. Section **53A-17a-105** is amended to read:

775 **53A-17a-105. Action required for underestimated or overestimated weighted**
776 **pupil units -- Action required for underestimating or overestimating local contributions.**

777 (1) If the number of weighted pupil units in a program is underestimated in Section
778 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so
779 that the amount paid does not exceed the estimated amount by program.

780 (2) If the number of weighted pupil units in a program is overestimated in Section
781 53A-17a-104, the state superintendent of public instruction shall either increase the amount
782 paid in that program per weighted pupil unit or transfer the unused amount in that program to
783 another program included in the minimum school program.

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

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

789 (4) The limitation on the proceeds from local tax rates for [~~operation and maintenance~~]
790 all programs under this chapter is subject to modification by local school boards under Sections
791 53A-17a-133 and [~~53A-17a-134~~] 53A-17a-163 and to special tax rates authorized by this
792 chapter, and shall be adjusted accordingly.

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

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

798 (i) first, to support the value of the weighted pupil unit as set by the Legislature for
799 total weighted pupil units generated by the districts and those costs of Social Security and
800 retirement[;];

801 (ii) second, to transportation[,]; and
802 (iii) third, to board and voted [leeway] local discretionary levy guarantees that occur as
803 a result of the additional generated weighted pupil units, following internal adjustments by the
804 state superintendent as provided in this section.

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

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

813 Section 16. Section **53A-17a-127** is amended to read:

814 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**
815 **routes -- Additional local tax.**

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

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

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

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

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

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

832 (i) an allowance per mile for approved bus routes;
833 (ii) an allowance per hour for approved bus routes;
834 (iii) an annual allowance for equipment and overhead costs based on approved bus
835 routes and the age of the equipment; and

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

837 (b) The State Board of Education shall distribute appropriated transportation funds
838 based on the prior year's eligible transportation costs as legally reported under Subsection
839 53A-17a-126(3).

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

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

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

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

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

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

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

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

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

862 (b) (i) The state may contribute an amount not to exceed 85% of the state average cost

863 per mile, contingent upon the Legislature appropriating funds for a state contribution.

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

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

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

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

873 **53A-17a-133. Voted local discretionary levy -- Election requirements -- State**
874 **guarantee -- Reconsideration of levy authorization.**

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

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

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

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

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

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

890 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
891 of taxable value under Subsection (3)(a) shall apply to ~~[the board-approved leeway]~~ a portion
892 of the board local discretionary levy authorized in Section ~~[53A-17a-134]~~ 53A-17a-163, so that
893 the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district

894 levies a tax rate under both programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

953 (8) (a) Before imposing a property tax levy pursuant to this section, a school district
954 shall submit an opinion question to the school district's registered voters voting on the
955 imposition of the tax rate so that each registered voter has the opportunity to express the

956 registered voter's opinion on whether the tax rate should be imposed.

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

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

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

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

964 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or
965 after January 1, 2010, a school district may levy a tax rate in accordance with this section
966 without complying with the requirements of Subsections (8)(a) and (b) if the school district
967 imposed a tax in accordance with this section at any time during the taxable year beginning on
968 January 1, 2009 and ending on December 31, 2009.

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

972 Section 18. Section **53A-17a-135** is amended to read:

973 **53A-17a-135. Minimum basic tax rate.**

974 (1) (a) ~~[It]~~ Except as provided in Subsection (1)(b), in order to qualify for receipt of
975 the state contribution toward the basic program and as its contribution toward its costs of the
976 basic program, each school district shall impose a minimum basic tax rate per dollar of taxable
977 value that generates [~~\$260,731,750 in revenues statewide~~] an amount of revenue equal to the
978 revenue generated by the certified revenue levy for the calendar year beginning on January 1,
979 2010.

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

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

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

985 (b) Notwithstanding Subsection (1)(a), for a calendar year beginning on or after
986 January 1, 2011, the minimum basic tax rate per dollar of taxable value shall be the greater of:

987 (i) the tax rate described in Subsection (1)(a); or

988 (ii) the certified revenue levy for that calendar year as defined in Section 53A-17a-103.

989 (2) (a) The state shall contribute to each district toward the cost of the basic program in
990 the district that portion which exceeds the proceeds of the levy authorized under Subsection
991 (1).

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

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

999 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of
1000 the basic program shall be paid into the Uniform School Fund as provided by law.

1001 (4) For fiscal year 2010-11, the Legislature shall increase the dollar amount described
1002 in Subsection 53A-17a-103(1) by an amount equal to the difference between:

1003 (a) the amount of revenue generated statewide from the imposition of the minimum
1004 basic tax rate during calendar year 2010; and

1005 (b) the amount of revenue that would have been generated from the imposition of the
1006 certified revenue levy statewide for the same calendar year.

1007 Section 19. Section **53A-17a-143** is amended to read:

1008 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**
1009 **allocations from the Federal Impact Aid Program.**

1010 (1) In addition to the revenues received from the levy imposed by each school district
1011 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~
1012 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between
1013 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~
1014 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this
1015 source for the next preceding fiscal year.

1016 ~~[(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~
1017 ~~any fiscal year.]~~

1018 ~~[(3) This authorization terminates for each district at the end of the third year it is~~
 1019 ~~used.]~~

1020 ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from
 1021 ~~[this special tax rate plus allocation from Public Law 81-874]~~ a distribution from the
 1022 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal
 1023 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from
 1024 ~~[Public Law 81-874]~~ the Federal Impact Aid Program for the next preceding fiscal year, the
 1025 excess funds are carried into the next succeeding fiscal year and become in that year a part of
 1026 the district's contribution to its basic program for operation and maintenance under the state
 1027 minimum school finance law.

1028 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be
 1029 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's
 1030 required contribution to its basic program.

1031 ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state
 1032 minimum school program funds as though the reduction in the tax rate had not been made.

1033 Section 20. Section **53A-17a-150** is amended to read:

1034 **53A-17a-150. K-3 Reading Improvement Program.**

1035 (1) As used in this section:

1036 (a) "Program" means the K-3 Reading Improvement Program~~[-and]~~.

1037 (b) "Program monies" means:

1038 ~~[(i) school district revenue from the levy authorized under Section 53A-17a-151;]~~

1039 ~~[(ii)]~~ (i) school district revenue allocated to the program from other monies available to
 1040 the school district, except monies provided by the state, for the purpose of receiving state funds
 1041 under this section; and

1042 ~~[(iii)]~~ (ii) monies appropriated by the Legislature to the program.

1043 (2) The K-3 Reading Improvement Program consists of program monies and is created
 1044 to achieve the state's goal of having third graders reading at or above grade level.

1045 (3) Subject to future budget constraints, the Legislature may annually appropriate
 1046 money to the K-3 Reading Improvement Program.

1047 (4) (a) Prior to using program monies, a school district or charter school shall submit a
 1048 plan to the State Board of Education for reading proficiency improvement that incorporates the

1049 following components:

- 1050 (i) assessment;
- 1051 (ii) intervention strategies;
- 1052 (iii) professional development;
- 1053 (iv) reading performance standards; and
- 1054 (v) specific measurable goals that are based upon gain scores.

1055 (b) The State Board of Education shall provide model plans which a school district or
1056 charter school may use, or the district or school may develop its own plan.

1057 (c) Plans developed by a school district or charter school shall be approved by the State
1058 Board of Education.

1059 (5) There is created within the K-3 Reading Achievement Program three funding
1060 programs:

- 1061 (a) the Base Level Program;
- 1062 (b) the Guarantee Program; and
- 1063 (c) the Low Income Students Program.

1064 (6) Monies appropriated to the State Board of Education for the K-3 Reading
1065 Improvement Program shall be allocated to the three funding programs as follows:

- 1066 (a) 8% to the Base Level Program;
- 1067 (b) 46% to the Guarantee Program; and
- 1068 (c) 46% to the Low Income Students Program.

1069 (7) (a) To participate in the Base Level Program, a school district or charter school
1070 shall submit a reading proficiency improvement plan to the State Board of Education as
1071 provided in Subsection (4) and must receive approval of the plan from the board.

1072 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying
1073 elementary charter schools combined shall receive a base amount.

1074 (ii) The base amount for the qualifying elementary charter schools combined shall be
1075 allocated among each school in an amount proportionate to:

1076 (A) each existing charter school's prior year fall enrollment in grades kindergarten
1077 through grade 3; and

1078 (B) each new charter school's estimated fall enrollment in grades kindergarten through
1079 grade 3.

1080 (8) (a) A school district that applies for program monies in excess of the Base Level
1081 Program funds shall choose to first participate in either the Guarantee Program or the Low
1082 Income Students Program.

1083 (b) A school district must fully participate in either the Guarantee Program or the Low
1084 Income Students Program before it may elect to either fully or partially participate in the other
1085 program.

1086 (c) To fully participate in the Guarantee Program, a school district shall~~[(i) levy a tax~~
1087 ~~rate of .000056 under Section 53A-17a-151; (ii)]~~ allocate to the program other monies
1088 available to the school district, except monies provided by the state, equal to the amount of
1089 revenue that would be generated by a tax rate of .000056~~[-or].~~

1090 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1091 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1092 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1093 ~~tax rate of .000056.]~~

1094 (d) To fully participate in the Low Income Students Program, a school district shall~~[-~~
1095 ~~(i) levy a tax rate of .000065 under Section 53A-17a-151; (ii)]~~ allocate to the program other
1096 monies available to the school district, except monies provided by the state, equal to the
1097 amount of revenue that would be generated by a tax rate of .000065~~[-or].~~

1098 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1099 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1100 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1101 ~~tax rate of .000065.]~~

1102 (e) (i) The State Board of Education shall verify that a school district allocates the
1103 monies required in accordance with Subsections (8)(c) and (d) before it distributes funds in
1104 accordance with this section.

1105 (ii) The State Tax Commission will provide the State Board of Education the
1106 information the State Board of Education needs to comply with Subsection (8)(e)(i).

1107 (9) (a) A school district that fully participates in the Guarantee Program shall receive
1108 state funds in an amount that is:

1109 (i) equal to the difference between \$21 times the district's total WPU's and the revenue
1110 the school district is required to generate or allocate under Subsection (8)(c) to fully participate

1111 in the Guarantee Program; and

1112 (ii) not less than \$0.

1113 (b) An elementary charter school shall receive under the Guarantee Program an amount
1114 equal to \$21 times the school's total WPU's.

1115 (10) The State Board of Education shall distribute Low Income Students Program
1116 funds in an amount proportionate to the number of students in each school district or charter
1117 school who qualify for free or reduced price school lunch multiplied by two.

1118 (11) A school district that partially participates in the Guarantee Program or Low
1119 Income Students Program shall receive program funds based on the amount of district revenue
1120 generated for or allocated to the program as a percentage of the amount of revenue that could
1121 have been generated or allocated if the district had fully participated in the program.

1122 (12) (a) Each school district and charter school shall use program monies for reading
1123 proficiency improvement in grades kindergarten through grade three.

1124 (b) Program monies may not be used to supplant funds for existing programs, but may
1125 be used to augment existing programs.

1126 (13) (a) Each school district and charter school shall annually submit a report to the
1127 State Board of Education accounting for the expenditure of program monies in accordance with
1128 its plan for reading proficiency improvement.

1129 (b) If a school district or charter school uses program monies in a manner that is
1130 inconsistent with Subsection (12), the school district or charter school is liable for reimbursing
1131 the State Board of Education for the amount of program monies improperly used, up to the
1132 amount of program monies received from the State Board of Education.

1133 (14) (a) The State Board of Education shall make rules to implement the program.

1134 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter
1135 school to annually report progress in meeting goals stated in the district's or charter school's
1136 plan for student reading proficiency as measured by gain scores.

1137 (ii) If a school district or charter school does not meet or exceed the goals, the school
1138 district or charter school shall prepare a new plan which corrects deficiencies. The new plan
1139 must be approved by the State Board of Education before the school district or charter school
1140 receives an allocation for the next year.

1141 ~~[(15) If after 36 months of program operation, a school district fails to meet goals~~

1142 ~~stated in the district's plan for student reading proficiency as measured by gain scores, the~~
1143 ~~school district shall terminate any levy imposed under Section 53A-17a-151.]~~

1144 Section 21. Section **53A-17a-163** is enacted to read:

1145 **53A-17a-163. Board local discretionary levy.**

1146 (1) As used in this section:

1147 (a) "Basic levy increment" means an amount equal to the difference of:

1148 (i) an amount equal to the difference of:

1149 (A) the amount of revenue that would be generated within a school district by the
1150 imposition of the certified revenue levy described in Section 53A-17a-103 for the current
1151 calendar year; and

1152 (B) the estimated amount of revenue to be generated within the school district by the
1153 imposition of the minimum basic tax rate levied in accordance with Section 53A-17a-135
1154 during the current calendar year; and

1155 (ii) the school district's estimated WPU distribution from the basic levy increase
1156 described in Subsection (1)(i) during the current taxable year.

1157 (b) "Board local discretionary levy" means, for the taxable year beginning on January
1158 1, 2010, a tax rate equal to the sum of the tax rates imposed by a school district from the
1159 following levies:

1160 (i) Section 11-2-7;

1161 (ii) Section 53A-17a-127;

1162 (iii) Section 53A-17a-134;

1163 (iv) Section 53A-17a-143;

1164 (v) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
1165 budgeted for textbooks, supplies, maintenance, and operations;

1166 (vi) Section 53A-17a-151; and

1167 (vii) Section 63G-7-704.

1168 (c) "Board property tax revenue" means an amount equal to the difference of the
1169 following:

1170 (i) an amount of revenue equal to the sum of:

1171 (A) the amount of revenue generated during the taxable year beginning on January 1,
1172 2009, from the sum of the following levies of a school district:

- 1173 (I) Section 11-2-7;
- 1174 (II) Section 53A-17a-127;
- 1175 (III) Section 53A-17a-134;
- 1176 (IV) Section 53A-17a-143;
- 1177 (V) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
- 1178 budgeted for textbooks, supplies, maintenance, and operations;
- 1179 (VI) Section 53A-17a-151; and
- 1180 (VII) Section 63G-7-704; and
- 1181 (B) new growth as defined in Subsection 59-2-924(4)(c); minus
- 1182 (ii) the school district's estimated WPU distribution from the basic levy increase
- 1183 described in Subsection (1)(i) during the current calendar year.
- 1184 (d) "Certified tax rate" means a school district's certified tax rate calculated in
- 1185 accordance with Section 59-2-924.
- 1186 (e) "Contributing school district" means a school district that in a fiscal year receives
- 1187 less revenue from its WPU distribution from the basic levy increase than the amount of revenue
- 1188 generated within its school district during the same fiscal year from the imposition of the
- 1189 minimum basic levy rate increase.
- 1190 (f) "Increased revenue generated statewide from the minimum basic levy" means an
- 1191 amount equal to the difference of:
- 1192 (i) the estimated amount of revenue generated statewide by the imposition of the
- 1193 minimum basic tax rate levied in accordance with Section 53A-17a-135 during the current
- 1194 calendar year; and
- 1195 (ii) the amount of revenue that would be generated statewide by the imposition of the
- 1196 certified revenue levy during the current calendar year.
- 1197 (g) "Minimum basic levy rate increase" means the rate equal to the difference of:
- 1198 (i) the minimum basic tax rate levied during the current year; and
- 1199 (ii) the certified revenue levy tax rate for the current year.
- 1200 (h) "Receiving school district" means a school district that in a fiscal year receives
- 1201 more revenue from its WPU distribution from the basic levy increase than the amount of
- 1202 revenue generated within its school district during the same fiscal year from the imposition of
- 1203 the minimum basic levy rate increase.

1204 (i) "WPU distribution from the basic levy increase" means the revenue distributed to a
1205 school district from the minimum school program under Title 53A, Chapter 17a, Part 1,
1206 Minimum School Program, as a result of the increased revenue generated statewide from the
1207 minimum basic levy rate increase.

1208 (2) (a) Subject to the other requirements of this section, for a taxable year beginning on
1209 or after January 1, 2010, a local school board may levy a tax to fund the school district's
1210 general fund.

1211 (b) A tax rate imposed by a school district pursuant to this section may not exceed
1212 .0012 per dollar of taxable value in any fiscal year.

1213 (3) For fiscal year 2010-11, a school district is exempt from the public notice and
1214 hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's board local
1215 discretionary levy if the school district budgets an amount of ad valorem property tax revenue
1216 equal to or less than the school district's board property tax revenue.

1217 (4) (a) For a fiscal year beginning on or after fiscal year 2011-12, a receiving school
1218 district is exempt from the public notice and hearing requirements of Sections 59-2-918 and
1219 59-2-919 for the receiving school district's board local discretionary levy if the receiving school
1220 district budgets an amount of ad valorem property tax revenue equal to or less than the
1221 receiving school district's board property tax revenue.

1222 (b) For a fiscal year beginning on or after fiscal year 2011-12, a contributing school
1223 district is exempt from the public notice and hearing requirements of Sections 59-2-918 and
1224 59-2-919 for the contributing school district's board local discretionary levy if the contributing
1225 school district budgets an amount of ad valorem property tax revenue equal to or less than:

1226 (i) the school district's board property tax revenue; minus

1227 (ii) the school district's basic levy increment.

1228 Section 22. Section **53A-17a-164** is enacted to read:

1229 **53A-17a-164. Capital discretionary levy -- First class county required levy.**

1230 (1) As used in this section:

1231 (a) "Capital aggregate tax rate" means a tax rate equal to the sum of the tax rates
1232 imposed by a school district from the following levies:

1233 (i) Section 53A-16-107; and

1234 (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is

1235 budgeted for debt service or capital outlay.

1236 (b) "Capital property tax revenue" means an amount equal to an amount equal to the
1237 sum of the following:

1238 (i) the amount of revenue generated during the taxable year beginning on January 1,
1239 2009, from the sum of the following levies of a school district:

1240 (A) Section 53A-16-107; and

1241 (B) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
1242 budgeted for debt service or capital outlay; and

1243 (ii) new growth as defined in Subsection 59-2-924(4)(c).

1244 (c) "Certified tax rate" means a school district's certified tax rate calculated in
1245 accordance with Section 59-2-924.

1246 (2) (a) Subject to the other requirements of this section, for taxable years beginning on
1247 or after January 1, 2010, a local school board may levy a tax to fund the school district's capital
1248 projects.

1249 (b) A tax rate imposed by a school district pursuant to this section may not exceed
1250 .0030 per dollar of taxable value in any fiscal year.

1251 (3) For fiscal year 2010-11, a school district is exempt from the public notice and
1252 hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's board local
1253 discretionary levy if the school district budgets an amount of ad valorem property tax revenue
1254 equal to or less than the school district's capital property tax revenue.

1255 (4) Beginning January 1, 2010, in order to qualify for receipt of the state contribution
1256 toward the minimum school program described in Section 53A-17a-104, a local school board
1257 in a county of the first class shall impose a capital discretionary levy of at least .0006 per dollar
1258 of taxable value.

1259 (5) (a) The county treasurer of a county of the first class shall distribute revenues
1260 generated by the .0006 portion of the capital discretionary levy required in Subsection (4) to
1261 school districts within the county in accordance with Section 53A-16-107.1.

1262 (b) If a school district in a county of the first class imposes a capital discretionary levy
1263 pursuant to this section which exceeds .0006 per dollar of taxable value, the county treasurer of
1264 a county of the first class shall distribute revenues generated by the portion of the capital
1265 discretionary levy which exceeds .0006 to the school district imposing the levy.

1266 Section 23. Section **53A-21-101.5** is amended to read:

1267 **53A-21-101.5. Definitions.**

1268 As used in this chapter:

1269 (1) "ADM" or "pupil in average daily membership" is as defined in Section

1270 53A-17a-103.

1271 (2) "Combined capital levy rate" means a rate that includes the sum of the following
1272 property tax levies:

1273 (a) the capital ~~[outlay]~~ discretionary levy authorized in Section ~~[53A-16-107]~~

1274 53A-17a-164; and

1275 ~~[(b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
1276 budgeted for debt service or capital outlay;]~~

1277 ~~[(c)]~~ (b) the debt service levy authorized in Section 11-14-310~~[-and].~~

1278 ~~[(d) the voted capital outlay leeway authorized in Section 53A-16-110.]~~

1279 (3) "Derived net taxable value" means the quotient of:

1280 (a) the total current property tax collections from April 1 through the following March
1281 31 for a school district; divided by

1282 (b) the school district's total tax rate for the calendar year preceding the March 31
1283 referenced in Subsection (3)(a).

1284 (4) "Highest combined capital levy rate" means the highest combined capital levy rate
1285 imposed by any school district within the state for a fiscal year.

1286 (5) "Property tax base per ADM" means the quotient of:

1287 (a) a school district's derived net taxable value; divided by

1288 (b) the school district's ADM for the same year.

1289 (6) "Property tax yield per ADM" means:

1290 (a) the product of:

1291 (i) a school district's derived net taxable value; and

1292 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced
1293 in Subsection (3)(a); divided by

1294 (b) the school district's ADM for the same fiscal year.

1295 (7) "Statewide average property tax base per ADM" means the quotient of:

1296 (a) the sum of all school districts' derived net taxable value; divided by

1297 (b) the sum of all school districts' ADM statewide for the same year.

1298 Section 24. Section **59-2-924** is amended to read:

1299 **59-2-924. Report of valuation of property to county auditor and commission --**

1300 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
1301 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1302 (1) Before June 1 of each year, the county assessor of each county shall deliver to the
1303 county auditor and the commission the following statements:

1304 (a) a statement containing the aggregate valuation of all taxable real property assessed
1305 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

1306 (b) a statement containing the taxable value of all personal property assessed by a
1307 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

1308 (2) The county auditor shall, on or before June 8, transmit to the governing body of
1309 each taxing entity:

1310 (a) the statements described in Subsections (1)(a) and (b);

1311 (b) an estimate of the revenue from personal property;

1312 (c) the certified tax rate; and

1313 (d) all forms necessary to submit a tax levy request.

1314 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem
1315 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior
1316 year.

1317 (b) For purposes of this Subsection (3):

1318 (i) "Ad valorem property tax revenues" do not include:

1319 (A) collections from redemptions;

1320 (B) interest;

1321 (C) penalties; and

1322 (D) revenue received by a taxing entity from personal property that is:

1323 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1324 (II) semiconductor manufacturing equipment.

1325 (ii) "Aggregate taxable value of all property taxed" means:

1326 (A) the aggregate taxable value of all real property assessed by a county assessor in

1327 accordance with Part 3, County Assessment, for the current year;

1328 (B) the aggregate taxable year end value of all personal property assessed by a county
1329 assessor in accordance with Part 3, County Assessment, for the prior year; and

1330 (C) the aggregate taxable value of all real and personal property assessed by the
1331 commission in accordance with Part 2, Assessment of Property, for the current year.

1332 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be
1333 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
1334 taxing entity by the amount calculated under Subsection (3)(c)(ii).

1335 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall
1336 calculate an amount as follows:

1337 (A) calculate for the taxing entity the difference between:

1338 (I) the aggregate taxable value of all property taxed; and

1339 (II) any redevelopment adjustments for the current calendar year;

1340 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
1341 amount determined by increasing or decreasing the amount calculated under Subsection
1342 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
1343 equalization period for the three calendar years immediately preceding the current calendar
1344 year;

1345 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
1346 product of:

1347 (I) the amount calculated under Subsection (3)(c)(ii)(B); and

1348 (II) the percentage of property taxes collected for the five calendar years immediately
1349 preceding the current calendar year; and

1350 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
1351 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)
1352 any new growth as defined in this section:

1353 (I) within the taxing entity; and

1354 (II) for the following calendar year:

1355 (Aa) for new growth from real property assessed by a county assessor in accordance
1356 with Part 3, County Assessment and all property assessed by the commission in accordance
1357 with Section 59-2-201, the current calendar year; and

1358 (Bb) for new growth from personal property assessed by a county assessor in

1359 accordance with Part 3, County Assessment, the prior calendar year.

1360 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all
1361 property taxed:

1362 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in
1363 Subsection (3)(b)(ii);

1364 (B) does not include the total taxable value of personal property contained on the tax
1365 rolls of the taxing entity that is:

1366 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1367 (II) semiconductor manufacturing equipment; and

1368 (C) for personal property assessed by a county assessor in accordance with Part 3,

1369 County Assessment, the taxable value of personal property is the year end value of the personal
1370 property contained on the prior year's tax rolls of the entity.

1371 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
1372 January 1, 2007, the value of taxable property does not include the value of personal property
1373 that is:

1374 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
1375 County Assessment; and

1376 (B) semiconductor manufacturing equipment.

1377 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after
1378 January 1, 2007, the percentage of property taxes collected does not include property taxes
1379 collected from personal property that is:

1380 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
1381 County Assessment; and

1382 (B) semiconductor manufacturing equipment.

1383 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
1384 January 1, 2009, the value of taxable property does not include the value of personal property
1385 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County
1386 Assessment.

1387 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1388 the commission may prescribe rules for calculating redevelopment adjustments for a calendar
1389 year.

1390 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1391 the commission shall make rules determining the calculation of ad valorem property tax
1392 revenues budgeted by a taxing entity.

1393 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by
1394 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are
1395 calculated for purposes of Section 59-2-913.

1396 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall
1397 be calculated as follows:

1398 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax
1399 rate is zero;

1400 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1401 (A) in a county of the first, second, or third class, the levy imposed for municipal-type
1402 services under Sections 17-34-1 and 17-36-9; and

1403 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
1404 purposes and such other levies imposed solely for the municipal-type services identified in
1405 Section 17-34-1 and Subsection 17-36-3(22); and

1406 (iii) for debt service voted on by the public, the certified tax rate shall be the actual
1407 levy imposed by that section, except that the certified tax rates for the following levies shall be
1408 calculated in accordance with Section 59-2-913 and this section:

1409 (A) school [~~fees~~ levies] provided for under Sections [~~11-2-7, 53A-16-110,~~
1410 ~~53A-17a-125, 53A-17a-127,~~ 53A-17a-133[, ~~53A-17a-134, 53A-17a-143, 53A-17a-145, and~~
1411 ~~53A-21-103~~], 53A-17a-163, and 53A-17a-164; and

1412 (B) levies to pay for the costs of state legislative mandates or judicial or administrative
1413 orders under Section 59-2-1604.

1414 (f) (i) A judgment levy imposed under Section [~~59-2-1328 or~~ 59-2-1330 shall be
1415 established at that rate which is sufficient to generate only the revenue required to satisfy one
1416 or more eligible judgments, as defined in Section 59-2-102.

1417 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be
1418 considered in establishing the taxing entity's aggregate certified tax rate.

1419 (g) The ad valorem property tax revenue generated by the capital [~~outlay~~ discretionary
1420 levy described in Section [~~53A-16-107~~] 53A-17a-164 within a taxing entity in a county of the

1421 first class:

1422 (i) may not be considered in establishing the school district's aggregate certified tax
1423 rate; and

1424 (ii) shall be included by the commission in establishing a certified tax rate for that
1425 capital ~~outlay~~ discretionary levy determined in accordance with the calculation described in
1426 Subsection 59-2-913(3).

1427 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1428 (i) the taxable value of real property assessed by a county assessor contained on the
1429 assessment roll;

1430 (ii) the taxable value of real and personal property assessed by the commission; and
1431 (iii) the taxable year end value of personal property assessed by a county assessor
1432 contained on the prior year's assessment roll.

1433 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the
1434 assessment roll does not include new growth as defined in Subsection (4)(c).

1435 (c) "New growth" means:

1436 (i) the difference between the increase in taxable value of the following property of the
1437 taxing entity from the previous calendar year to the current year:

1438 (A) real property assessed by a county assessor in accordance with Part 3, County
1439 Assessment; and

1440 (B) property assessed by the commission under Section 59-2-201; plus

1441 (ii) the difference between the increase in taxable year end value of personal property
1442 of the taxing entity from the year prior to the previous calendar year to the previous calendar
1443 year; minus

1444 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

1445 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the
1446 taxing entity does not include the taxable value of personal property that is:

1447 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county
1448 assessor in accordance with Part 3, County Assessment; and

1449 (ii) semiconductor manufacturing equipment.

1450 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

1451 (i) the amount of increase to locally assessed real property taxable values resulting

1452 from factoring, reappraisal, or any other adjustments; or
1453 (ii) the amount of an increase in the taxable value of property assessed by the
1454 commission under Section 59-2-201 resulting from a change in the method of apportioning the
1455 taxable value prescribed by:

- 1456 (A) the Legislature;
- 1457 (B) a court;
- 1458 (C) the commission in an administrative rule; or
- 1459 (D) the commission in an administrative order.

1460 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal
1461 property on the prior year's assessment roll does not include:

- 1462 (i) new growth as defined in Subsection (4)(c); or
- 1463 (ii) the total taxable year end value of personal property contained on the prior year's
1464 tax rolls of the taxing entity that is:

- 1465 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1466 (B) semiconductor manufacturing equipment.

1467 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

1468 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
1469 auditor of:

- 1470 (i) its intent to exceed the certified tax rate; and
- 1471 (ii) the amount by which it proposes to exceed the certified tax rate.
- 1472 (c) The county auditor shall notify all property owners of any intent to exceed the
1473 certified tax rate in accordance with Subsection 59-2-919(3).

1474 Section 25. Section **59-2-924.3** is amended to read:

1475 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
1476 **district imposing a capital discretionary levy in a county of the first class.**

1477 (1) As used in this section:

1478 (a) "Capital ~~outlay~~ discretionary levy increment" means the amount of revenue equal
1479 to the difference between:

1480 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1481 within a school district during a fiscal year; and

1482 (ii) the amount of revenue the school district received during the same fiscal year from

1483 the distribution described in Subsection 53A-16-107.1(1).

1484 (b) "Contributing school district" means a school district in a county of the first class
1485 that in a fiscal year receives less revenue from the distribution described in Subsection
1486 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1487 within the school district of .0006 per dollar of taxable value.

1488 (c) "Receiving school district" means a school district in a county of the first class that
1489 in a fiscal year receives more revenue from the distribution described in Subsection
1490 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1491 within the school district of .0006 per dollar of taxable value.

1492 [~~(2)~~ For fiscal year 2009-10, a receiving school district shall decrease its capital outlay
1493 certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the
1494 receiving school district's estimated capital outlay increment for the current fiscal year.]

1495 [~~(3)~~ (2) Beginning with fiscal year 2010-11, a receiving school district shall decrease
1496 its capital [~~outlay~~] discretionary levy certified tax rate under Subsection 59-2-924(3)(g)(ii) by
1497 the amount required to offset the receiving school district's [~~capital outlay~~] estimated capital
1498 discretionary levy increment for the prior fiscal year.

1499 [~~(4)~~ (3) For fiscal year [~~2009-10~~] 2010-11, a contributing school district is exempt
1500 from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the
1501 school district's capital [~~outlay~~] discretionary levy certified tax rate calculated pursuant to
1502 Subsection 59-2-924(3)(g)(ii) if:

1503 (a) the contributing school district budgets an increased amount of ad valorem property
1504 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
1505 [~~outlay~~] discretionary levy described in Section [~~53A-16-107~~] 53A-17a-164; and

1506 (b) the increased amount of ad valorem property tax revenue described in Subsection
1507 [~~(4)~~ (3)(a) is less than or equal to that contributing school district's estimated capital [~~outlay~~]
1508 discretionary increment for the current fiscal year.

1509 [~~(5)~~ (4) Beginning with fiscal year [~~2010-11~~] 2011-12, a contributing school district is
1510 exempt from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for
1511 the school district's capital [~~outlay~~] discretionary levy certified tax rate calculated pursuant to
1512 Subsection 59-2-924(3)(g)(ii) if:

1513 (a) the contributing school district budgets an increased amount of ad valorem property

1514 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
1515 [~~outlay~~] discretionary levy described in Section [~~53A-16-107~~] 53A-17a-164; and

1516 (b) the increased amount of ad valorem property tax revenue described in Subsection
1517 [~~(5)~~] (4)(a) is less than or equal to that contributing school district's capital [~~outlay~~]
1518 discretionary levy increment for the prior year.

1519 [~~(6)~~] (5) Beginning with fiscal year 2011-12, a contributing school district is exempt
1520 from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the
1521 school district's capital [~~outlay~~] discretionary levy certified tax rate calculated pursuant to
1522 Subsection 59-2-924(3)(g)(ii) if:

1523 (a) the contributing school district budgets an increased amount of ad valorem property
1524 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
1525 [~~outlay~~] discretionary levy described in Section [~~53A-16-107~~] 53A-17a-164; and

1526 (b) the increased amount of ad valorem property tax revenue described in Subsection
1527 [~~(6)~~] (5)(a) is less than or equal to the difference between:

1528 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1529 imposed within the contributing school district during the current taxable year; and

1530 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1531 imposed within the contributing school district during the prior taxable year.

1532 [~~(7)~~] (6) Regardless of the amount a school district receives from the revenue collected
1533 from the .0006 portion of the capital [~~outlay~~] discretionary levy required in Subsection
1534 [~~53A-16-107(3)~~] 53A-17a-164(4), the revenue generated within the school district from the
1535 .0006 portion of the capital [~~outlay~~] discretionary levy required in Subsection [~~53A-16-107(3)~~]
1536 53A-17a-164(4) shall be considered to be budgeted ad valorem property tax revenues of the
1537 school district that levies the .0006 portion of the capital [~~outlay~~] discretionary levy for
1538 purposes of calculating the school district's certified tax rate in accordance with Subsection
1539 59-2-924(3)(g)(ii).

1540 Section 26. Section **59-2-924.4** is amended to read:

1541 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**
1542 **divided school districts -- Aggregate tax rate limitation.**

1543 (1) As used in this section:

1544 [~~(a)~~] "~~Capital outlay increment~~" means the amount of revenue equal to the difference

1545 between:]

1546 ~~[(i) the amount of revenue generated by a levy of .0006 per dollar of taxable value~~
1547 ~~within a qualifying divided school district during a fiscal year; and]~~

1548 ~~[(ii) the amount of revenue the qualifying divided school district received during the~~
1549 ~~same fiscal year from the distribution described in Section 53A-2-118.3.]~~

1550 (a) "Aggregate tax rate" means a tax rate that equals the sum of the tax rates of the
1551 following levies:

1552 (i) Section 11-2-7;

1553 (ii) Section 53A-2-118.3;

1554 (iii) Section 53A-16-107;

1555 (iv) Section 53A-16-111;

1556 (v) Section 53A-17a-127;

1557 (vi) Section 53A-17a-133;

1558 (vii) Section 53A-17a-134;

1559 (viii) Section 53A-17a-143;

1560 (ix) Section 53A-17a-145;

1561 (x) Section 53A-17a-151; and

1562 (xi) Section 63-7-704.

1563 (b) "Contributing divided school district" means a school district located within a
1564 qualifying divided school district that in a fiscal year receives less revenue from the distribution
1565 described in ~~[Section]~~ Subsection 53A-2-118.3(5) than it would have received during the same
1566 fiscal year from ~~[a levy imposed within the school district of .0006 per dollar of taxable value]~~
1567 the imposition of the divided school district levy within the contributing divided school district.

1568 (c) "Divided school district" means a school district from which a new school district is
1569 created.

1570 (d) "Divided school district increment" means the amount of revenue equal to the
1571 difference between:

1572 (i) the amount of revenue generated by the imposition of the divided school district
1573 levy within a qualifying divided school district during a fiscal year; and

1574 (ii) the amount of revenue the qualifying divided school district received during the
1575 same fiscal year from the distribution described in Subsection 53A-2-118.3(5).

1576 (e) "Divided school district levy" means a property tax levy imposed in accordance
1577 with Section 53A-2-118.3.

1578 [~~(d)~~] (f) "New school district" means a school district:

1579 (i) created under Section 53A-2-118.1;

1580 (ii) that begins to provide educational services after July 1, 2008; and

1581 (iii) located in a qualifying divided school district.

1582 [~~(e)~~] (g) "Qualifying divided school district" means a divided school district [~~:(i)~~
1583 ~~located within a county of the second through sixth class; and (ii)~~] with a new school district
1584 created under Section 53A-2-118.1 that begins to provide educational services after July 1,
1585 2008.

1586 [~~(f)~~] (h) "Qualifying fiscal year" means the first fiscal year that a new school district
1587 begins to provide educational services.

1588 [~~(g)~~] (i) "Receiving divided school district" means a school district located within a
1589 qualifying divided school district that in a fiscal year receives more revenue from the
1590 distribution described in [~~Section~~] Subsection 53A-2-118.3(5) than it would have received
1591 during the same fiscal year from [~~a levy imposed within the school district of .0006 per dollar~~
1592 ~~of taxable value~~] the imposition of the divided school district levy within the receiving divided
1593 school district.

1594 (2) For the qualifying fiscal year, a contributing school district is exempt from the
1595 public notice and hearing requirements of Sections 59-2-918 and 59-2-919 if the contributing
1596 school district budgets an amount of ad valorem property tax revenue for the contributing
1597 school district's aggregate tax rate in an amount equal to or less than the sum of the following:

1598 (a) an amount of revenue equal to:

1599 (i) the amount of revenue generated by the contributing school district's aggregate tax
1600 rate for the prior year; and

1601 (ii) revenue from new growth as defined in Subsection 59-2-924(4); and

1602 (b) an amount equal to the contributing school district's estimated divided school
1603 district increment for the qualifying fiscal year.

1604 (3) For the qualifying fiscal year, a receiving school district is exempt from the public
1605 notice and hearing requirements of Sections 59-2-918 and 59-2-919 if the receiving school
1606 district budgets an amount of ad valorem property tax revenue for the receiving school district's

1607 aggregate tax rate in an amount equal to or less than the difference of the following:

1608 (a) an amount of revenue equal to:

1609 (i) the amount of revenue generated by the contributing school district's aggregate tax
1610 rate for the prior year; and

1611 (ii) revenue from new growth as defined in Subsection 59-2-924(4); and

1612 (b) an amount equal to the receiving school district's estimated divided school district
1613 increment for the qualifying fiscal year.

1614 ~~[(2)-A] (4) Beginning with the fiscal year after the qualifying fiscal year, a receiving~~
1615 ~~divided school district shall decrease its certified tax rate calculated in accordance with Section~~
1616 ~~59-2-924 by the amount required to offset the receiving divided school district's [capital outlay]~~
1617 ~~divided school district increment for the prior fiscal year.~~

1618 ~~[(3)] (5) Beginning with the fiscal year after the qualifying fiscal year, a contributing~~
1619 ~~divided school district is exempt from the public notice and hearing requirements of Sections~~
1620 ~~59-2-918 and 59-2-919 for the contributing divided school district's certified tax rate calculated~~
1621 ~~pursuant to Section 59-2-924 if:~~

1622 ~~(a) the contributing divided school district budgets an increased amount of ad valorem~~
1623 ~~property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the~~
1624 ~~[capital outlay] divided school district levy required in Section 53A-2-118.3; and~~

1625 ~~(b) the increased amount of ad valorem property tax revenue described in Subsection~~
1626 ~~[(3)] (5)(a) is less than or equal to that contributing divided school district's [capital outlay]~~
1627 ~~divided school district increment for the prior year.~~

1628 ~~[(4) Beginning with the fiscal year after the qualifying fiscal year, a contributing~~
1629 ~~divided school district is exempt from the public notice and hearing requirements of Sections~~
1630 ~~59-2-918 and 59-2-919 for the contributing divided school district's certified tax rate calculated~~
1631 ~~pursuant to Section 59-2-924 if:]~~

1632 ~~[(a) the contributing divided school district budgets an increased amount of ad valorem~~
1633 ~~property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the~~
1634 ~~capital outlay levy described in Section 53A-2-118.3; and]~~

1635 ~~[(b) the increased amount of ad valorem property tax revenue described in Subsection~~
1636 ~~(4)(a) is less than or equal to the difference between:]~~

1637 ~~[(i) the amount of revenue generated by a levy of .0006 per dollar of taxable value~~

1638 imposed within the contributing divided school district during the current taxable year; and]
 1639 [(ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 1640 imposed within the contributing divided school district during the prior taxable year.]

1641 [(5)] (6) Regardless of the amount a school district receives from the revenue collected
 1642 from the [~~.0006 portion of the capital outlay~~] divided school district levy described in Section
 1643 53A-2-118.3, the revenue generated within the school district from the [~~.0006 portion of the~~
 1644 ~~capital outlay~~] divided school district levy described in Section 53A-2-118.3 shall be
 1645 considered to be budgeted ad valorem property tax revenues of the school district that levies
 1646 the [~~.0006 portion of the capital outlay~~] divided school district levy for purposes of calculating
 1647 the school district's certified tax rate in accordance with Section 59-2-924.

1648 (7) Notwithstanding the statutory property tax rate caps allowed by statute, beginning
 1649 with the qualifying fiscal year, the aggregate tax rate of a school district located in a qualifying
 1650 divided school district may not exceed .0062 per dollar of taxable value.

1651 Section 27. Section **59-2-926** is amended to read:

1652 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1653 If the state authorizes a levy [~~pursuant to Section 53A-17a-135 that exceeds the~~
 1654 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy~~] pursuant to
 1655 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the
 1656 state shall publish a notice no later than ten days after the last day of the annual legislative
 1657 general session that meets the following requirements:

1658 (1) The Office of the Legislative Fiscal Analyst shall advertise that the state authorized
 1659 a levy that generates revenue in excess of the previous year's ad valorem tax revenue, plus new
 1660 growth, but exclusive of revenue from collections from redemptions, interest, and penalties in a
 1661 newspaper of general circulation in the state. The advertisement shall be no less than 1/4 page
 1662 in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch
 1663 border. The advertisement may not be placed in that portion of the newspaper where legal
 1664 notices and classified advertisements appear. The advertisement shall be run once.

1665 (2) The form and content of the notice shall be substantially as follows:

1666 "NOTICE OF TAX INCREASE

1667 The state has budgeted an increase in its property tax revenue from \$_____ to
 1668 \$_____ or ____%. The increase in property tax revenues will come from the following

1669 sources (include all of the following provisions):

1670 (a) \$ _____ of the increase will come from (provide an explanation of the cause
1671 of adjustment or increased revenues, such as reappraisals or factoring orders);

1672 (b) \$ _____ of the increase will come from natural increases in the value of the
1673 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);
1674 and

1675 (c) a home valued at \$100,000 in the state of Utah which based on last year's (~~levy for~~
1676 ~~the basic state-supported school program;~~] levy for the Property Tax Valuation Agency Fund,
1677 or both) paid \$ _____ in property taxes would pay the following:

1678 (i) \$ _____ if the state of Utah did not budget an increase in property tax revenue
1679 exclusive of new growth; and

1680 (ii) \$ _____ under the increased property tax revenues exclusive of new growth
1681 budgeted by the state of Utah."

1682 Section 28. Section **63G-7-704** is amended to read:

1683 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**
1684 **or insurance premiums.**

1685 (1) For purposes of this section, "political subdivision" does not include a school
1686 district.

1687 ~~(1)~~ (2) Notwithstanding any provision of law to the contrary, a political subdivision
1688 may levy an annual property tax sufficient to pay:

1689 (a) any claim, settlement, or judgment;

1690 (b) the costs to defend against any claim, settlement, or judgment; or

1691 (c) for the establishment and maintenance of a reserve fund for the payment of claims,
1692 settlements, or judgments that may be reasonably anticipated.

1693 ~~(2)~~ (3) (a) The payments authorized to pay for punitive damages or to pay the
1694 premium for authorized insurance is money spent for a public purpose within the meaning of
1695 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the
1696 maximum levy as otherwise restricted by law is exceeded.

1697 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable
1698 property.

1699 (c) The revenues derived from this levy may not be used for any purpose other than

1700 those specified in this section.

1701 Section 29. **Repealer.**

1702 This bill repeals:

1703 Section **53A-16-107, Capital outlay levy -- Maintenance of school facilities --**

1704 **Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**

1705 Section **53A-16-110, Special tax to buy school building sites, build and furnish**
1706 **schoolhouses, or improve school property.**

1707 Section **53A-16-111, Payment of judgments and warrants -- Special tax.**

1708 Section **53A-17a-134, Board-approved leeway -- Purpose -- State support --**

1709 **Disapproval.**

1710 Section **53A-17a-145, Additional levy by district for debt service, school sites,**
1711 **buildings, buses, textbooks, and supplies.**

1712 Section **53A-17a-151, Board leeway for reading improvement.**

1713 Section 30. **Effective date.**

1714 This bill takes effect on January 1, 2010.