

**SCHOOL DISTRICT CAPITAL OUTLAY  
EQUALIZATION AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Benjamin M. McAdams**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Property Tax Act and provisions related to public education financing and certain school property tax equalization provisions.

**Highlighted Provisions:**

This bill:

- ▶ requires a school district in a county of the first class that receives property tax revenue from a capital outlay levy equalization program to report to the Education Interim Committee each year;
- ▶ requires the Education Interim Committee to consider reports of receiving school districts when determining whether to reauthorize certain capital outlay levy equalization programs;
- ▶ subjects certain capital outlay levy equalization programs to legislative reauthorization; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation for a taxable year beginning on or after January 1, 2010.



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **53A-16-107.1**, as enacted by Laws of Utah 2008, Chapter 236

31 **63I-2-253**, as last amended by Laws of Utah 2008, Second Special Session, Chapter 6

32 **63I-2-259**, as renumbered and amended by Laws of Utah 2008, Chapter 382



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

35 Section 1. Section **53A-16-107.1** is amended to read:

36 **53A-16-107.1. School capital outlay in counties of the first class -- Allocation.**

37 (1) For purposes of this section:

38 (a) "Capital outlay increment monies" means the amount of revenue equal to the  
39 difference between:

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

42 (ii) the amount of revenue the receiving school district received during the same fiscal  
43 year from the distribution described in Subsection (2).

44 (b) "Contributing school district" means a school district in a county of the first class  
45 that in a fiscal year receives less revenue from the distribution described in Subsection (2) than  
46 it would have received during the same fiscal year from a levy imposed within the school  
47 district of .0006 per dollar of taxable value.

48 (c) "Receiving school district" means a school district in a county of the first class that  
49 in a fiscal year receives more revenue from the distribution described in Subsection (2) than it  
50 would have received during the same fiscal year from a levy imposed within the school district  
51 of .0006 per dollar of taxable value.

52 ~~[(+)]~~ (2) The county treasurer of a county of the first class shall distribute revenues  
53 generated by the .0006 portion of the capital outlay levy required in Subsection 53A-16-107(3)  
54 to school districts located within the county of the first class as follows:

55 (a) 25% of the revenues shall be distributed in proportion to a school district's  
56 percentage of the total enrollment growth in all of the school districts within the county that  
57 have an increase in enrollment, calculated on the basis of the average annual enrollment growth  
58 over the prior three years in all of the school districts within the county that have an increase in

59 enrollment over the prior three years, as of the October 1 enrollment counts; and

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

63 ~~[(2)]~~ (3) If a new school district is created or school district boundaries are adjusted,  
64 the enrollment and average annual enrollment growth for each affected school district shall be  
65 calculated on the basis of enrollment in school district schools located within that school  
66 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

67 ~~[(3)]~~ (4) On or before December 31 of each year, the State Board of Education shall  
68 provide a county treasurer with audited enrollment information from the fall enrollment audit  
69 necessary to distribute revenues as required by this section.

70 ~~[(4)]~~ (5) On or before March 31 of each year, a county treasurer in a county of the first  
71 class shall distribute the revenue generated within the county of the first class during the prior  
72 calendar year from the capital outlay levy described in Section 53A-16-107.

73 (6) On or before the November meeting of the Education Interim Committee of each  
74 year, a receiving school district shall report to the committee:

75 (a) how the receiving school district spent the district's capital outlay increment monies  
76 during the prior fiscal year; and

77 (b) the receiving school district's short-term and long-term plans to increase the  
78 building capacity of school buildings within the district.

79 (7) The Education Interim Committee shall consider the reports of receiving school  
80 districts described in Subsection (6) as part of a review to reauthorize this section and  
81 provisions related to this section, if the committee is directed to conduct a review pursuant to  
82 Title 63I, Legislative Oversight and Sunset Act.

83 Section 2. Section **63I-2-253** is amended to read:

84 **63I-2-253. Repeal dates -- Titles 53, 53A, and 53B.**

85 (1) Section 53A-1-403.5 is repealed July 1, 2012.

86 (2) Subsection 53A-1-603(5) is repealed July 1, 2010.

87 (3) Title 53A, Chapter 1a, Part 10, UPSTART, is repealed July 1, 2014.

88 ~~[(4) Section 53A-3-702 is repealed July 1, 2008:]~~

89 ~~[(5) Section 53A-6-112 is repealed July 1, 2009:]~~

- 90           (4) Section 53A-2-118.3 is repealed January 1, 2014.
- 91           ~~[(6)]~~ (5) Subsection 53A-13-110(3) is repealed July 1, 2013.
- 92           (6) Subsections 53A-16-107(3) and (4) are repealed January 1, 2014.
- 93           (7) Section 53A-16-107.1 is repealed January 1, 2014.
- 94           ~~[(7)]~~ (8) Section 53A-17a-152 is repealed July 1, 2010.
- 95           ~~[(8)]~~ (9) Section 53A-17a-162 is repealed July 1, 2012.
- 96           Section 3. Section **63I-2-259** is amended to read:
- 97           **63I-2-259. Repeal dates -- Title 59.**
- 98           (1) Subsection 59-2-924(3)(g) is repealed on January 1, 2014.
- 99           (2) Section 59-2-924.3 is repealed on January 1, 2014.
- 100          (3) Section 59-2-924.4 is repealed on January 1, 2014.
- 101          Section 4. **Retrospective operation.**
- 102          This bill provides retrospective operation for a taxable year beginning on or after
- 103          January 1, 2010.

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**Legislative Review Note**  
as of 2-9-10 12:33 PM

**Office of Legislative Research and General Counsel**

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**S.B. 175 - School District Capital Outlay Equalization Amendments**

**Fiscal Note**

2010 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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