

## SB0038S01 compared with SB0038

~~{deleted text}~~ shows text that was in SB0038 but was deleted in SB0038S01.

inserted text shows text that was not in SB0038 but was inserted into SB0038S01.

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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

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#### LONG TITLE

~~{Committee Note:~~

~~— The Charter School Funding Task Force recommended this bill.~~

~~— Membership: — 8 legislators — 6 non-legislators~~

~~— Legislative Vote: — 6 voting for — 2 voting against — 0 absent~~

~~{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;

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- ▶ amends the ~~{definition of "district per pupil local revenues" to include current year estimates}~~ 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
- ▶ makes technical corrections.

### Money Appropriated in this Bill:

~~{None}~~ This bill appropriates:

- ▶ to the State Board of Education -- Minimum School Program -- Related to Basic School Program, as an ongoing appropriation:
  - from the Education Fund, \$20,600,000;
- ▶ to the State Board of Education -- Minimum School Program -- Related to Basic School Program, as a one-time appropriation:
  - from the Education Fund, (\$6,200,000);
- ▶ to the State Board of Education -- Minimum School Program -- Voted and Board Local Levy Program, as an ongoing appropriation:
  - from the Education Fund Restricted -- Minimum Basic Growth Account, \$16,050,000;
- ▶ to the School Building Programs, as a one-time appropriation:
  - from the Education Fund, \$6,200,000; and
- ▶ to the School Building Programs, as an ongoing appropriation:
  - from the Education Fund Restricted -- Minimum Basic Growth Account, \$5,350,000.

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

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### Other Special Clauses:

This bill provides a special effective date.

This bill provides a coordination clause.

### Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

**59-2-1317**, as last amended by Laws of Utah 2015, Chapter 349

### Utah Code Sections Affected by Coordination Clause:

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

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

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

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

(1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

(iv) a guarantee described in Section 53A-17a-133, 53A-17a-164, 53A-21-202, or 53A-21-302.

~~[(c)]~~ (d) "District per pupil local revenues" means ~~[an amount equal to the following]~~, using data from the most recently published school district annual financial reports and state superintendent's annual report[:], ~~[or for a fiscal year beginning on or after July 1, 2017, for the next fiscal year, using an estimate jointly developed by the State Board of Education, the Office of the Legislative Fiscal Analyst, and the Governor's Office of Management and Budget that is adjusted based on the actual property tax collection compared to the estimated collection for the prior fiscal year:~~

~~— (i) } an amount equal to [(i)] district local property tax revenues[:]; divided by {~~  
~~— } [(ii) { } ] the sum of:~~

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

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

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

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

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

(ii) divide the sum calculated under Subsection (1)~~[(e)(i)]~~(f)(i) by statewide school

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district average daily membership.

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

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

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

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

(i) based on the higher of:

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

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

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

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

(i) .55 for kindergarten pupils;

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

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

(iv) 1.2 for pupils in grades 9 through 12.

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

(A) described in Subsection (1)(c)(iv) collected by the district; and

(B) collected by the school district for recreational facilities and activities authorized under Title 11, Chapter 2, Playgrounds.

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

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(b) The State Board of Education shall:

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

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

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

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

(ii) the revenue sources listed in Subsection (1)~~(b)~~(c) based on the portion of the allocations to charter schools attributed to each of the revenue sources listed in Subsection (1)~~(b)~~(c).

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

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

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

(B) statewide average debt service revenues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Except as provided in Subsection (3)(c), in order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.

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

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

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

(c) (i) Beginning July 1, 2015, the [~~\$33.27~~] \$36.70 guarantee under Subsections (4)(a) and (b) shall be indexed each year to the value of the weighted pupil unit for the grades 1



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through 12 program by making the value of the guarantee equal to [011194] .011869 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program.

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

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

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

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

(f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the State Board of Education shall:

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

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

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

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

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

(c) If adoption of a voted local levy is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or

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discontinuing the imposition of the levy prior to a subsequent increase in other levies that would increase the total local school board levy.

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

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

(a) the voted local levy is approved:

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

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

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

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

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

(b) the voted local levy was approved:

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

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

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

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

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statement:

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

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

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

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

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

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

(c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or after January 1, 2012, a school district may levy a tax rate in accordance with this section without complying with the requirements of Subsections (9)(a) and (b) if the school district imposed a tax in accordance with this section at any time during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

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

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

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

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

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

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

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

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

(ii) deposit the amount into the account.

(4) The account shall earn interest.

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

(6) Upon appropriation by the Legislature:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The notice described in Subsection (1) shall:

(a) be sent to all owners of real property by mail 10 or more days before the day on which:

(i) the county board of equalization meets; and

(ii) the taxing entity holds a public hearing on the proposed increase in the certified tax rate;

(b) be printed on a form that is:

(i) approved by the commission; and

(ii) uniform in content in all counties in the state; and

(c) contain for each property:

(i) the assessor's determination of the value of the property;

(ii) the date the county board of equalization will meet to hear complaints on the valuation;

(iii) itemized tax information for all applicable taxing entities, including:

(A) the dollar amount of the taxpayer's tax liability for the property in the prior year;

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and

(B) the dollar amount of the taxpayer's tax liability under the current rate;

(iv) the tax impact on the property;

(v) the time and place of the required public hearing for each entity;

(vi) property tax information pertaining to:

(A) taxpayer relief;

(B) options for payment of taxes; and

(C) collection procedures;

(vii) information specifically authorized to be included on the notice under this

chapter;

(viii) the last property review date of the property as described in Subsection 59-2-303.1(1)(c); and

(ix) other property tax information approved by the commission.

(3) If a taxing entity that is subject to the notice and hearing requirements of Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall state, in addition to the information required by Subsection (2):

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

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

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

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

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

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

(iii) "Resident student" means a student who, under Title 53A, Chapter 2, Part 2, District of Residency, is considered a resident of the school district in which a taxpayer who

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receives a notice described in Subsection (1) resides.

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

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

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

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

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

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

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

(a) collect the taxes; and

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

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

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

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

(iv) the amount of taxes levied;

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

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

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

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

(ix) the date the taxes are due;

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

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

(xii) the penalty imposed on delinquent taxes;

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

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

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

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

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

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

(4) (a) Subject to the other provisions of this Subsection (4), a county treasurer may, at the county treasurer's discretion, provide the notice required by this section by electronic mail if a taxpayer makes an election, according to procedures determined by the county treasurer, to receive the notice by electronic mail.

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

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

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

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

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

(e) A person is considered to be a taxpayer for purposes of this Subsection (4) regardless of whether the property that is the subject of the notice required by this section is



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exempt from taxation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Item 1 To State Board of Education -- Minimum School Program --**

**Related to Basic School Program**

<u>From Education Fund</u>	<u>\$20,600,000</u>
<u>From Education Fund, One-time</u>	<u>(\$6,200,000)</u>
<u>Schedule of Programs:</u>	
<u>Charter School Local Replacement</u>	<u>\$14,400,000</u>

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

**Voted and Board Local Levy Program**

<u>From Education Fund Restricted -- Minimum Basic</u>	
<u>Growth Account</u>	<u>\$16,050,000</u>
<u>Schedule of Programs:</u>	
<u>Voted Local Levy</u>	<u>\$12,950,000</u>
<u>Board Local Levy</u>	<u>\$3,100,000</u>

**Item 3 To School Building Programs**

<u>From Education Fund, One-time</u>	<u>\$6,200,000</u>
<u>From Education Fund Restricted -- Minimum Basic</u>	
<u>Growth Account</u>	<u>\$5,350,000</u>
<u>Schedule of Programs:</u>	
<u>Capital Outlay Foundation Program</u>	<u>\$9,426,000</u>
<u>Capital Outlay Enrollment Growth Program</u>	<u>\$2,124,000</u>

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

The Legislature authorizes the Division of Finance to transfer the following amounts

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among the following funds or accounts indicated. Expenditures and outlays from the recipient funds must be authorized elsewhere in an appropriations act.

To Fund and Account Transfers -- Education Fund Restricted --

Minimum Basic Growth Account

From Education Fund \$21,400,000

Schedule of Programs:

Education Fund Restricted -- Minimum

Basic Growth Account \$21,400,000

Section 9. Effective date.

~~This~~(1) Except as provided in Subsection (2), this bill takes effect on July 1, 2016.

†

### Legislative Review Note

† (2) The actions affecting:

(a) Sections 59-2-919.1 and 59-2-1317 take effect on January 1, 2017; and

(b) Section 53A-17a-135.1 take effect on July 1, 2017.

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

If this S.B. 38 and H.B. 1, Public Education Base Budget Amendments, both pass and become law, the Legislature intends that the Office of Legislative Research and General Counsel prepare the Utah Code database for publication by changing the language in:

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

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