

Representative Steve Eliason proposes the following substitute bill:

SCHOOL FUNDING AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

House Sponsor: Steve Eliason

LONG TITLE

General Description:

This bill amends provisions related to charter school funding.

Highlighted Provisions:

This bill:

- ▶ includes the existing definition of "basic program";
- ▶ amends the definition of "district local property tax revenues" to include school district revenues expended for recreational facilities and revenues received from certain state guarantees;
- ▶ amends the allocation that a school district makes for resident students enrolled in a charter school;
- ▶ amends charter school facility expenditures provisions;
- ▶ requires a school district at a public hearing to state the percentage of property tax revenue that represents revenue distributed to charter schools;
- ▶ amends the state contribution guarantee amount and related rate for the voted and board local levies;
- ▶ amends authorized contributions to the Minimum Basic Growth Account;
- ▶ requires a notice of property valuation and a property tax notice to include information on revenue distributed to charter schools; and



26 ▶ makes technical corrections.

27 **Money Appropriated in this Bill:**

28 This bill appropriates:

29 ▶ to the State Board of Education -- Minimum School Program -- Related to Basic
30 School Program, as an ongoing appropriation:

31 • from the Education Fund, \$20,600,000;

32 ▶ to the State Board of Education -- Minimum School Program -- Related to Basic
33 School Program, as a one-time appropriation:

34 • from the Education Fund, (\$6,200,000);

35 ▶ to the State Board of Education -- Minimum School Program -- Voted and Board
36 Local Levy Program, as an ongoing appropriation:

37 • from the Education Fund Restricted -- Minimum Basic Growth Account,
38 \$16,050,000;

39 ▶ to the School Building Programs, as a one-time appropriation:

40 • from the Education Fund, \$6,200,000; and

41 ▶ to the School Building Programs, as an ongoing appropriation:

42 • from the Education Fund Restricted -- Minimum Basic Growth Account,
43 \$5,350,000.

44 This bill appropriates \$21,400,000 in account transfers for fiscal year 2017, all of which
45 is from the Education Fund to the Minimum Basic Growth Account.

46 **Other Special Clauses:**

47 This bill provides a special effective date.

48 This bill provides a coordination clause.

49 **Utah Code Sections Affected:**

50 AMENDS:

51 **53A-1a-513**, as last amended by Laws of Utah 2015, Chapters 64 and 380

52 **53A-17a-133**, as last amended by Laws of Utah 2015, Chapter 287

53 **53A-17a-135.1**, as enacted by Laws of Utah 2015, Chapter 287

54 **53A-19-102**, as last amended by Laws of Utah 2010, Chapters 84, 135, and 160

55 **59-2-919.1**, as last amended by Laws of Utah 2014, Chapter 256 and further amended
56 by Revisor Instructions, Laws of Utah 2014, Chapter 256

57 [59-2-1317](#), as last amended by Laws of Utah 2015, Chapter 349

58 **Utah Code Sections Affected by Coordination Clause:**

59 [53A-17a-133](#), as last amended by Laws of Utah 2015, Chapter 287



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

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

63 **53A-1a-513. Funding for charter schools.**

64 (1) As used in this section:

65 (a) "Basic program" means the same as that term is defined in Section [53A-17a-103](#).

66 ~~(a)~~ (b) "Charter school students' average local revenues" means the amount

67 determined as follows:

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

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

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

74 ~~(b)~~ (c) "District local property tax revenues" means the sum of a school district's
75 revenue received from the following ~~levies~~:

76 (i) a voted local levy imposed under Section [53A-17a-133](#);

77 (ii) a board local levy imposed under Section [53A-17a-164](#), excluding revenues
78 expended for:

79 ~~(A) recreational facilities and activities authorized under Title 11, Chapter 2,~~
80 ~~Playgrounds;~~

81 ~~(B)~~ (A) pupil transportation, up to the amount of revenue generated by a .0003 per
82 dollar of taxable value of the school district's board local levy; and

83 ~~(C)~~ (B) the K-3 Reading Improvement Program, up to the amount of revenue
84 generated by a .000121 per dollar of taxable value of the school district's board local levy;

85 ~~and]~~

86 (iii) a capital local levy imposed under Section [53A-16-113](#)~~[-];~~ and

87 (iv) a guarantee described in Section [53A-17a-133](#), [53A-17a-164](#), [53A-21-202](#), or

88 [53A-21-302.](#)

89 ~~[(e)]~~ (d) "District per pupil local revenues" means ~~[an amount equal to the following]~~,
90 using data from the most recently published school district annual financial reports and state
91 superintendent's annual report~~[-]~~, an amount equal to ~~[(f)]~~ district local property tax revenues~~[-]~~
92 divided by ~~[(f)]~~ the sum of:

93 ~~[(A)]~~ (i) a school district's average daily membership; and

94 ~~[(B)]~~ (ii) the average daily membership of a school district's resident students who
95 attend charter schools.

96 ~~[(d)]~~ (e) "Resident student" means a student who is considered a resident of the school
97 district under Title 53A, Chapter 2, Part 2, District of Residency.

98 ~~[(e)]~~ (f) "Statewide average debt service revenues" means the amount determined as
99 follows, using data from the most recently published state superintendent's annual report:

100 (i) sum the revenues of each school district from the debt service levy imposed under
101 Section [11-14-310](#); and

102 (ii) divide the sum calculated under Subsection (1)~~[(e)]~~~~[(f)]~~(f)(i) by statewide school
103 district average daily membership.

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

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

109 (3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school shall
110 receive state funds, as applicable, on the same basis as a school district receives funds.

111 (b) For the 2015-16 school year, the number of weighted pupil units assigned to a
112 charter school for the kindergarten and grades 1 through 12 programs of the Basic School
113 Program shall be:

114 (i) based on the higher of:

115 (A) October 1 enrollment in the current school year; or

116 (B) average daily membership in the prior school year plus growth as determined under
117 Section [53A-17a-106](#); and

118 (ii) weighted as provided in Subsection (3)(c).

119 (c) In distributing funds under Chapter 17a, Minimum School Program Act, to charter
120 schools, charter school pupils shall be weighted, where applicable, as follows:

- 121 (i) .55 for kindergarten pupils;
- 122 (ii) .9 for pupils in grades 1 through 6;
- 123 (iii) .99 for pupils in grades 7 through 8; and
- 124 (iv) 1.2 for pupils in grades 9 through 12.

125 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
126 resident student of the school district who is enrolled in a charter school on the previous
127 October 1 equal to 25% of the district per pupil local revenues[-] excluding the amount of
128 revenues:

- 129 (A) described in Subsection (1)(c)(iv) collected by the district; and
- 130 (B) collected by the school district for recreational facilities and activities authorized
131 under Title 11, Chapter 2, Playgrounds.

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

134 (b) The State Board of Education shall:

135 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
136 state funds the school district is authorized to receive under Chapter 17a, Minimum School
137 Program Act; and

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

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

- 142 (i) unrestricted revenues available to the school district; or
- 143 (ii) the revenue sources listed in Subsection (1)[~~(b)~~](c) based on the portion of the
144 allocations to charter schools attributed to each of the revenue sources listed in Subsection
145 (1)[~~(b)~~](c).

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

149 (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the

150 state for a charter school student shall be the sum of:

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

153 (B) statewide average debt service revenues.

154 (iii) If the total of a school district's allocation for a charter school student under
155 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
156 \$1427, the state shall provide an additional supplement so that a charter school receives at least
157 \$1427 per student under this Subsection (4).

158 (iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the
159 amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated
160 among charter schools in proportion to each charter school's enrollment as a percentage of the
161 total enrollment in charter schools.

162 (B) If the State Board of Education makes adjustments to Minimum School Program
163 allocations as provided under Section 53A-17a-105, the allocation provided in Subsection
164 (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.

165 (e) ~~Of~~ (i) Except as provided in Subsection (4)(e)(ii), of the money provided to a
166 charter school under this Subsection (4), 10% shall be expended for funding school facilities
167 only.

168 (ii) Subsection (4)(e)(i) does not apply to an online charter school.

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

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

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

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

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

179 (8) (a) (i) In accordance with Section 53A-1a-513.5, the State Charter School Board
180 may allocate grants for start-up costs to charter schools from money appropriated for charter

181 school start-up costs.

182 (ii) The governing board of a charter school that receives money from a grant under
183 Section 53A-1a-513.5 shall use the grant for expenses for planning and implementation of the
184 charter school.

185 (b) The State Board of Education shall coordinate the distribution of federal money
186 appropriated to help fund costs for establishing and maintaining charter schools within the
187 state.

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

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

195 Section 2. Section 53A-17a-133 is amended to read:

196 **53A-17a-133. State-supported voted local levy authorized -- Election**
197 **requirements -- State guarantee -- Reconsideration of the program.**

198 (1) As used in this section, "voted and board local levy funding balance" means the
199 difference between:

200 (a) the amount appropriated for the voted and board local levy program in a fiscal year;
201 and

202 (b) the amount necessary to provide the state guarantee per weighted pupil unit as
203 determined under this section and Section 53A-17a-164 in the same fiscal year.

204 (2) An election to consider adoption or modification of a voted local levy is required if
205 initiative petitions signed by 10% of the number of electors who voted at the last preceding
206 general election are presented to the local school board or by action of the board.

207 (3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at
208 an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special
209 tax.

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

211 (b) Except as provided in Subsection (3)(c), in order to receive state support the first

212 year, a district must receive voter approval no later than December 1 of the year prior to
213 implementation.

214 (c) Beginning on or after January 1, 2012, a school district may receive state support in
215 accordance with Subsection (4) without complying with the requirements of Subsection (3)(b)
216 if the local school board imposed a tax in accordance with this section during the taxable year
217 beginning on January 1, 2011 and ending on December 31, 2011.

218 (4) (a) In addition to the revenue a school district collects from the imposition of a levy
219 pursuant to this section, the state shall contribute an amount sufficient to guarantee [~~\$33.27~~]
220 \$36.70 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

221 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
222 of taxable value under Subsection (4)(a) shall apply to the portion of the board local levy
223 authorized in Section [53A-17a-164](#), so that the guarantee shall apply up to a total of .002 per
224 dollar of taxable value if a school district levies a tax rate under both programs.

225 (c) (i) Beginning July 1, 2015, the [~~\$33.27~~] \$36.70 guarantee under Subsections (4)(a)
226 and (b) shall be indexed each year to the value of the weighted pupil unit for the grades 1
227 through 12 program by making the value of the guarantee equal to [~~.011869~~] .011869 times the
228 value of the prior year's weighted pupil unit for the grades 1 through 12 program.

229 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
230 pupil unit for the grades 1 through 12 program for each succeeding year subject to the
231 Legislature appropriating funds for an increase in the guarantee.

232 (d) (i) The amount of state guarantee money to which a school district would otherwise
233 be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the
234 district's levy is reduced as a consequence of changes in the certified tax rate under Section
235 [59-2-924](#) pursuant to changes in property valuation.

236 (ii) Subsection (4)(d)(i) applies for a period of five years following any such change in
237 the certified tax rate.

238 (e) The guarantee provided under this section does not apply to the portion of a voted
239 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal
240 year, unless an increase in the voted local levy rate was authorized in an election conducted on
241 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

242 (f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the

243 State Board of Education shall:

244 (A) use the voted and board local levy funding balance to increase the value of the state
245 guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

246 (B) distribute the state contribution to the voted and board local levy programs to
247 school districts based on the increased value of the state guarantee per weighted pupil unit
248 described in Subsection (4)(f)(i)(A).

249 (ii) The State Board of Education shall report action taken under this Subsection (4)(f)
250 to the Office of the Legislative Fiscal Analyst and the Governor's Office of ~~[Planning]~~
251 Management and Budget.

252 (5) (a) An election to modify an existing voted local levy is not a reconsideration of the
253 existing authority unless the proposition submitted to the electors expressly so states.

254 (b) A majority vote opposing a modification does not deprive the district of authority to
255 continue the levy.

256 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
257 school board levies, the board must allow the electors, in an election, to consider modifying or
258 discontinuing the imposition of the levy prior to a subsequent increase in other levies that
259 would increase the total local school board levy.

260 (d) Nothing contained in this section terminates, without an election, the authority of a
261 school district to continue imposing an existing voted local levy previously authorized by the
262 voters as a voted leeway program.

263 (6) Notwithstanding Section 59-2-919, a school district may budget an increased
264 amount of ad valorem property tax revenue derived from a voted local levy imposed under this
265 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without
266 having to comply with the notice requirements of Section 59-2-919, if:

267 (a) the voted local levy is approved:

268 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

269 (ii) within the four-year period immediately preceding the year in which the school
270 district seeks to budget an increased amount of ad valorem property tax revenue derived from
271 the voted local levy; and

272 (b) for a voted local levy approved or modified in accordance with this section on or
273 after January 1, 2009, the school district complies with the requirements of Subsection (8).

274 (7) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
275 section that exceeds the certified tax rate without having to comply with the notice
276 requirements of Section 59-2-919 if:

277 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
278 increased amount of ad valorem property tax revenue derived from a voted local levy imposed
279 under this section;

280 (b) the voted local levy was approved:

281 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

282 (ii) within the four-year period immediately preceding the year in which the school
283 district seeks to budget an increased amount of ad valorem property tax revenue derived from
284 the voted local levy; and

285 (c) for a voted local levy approved or modified in accordance with this section on or
286 after January 1, 2009, the school district complies with requirements of Subsection (8).

287 (8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the
288 electors regarding the adoption or modification of a voted local levy shall contain the following
289 statement:

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

292 (9) (a) Before imposing a property tax levy pursuant to this section, a school district
293 shall submit an opinion question to the school district's registered voters voting on the
294 imposition of the tax rate so that each registered voter has the opportunity to express the
295 registered voter's opinion on whether the tax rate should be imposed.

296 (b) The election required by this Subsection (9) shall be held:

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

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

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

303 (c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or
304 after January 1, 2012, a school district may levy a tax rate in accordance with this section

305 without complying with the requirements of Subsections (9)(a) and (b) if the school district
306 imposed a tax in accordance with this section at any time during the taxable year beginning on
307 January 1, 2011, and ending on December 31, 2011.

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

311 Section 3. Section **53A-17a-135.1** is amended to read:

312 **53A-17a-135.1. Minimum Basic Growth Account.**

313 (1) As used in this section, "account" means the Minimum Basic Growth Account
314 created in this section.

315 (2) There is created within the Education Fund a restricted account known as the
316 "Minimum Basic Growth Account."

317 (3) (a) The account shall be funded by amounts deposited into the account in
318 accordance with Section [53A-17a-135](#).

319 (b) Subject to future budget constraints, the Legislature shall:

320 (i) annually appropriate an amount equal to 1% of the prior year Basic School Program
321 appropriation; and

322 (ii) deposit the amount into the account.

323 (4) The account shall earn interest.

324 (5) Interest earned on the account shall be deposited into the account.

325 (6) Upon appropriation by the Legislature:

326 (a) 75% of the money from the account shall be used to fund the state's contribution to
327 the voted levy guarantee described in Subsection [53A-17a-133\(4\)](#);

328 (b) 20% of the money from the account shall be used to fund the Capital Outlay
329 Foundation Program as provided in Title 53A, Chapter 21, Part 2, Capital Outlay Foundation
330 Program; and

331 (c) 5% of the money from the account shall be used to fund the Capital Outlay
332 Enrollment Growth Program as provided in Title 53A, Chapter 21, Part 3, Capital Outlay
333 Enrollment Growth Program.

334 Section 4. Section **53A-19-102** is amended to read:

335 **53A-19-102. Local school board budget procedures.**

336 (1) (a) Prior to June 22 of each year, a local school board shall adopt a budget and
337 make appropriations for the next fiscal year.

338 (b) If the tax rate in the proposed budget exceeds the certified tax rate defined in
339 Section 59-2-924, the local school board shall comply with Section 59-2-919 in adopting the
340 budget, except as provided by Section 53A-17a-133.

341 (2) (a) Prior to the adoption or amendment of a budget, a local school board shall hold
342 a public hearing, as defined in Section 10-9a-103, on the proposed budget or budget
343 amendment.

344 (b) In addition to complying with Title 52, Chapter 4, Open and Public Meetings Act,
345 in regards to the public hearing described in Subsection (2)(a), at least 10 days prior to the
346 public hearing, a local school board shall:

347 (i) publish a notice of the public hearing in a newspaper or combination of newspapers
348 of general circulation in the school district, except as provided in Section 45-1-101;

349 (ii) publish a notice of the public hearing electronically in accordance with Section
350 45-1-101;

351 (iii) file a copy of the proposed budget with the local school board's business
352 administrator for public inspection; and

353 (iv) post the proposed budget on the school district's Internet website.

354 (c) A notice of a public hearing on a school district's proposed budget shall include
355 information on how the public may access the proposed budget as provided in Subsections
356 (2)(b)(iii) and (2)(b)(iv).

357 (d) At the public hearing described in Subsection (2)(a), the local school board shall
358 state the percentage of all property tax revenue levied by the local school board that represents
359 revenue distributed by the local school board to charter schools.

360 (3) A local school board shall file a copy of the adopted budget with the state auditor
361 and the State Board of Education.

362 Section 5. Section 59-2-919.1 is amended to read:

363 **59-2-919.1. Notice of property valuation and tax changes.**

364 (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or
365 before July 22 of each year, shall notify, by mail, each owner of real estate as defined in
366 Section 59-2-102 who is listed on the assessment roll.

367 (2) The notice described in Subsection (1) shall:
368 (a) be sent to all owners of real property by mail 10 or more days before the day on
369 which:
370 (i) the county board of equalization meets; and
371 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax
372 rate;
373 (b) be printed on a form that is:
374 (i) approved by the commission; and
375 (ii) uniform in content in all counties in the state; and
376 (c) contain for each property:
377 (i) the assessor's determination of the value of the property;
378 (ii) the date the county board of equalization will meet to hear complaints on the
379 valuation;
380 (iii) itemized tax information for all applicable taxing entities, including:
381 (A) the dollar amount of the taxpayer's tax liability for the property in the prior year;
382 and
383 (B) the dollar amount of the taxpayer's tax liability under the current rate;
384 (iv) the tax impact on the property;
385 (v) the time and place of the required public hearing for each entity;
386 (vi) property tax information pertaining to:
387 (A) taxpayer relief;
388 (B) options for payment of taxes; and
389 (C) collection procedures;
390 (vii) information specifically authorized to be included on the notice under this
391 chapter;
392 (viii) the last property review date of the property as described in Subsection
393 [59-2-303.1\(1\)\(c\)](#); and
394 (ix) other property tax information approved by the commission.
395 (3) If a taxing entity that is subject to the notice and hearing requirements of
396 Subsection [59-2-919\(4\)](#) proposes a tax increase, the notice described in Subsection (1) shall
397 state, in addition to the information required by Subsection (2):

398 (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;

399 (b) the difference between the dollar amount of the taxpayer's tax liability if the
400 proposed increase is approved and the dollar amount of the taxpayer's tax liability under the
401 current rate, placed in close proximity to the information described in Subsection (2)(c)(v); and

402 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under
403 the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability
404 under the current tax rate.

405 (4) (a) As used in this Subsection (4):

406 (i) "Number of enrolled charter students" means the number of resident students of the
407 school district in which a taxpayer resides who are enrolled in charter schools on the previous
408 October 1.

409 (ii) "Previous school year" means the most recent school year completed prior to the
410 date that the notice is issued.

411 (iii) "Resident student" means a student who, under Title 53A, Chapter 2, Part 2,
412 District of Residency, is considered a resident of the school district in which a taxpayer who
413 receives a notice described in Subsection (1) resides.

414 (iv) "Taxpayer's amount" means the amount of property taxes imposed on the taxpayer
415 that represents revenue distributed to charter schools as provided in Section 53A-1a-513.

416 (v) "Taxpayer's percent" means the percentage of a taxpayer's property tax that
417 represents revenue distributed to charter schools as provided in Section 53A-1a-513.

418 (b) The notice a county auditor is required to provide a taxpayer under Subsection (1)
419 shall contain substantially the following language: "Approximately (taxpayer's amount) or
420 (taxpayer's percent) of this amount will be distributed to charter schools for (number of
421 enrolled charter students) students from (name of local school district in which the taxpayer
422 resides) who attended a charter school in (previous school year)."

423 (c) For purposes of the statement required by Subsection (4)(b), a county auditor shall
424 determine the taxpayer's amount and taxpayer's percent based on the previous year and in
425 accordance with a formula established by the commission in rules adopted in accordance with
426 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

427 Section 6. Section 59-2-1317 is amended to read:

428 **59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for**

429 **providing notice.**

430 (1) Subject to the other provisions of this section, the county treasurer shall:

431 (a) collect the taxes; and

432 (b) provide a notice to each taxpayer that contains the following:

433 (i) the kind and value of property assessed to the taxpayer;

434 (ii) the street address of the property, if available to the county;

435 (iii) that the property may be subject to a detailed review in the next year under Section
436 59-2-303.1;

437 (iv) the amount of taxes levied;

438 (v) a separate statement of the taxes levied only on a certain kind or class of property
439 for a special purpose;

440 (vi) property tax information pertaining to taxpayer relief, options for payment of
441 taxes, and collection procedures;

442 (vii) if applicable, the amount of an assessment assessed in accordance with Section
443 11-42-401;

444 (viii) if applicable, an unpaid fee, administrative cost, or interest for a local district in
445 accordance with Section 17B-1-902;

446 (ix) the date the taxes are due;

447 (x) the street address at which the taxes may be paid;

448 (xi) the date on which the taxes are delinquent;

449 (xii) the penalty imposed on delinquent taxes;

450 (xiii) other information specifically authorized to be included on the notice under this
451 chapter; and

452 (xiv) other property tax information approved by the commission.

453 (2) For any property for which property taxes are delinquent, the notice described in
454 Subsection (1) shall state, "Prior taxes are delinquent on this parcel."

455 (3) Except as provided in Subsection (4), the county treasurer shall:

456 (a) mail the notice required by this section, postage prepaid; or

457 (b) leave the notice required by this section at the taxpayer's residence or usual place of
458 business, if known.

459 (4) (a) Subject to the other provisions of this Subsection (4), a county treasurer may, at

460 the county treasurer's discretion, provide the notice required by this section by electronic mail if
461 a taxpayer makes an election, according to procedures determined by the county treasurer, to
462 receive the notice by electronic mail.

463 (b) A taxpayer may revoke an election to receive the notice required by this section by
464 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.

465 (c) A revocation of an election under this section does not relieve a taxpayer of the
466 duty to pay a tax due under this chapter on or before the due date for paying the tax.

467 (d) A county treasurer shall provide the notice required by this section using a method
468 described in Subsection (3), until a taxpayer makes a new election in accordance with this
469 Subsection (4), if:

470 (i) the taxpayer revokes an election in accordance with Subsection (4)(b) to receive the
471 notice required by this section by electronic mail; or

472 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

473 (e) A person is considered to be a taxpayer for purposes of this Subsection (4)
474 regardless of whether the property that is the subject of the notice required by this section is
475 exempt from taxation.

476 (5) (a) The county treasurer shall provide the notice required by this section to a
477 taxpayer on or before November 1.

478 (b) The county treasurer shall keep on file in the county treasurer's office the
479 information set forth in the notice.

480 (c) The county treasurer is not required to mail a tax receipt acknowledging payment.

481 (6) (a) As used in this Subsection (6):

482 (i) "Number of enrolled charter students" means the number of resident students of the
483 school district in which a taxpayer resides who are enrolled in charter schools on the previous
484 October 1.

485 (ii) "Previous school year" means the most recent school year completed prior to the
486 date that the notice is issued.

487 (iii) "Resident student" means a student who, under Title 53A, Chapter 2, Part 2,
488 District of Residency, is considered a resident of the school district in which a taxpayer who
489 receives a notice described in Subsection (1) resides.

490 (iv) "Taxpayer's amount" means the amount of property taxes imposed on the taxpayer

491 that represents revenue distributed to charter schools as provided in Section 53A-1a-513.

492 (v) "Taxpayer's percent" means the percentage of a taxpayer's property tax that
493 represents revenue distributed to charter schools as provided in Section 53A-1a-513.

494 (b) The notice a county treasurer is required to provide a taxpayer under Subsection (1)
495 shall contain substantially the following language: "Approximately (taxpayer's amount) or
496 (taxpayer's percent) of this amount will be distributed to charter schools for (number of
497 enrolled charter students) students from (name of local school district in which the taxpayer
498 resides) who attended a charter school in (previous school year)."

499 (c) For purposes of the statement required by Subsection (6)(b), a county treasurer shall
500 determine the taxpayer's amount and taxpayer's percent based on the previous year and in
501 accordance with a formula established by the commission in rules adopted in accordance with
502 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

503 (d) By a date specified by the commission, the State Board of Education shall report to
504 county treasurers the estimated amount of revenues of each school district to be distributed to
505 charter schools as provided in Section 53A-1a-513.

506 [~~6~~] (7) This section does not apply to property taxed under Section 59-2-1302 or
507 59-2-1307.

508 **Section 7. Appropriation -- Operating and capital budgets -- FY 2017**
509 **appropriations for state education agencies, school districts, and charter schools.**

510 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
511 the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following sums of money
512 are appropriated from resources not otherwise appropriated, or reduced from amounts
513 previously appropriated, out of the funds or amounts indicated. These sums of money are in
514 addition to amounts previously appropriated for fiscal year 2017.

515 Item 1 To State Board of Education -- Minimum School Program --
516 Related to Basic School Program

517 From Education Fund \$20,600,000

518 From Education Fund, One-time (\$6,200,000)

519 Schedule of Programs:

520 Charter School Local Replacement \$14,400,000

521 Item 2 To State Board of Education -- Minimum School Program --

522	<u>Voted and Board Local Levy Program</u>	
523	<u>From Education Fund Restricted -- Minimum Basic</u>	
524	<u>Growth Account</u>	<u>\$16,050,000</u>
525	<u>Schedule of Programs:</u>	
526	<u>Voted Local Levy</u>	<u>\$12,950,000</u>
527	<u>Board Local Levy</u>	<u>\$3,100,000</u>
528	<u>Item 3 To School Building Programs</u>	
529	<u>From Education Fund, One-time</u>	<u>\$6,200,000</u>
530	<u>From Education Fund Restricted -- Minimum Basic</u>	
531	<u>Growth Account</u>	<u>\$5,350,000</u>
532	<u>Schedule of Programs:</u>	
533	<u>Capital Outlay Foundation Program</u>	<u>\$9,426,000</u>
534	<u>Capital Outlay Enrollment Growth Program</u>	<u>\$2,124,000</u>

535 Section 8. **Appropriation -- Restricted fund and account transfers.**

536 The Legislature authorizes the Division of Finance to transfer the following amounts
 537 among the following funds or accounts indicated. Expenditures and outlays from the recipient
 538 funds must be authorized elsewhere in an appropriations act.

539	<u>To Fund and Account Transfers -- Education Fund Restricted --</u>	
540	<u>Minimum Basic Growth Account</u>	
541	<u>From Education Fund</u>	<u>\$21,400,000</u>
542	<u>Schedule of Programs:</u>	
543	<u>Education Fund Restricted -- Minimum</u>	
544	<u>Basic Growth Account</u>	<u>\$21,400,000</u>

545 Section 9. **Effective date.**

- 546 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2016.
- 547 (2) The actions affecting:
- 548 (a) Sections 59-2-919.1 and 59-2-1317 take effect on January 1, 2017; and
- 549 (b) Section 53A-17a-135.1 take effect on July 1, 2017.

550 Section 10. **Coordinating S.B. 38 with H.B. 1 -- Substantive amendments.**

551 If this S.B. 38 and H.B. 1, Public Education Base Budget Amendments, both pass and
 552 become law, the Legislature intends that the Office of Legislative Research and General

553 Counsel prepare the Utah Code database for publication by changing the language in:

554 (1) Subsections [53A-17a-133](#)(4)(a) and (c)(i) from "\$36.70" to "\$39.67"; and

555 (2) Subsection [53A-17a-133](#)(4)(c)(i) from ".011869" to ".012830."