

**SCHOOL DISTRICT PROPERTY TAX AMENDMENTS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Howard A. Stephenson**

House Sponsor: David E. Lifferth

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**LONG TITLE**

**General Description:**

This bill modifies requirements for the imposition of property taxes in a new district and remaining school district after a school district split.

**Highlighted Provisions:**

This bill:

- removes the time limit on the requirement that a new district and remaining district continue to impose property tax levies that were imposed by the divided school district in the taxable year prior to the calendar year in which a new district begins to provide educational services.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**53A-2-118.4**, as last amended by Laws of Utah 2012, Chapter 116

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

Section 1. Section **53A-2-118.4** is amended to read:

**53A-2-118.4. Property tax levies in new district and remaining district --**



28 **Distribution of property tax revenue.**

29 (1) As used in this section:

30 (a) "Divided school district" or "existing district" means a school district from which a  
31 new district is created.

32 (b) "New district" means a school district created under Section 53A-2-118.1 after May  
33 10, 2011.

34 (c) "Property tax levy" means a property tax levy that a school district is authorized to  
35 impose, except:

36 (i) the minimum basic rate imposed under Section 53A-17a-135;

37 (ii) a debt service levy imposed under Section 11-14-310; or

38 (iii) a judgment levy imposed under Section 59-2-1330.

39 (d) "Qualifying taxable year" means the calendar year in which a new district begins to  
40 provide educational services.

41 (e) "Remaining district" means an existing district after the creation of a new district.

42 (2) A new district and remaining district shall ~~for a period of five consecutive years~~  
43 ~~beginning in the qualifying taxable year,~~ continue to impose property tax levies that were  
44 imposed by the divided school district in the taxable year prior to the qualifying taxable year.

45 (3) Except as provided in Subsection (6), a property tax levy that a new district and  
46 remaining district are required to impose under Subsection (2) shall be set at a rate that:

47 (a) is uniform in the new district and remaining district; and

48 (b) generates the same amount of revenue that was generated by the property tax levy  
49 within the divided school district in the taxable year prior to the qualifying taxable year.

50 (4) (a) Except as provided in Subsection (4)(b), the county treasurer of the county in  
51 which a property tax levy is imposed under Subsection (2) shall distribute revenues generated  
52 by the property tax levy to the new district and remaining district in proportion to the  
53 percentage of the divided school district's enrollment on the October 1 prior to the new district  
54 commencing educational services that were enrolled in schools currently located in the new  
55 district or remaining district.

56 (b) The county treasurer of a county of the first class shall distribute revenues  
57 generated by a capital local levy of .0006 that a school district in a county of the first class is  
58 required to impose under Section 53A-16-113 in accordance with the distribution method

59 specified in Section [53A-16-114](#).

60 (5) On or before March 31, a county treasurer shall distribute revenues generated by a  
61 property tax levy imposed under Subsection (2) in the prior calendar year to a new district and  
62 remaining district as provided in Subsection (4).

63 (6) (a) Subject to the notice and public hearing requirements of Section [59-2-919](#), a  
64 new district or remaining district may set a property tax rate higher than the rate required by  
65 Subsection (3), up to:

66 (i) the maximum rate, if any, allowed by law; or

67 (ii) the maximum rate authorized by voters for a voted local levy under Section  
68 [53A-17a-133](#).

69 (b) The revenues generated by the portion of a property tax rate in excess of the rate  
70 required by Subsection (3) shall be retained by the district that imposes the higher rate.

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**Legislative Review Note**  
as of 1-2-15 12:23 PM

**Office of Legislative Research and General Counsel**