

**Senator Howard A. Stephenson** proposes the following substitute bill:

**FUNDING FOR EDUCATION SYSTEMS AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Howard A. Stephenson**

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

---

---

**LONG TITLE**

**General Description:**

This bill amends and enacts provisions related to education funding.

**Highlighted Provisions:**

This bill:

- ▶ amends for a five-year period the calculation of the school minimum basic tax rate;
- ▶ exempts in certain circumstances the school minimum basic tax rate from certain

public notice requirements;

Œ→ [~~establishes the Fixed Rate Growth Account to fund programs with demonstrated outcomes that improve student performance;~~] ←Œ

- ▶ provides a repeal date; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

This bill provides revisor instructions.

**Utah Code Sections Affected:**

AMENDS:



- 26 [11-13-302](#), as last amended by Laws of Utah 2015, Chapter 287
- 27 [11-13-310](#), as last amended by Laws of Utah 2003, Chapter 21
- 28 [53A-2-118.4](#), as last amended by Laws of Utah 2015, Chapter 428
- 29 [53A-17a-103](#), as last amended by Laws of Utah 2016, Chapter 367
- 30 [53A-17a-105](#), as last amended by Laws of Utah 2016, Chapter 229
- 31 [53A-17a-135](#), as last amended by Laws of Utah 2016, Chapter 2
- 32 [53A-17a-135.1](#), as enacted by Laws of Utah 2015, Chapter 287
- 33 [53A-17a-143](#), as last amended by Laws of Utah 2011, Chapter 371
- 34 [59-2-102](#), as last amended by Laws of Utah 2016, Chapters 98, 308, 367, and 368
- 35 [63I-2-211](#), as enacted by Laws of Utah 2015, Chapter 250
- 36 [63I-2-253](#), as last amended by Laws of Utah 2016, Chapters 128, 229, 236, 271, and
- 37 318
- 38 [63I-2-259](#), as last amended by Laws of Utah 2015, Chapter 139

39 ENACTS:

- 40 [53A-17a-135.5](#), Utah Code Annotated 1953
- 41 [53A-17a-135.6](#), Utah Code Annotated 1953

42 **Utah Code Sections Affected by Revisor Instructions:**

- 43 [63I-2-253](#), as last amended by Laws of Utah 2016, Chapters 128, 229, 236, 271, and
- 44 318



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

47 Section 1. Section **11-13-302** is amended to read:

48 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
49 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

58 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
59 impact alleviation payments under contracts or determination orders provided for in Sections  
60 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the  
61 candidate in which the date of commercial operation of the last generating unit, other than any  
62 generating unit providing additional project capacity, of the project occurs, or, in the case of  
63 any facilities providing additional project capacity, with the fiscal year of the candidate  
64 following the fiscal year of the candidate in which the date of commercial operation of the  
65 generating unit providing the additional project capacity occurs; and

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

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

72 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)  
73 because the ad valorem property tax imposed by a school district and authorized by the  
74 Legislature represents both:

75 (i) a levy mandated by the state for the state minimum school program under Section  
76 53A-17a-135 or 53A-17a-135.5, as applicable; and

77 (ii) local levies for capital outlay and other purposes under Sections 53A-16-113,  
78 53A-17a-133, and 53A-17a-164.

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

80 (i) the project entity shall pay to the school district an annual fee for the state minimum  
81 school program at the rate imposed by the school district and authorized by the Legislature  
82 under Section 53A-17a-135 or 53A-17a-135.5, as applicable; and

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

85 (A) an annual fee; or

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

88 (3) (a) An annual fee due a taxing jurisdiction for a particular year shall be calculated  
89 by multiplying the tax rate or rates of the jurisdiction for that year by the product obtained by  
90 multiplying the fee base or value determined in accordance with Subsection (4) for that year of  
91 the portion of the project located within the jurisdiction by the percentage of the project which  
92 is used to produce the capacity, service, or other benefit sold to the energy supplier or suppliers.

93 (b) As used in this section, "tax rate," when applied in respect to a school district,  
94 includes any assessment to be made by the school district under Subsection (2) or Section  
95 63M-5-302.

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

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

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

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

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

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

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

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

113 (A) the project entity; and

114 (B) any county that:

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

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

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

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

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

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

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

130 (I) for that year; and

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

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

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

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

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

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

142 (ii) It is the responsibility of the project entity to enforce the obligations of the  
143 purchasers.

144 (5) (a) The responsibility of the project entity to make payment of the annual fees is  
145 limited to the extent that there is legally available to the project entity, from bond proceeds or  
146 revenues, money to make these payments, and the obligation to make payments of the annual  
147 fees is not otherwise a general obligation or liability of the project entity.

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

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

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

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

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

156 (A) is not a project entity; and

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

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

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

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

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

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

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

173 Section 2. Section **11-13-310** is amended to read:

174 **11-13-310. Termination of impact alleviation contract.**

175 If the project or any part of it or the facilities providing additional project capacity or  
176 any part of them, or the output from the project or facilities providing additional project  
177 capacity become subject, in addition to the requirements of Section [11-13-302](#), to ad valorem  
178 property taxation or other payments in lieu of ad valorem property taxation, or other form of  
179 tax equivalent payments to any candidate which is a party to an impact alleviation contract with  
180 respect to the project or facilities providing additional project capacity or is receiving impact

181 alleviation payments or means with respect to the project or facilities providing additional  
182 project capacity pursuant to a determination by the board, then the impact alleviation contract  
183 or the requirement to make impact alleviation payments or provide means therefor pursuant to  
184 the determination, as the case may be, shall, at the election of the candidate, terminate. In any  
185 event, each impact alleviation contract or determination order shall terminate upon the project,  
186 or, in the case of facilities providing additional project capacity, those facilities becoming  
187 subject to the provisions of Section 11-13-302, except that no impact alleviation contract or  
188 agreement entered by a school district shall terminate because of in lieu ad valorem property  
189 tax fees levied under Subsection 11-13-302(2)(b)(i) or because of ad valorem property taxes  
190 levied under Section 53A-17a-135 or 53A-17a-135.5, as applicable, for the state minimum  
191 school program. In addition, if the construction of the project, or, in the case of facilities  
192 providing additional project capacity, of those facilities, is permanently terminated for any  
193 reason, each impact alleviation contract and determination order, and the payments and means  
194 required thereunder, shall terminate. No termination of an impact alleviation contract or  
195 determination order may terminate or reduce any liability previously incurred pursuant to the  
196 contract or determination order by the candidate beneficiary under it. If the provisions of  
197 Section 11-13-302, or its successor, are held invalid by a court of competent jurisdiction, and  
198 no ad valorem taxes or other form of tax equivalent payments are payable, the remaining  
199 provisions of this chapter shall continue in operation without regard to the commencement of  
200 commercial operation of the last generating unit of that project or of facilities providing  
201 additional project capacity.

202 Section 3. Section 53A-2-118.4 is amended to read:

203 **53A-2-118.4. Property tax levies in new district and remaining district --**  
204 **Distribution of property tax revenue.**

205 (1) As used in this section:

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

208 (b) "New district" means a school district created under Section 53A-2-118.1 after May  
209 10, 2011.

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

212 (i) the minimum basic rate imposed under Section [53A-17a-135](#) or [53A-17a-135.5](#), as  
213 applicable;

214 (ii) a debt service levy imposed under Section [11-14-310](#); or

215 (iii) a judgment levy imposed under Section [59-2-1330](#).

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

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

219 (2) A new district and remaining district shall continue to impose property tax levies  
220 that were imposed by the divided school district in the taxable year prior to the qualifying  
221 taxable year.

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

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

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

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

233 (b) The county treasurer of a county of the first class shall distribute revenues  
234 generated by a capital local levy of .0006 that a school district in a county of the first class is  
235 required to impose under Section [53A-16-113](#) in accordance with the distribution method  
236 specified in Section [53A-16-114](#).

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

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



- 243 (i) the maximum rate, if any, allowed by law; or
- 244 (ii) the maximum rate authorized by voters for a voted local levy under Section
- 245 [53A-17a-133](#).

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

248 Section 4. Section **53A-17a-103** is amended to read:

249 **53A-17a-103. Definitions.**

250 As used in this chapter:

251 (1) "Basic state-supported school program" or "basic program" means public education  
252 programs for kindergarten, elementary, and secondary school students that are operated and  
253 maintained for the amount derived by multiplying the number of weighted pupil units for each  
254 school district or charter school by the value established each year in statute, except as  
255 otherwise provided in this chapter.

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

258 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
259 previous year from imposing a minimum basic tax rate, as specified in Section [53A-17a-135](#) or  
260 [53A-17a-135.5](#), as applicable; and

261 (ii) the product of:

262 (A) eligible new growth, as defined in Section [59-2-924](#) and rules of the State Tax  
263 Commission; and

264 (B) the minimum basic tax rate certified by the State Tax Commission for the previous  
265 year.

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

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

270 (ii) semiconductor manufacturing equipment.

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

273 (i) the taxable value of real property assessed by a county assessor contained on the

274 assessment roll;

275 (ii) the taxable value of real and personal property assessed by the State Tax

276 Commission; and

277 (iii) the taxable year end value of personal property assessed by a county assessor

278 contained on the prior year's assessment roll.

279 (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

280 (4) (a) "State-supported minimum school program" or "Minimum School Program"

281 means public school programs for kindergarten, elementary, and secondary schools as

282 described in this Subsection (4).

283 (b) The minimum school program established in school districts and charter schools

284 shall include the equivalent of a school term of nine months as determined by the State Board

285 of Education.

286 (c) (i) The board shall establish the number of days or equivalent instructional hours

287 that school is held for an academic school year.

288 (ii) Education, enhanced by utilization of technologically enriched delivery systems,

289 when approved by local school boards or charter school governing boards, shall receive full

290 support by the State Board of Education as it pertains to fulfilling the attendance requirements,

291 excluding time spent viewing commercial advertising.

292 (d) (i) A local school board or charter school governing board may reallocate up to 32

293 instructional hours or four school days established under Subsection (4)(c) for teacher

294 preparation time or teacher professional development.

295 (ii) A reallocation of instructional hours or school days under Subsection (4)(d)(i) is

296 subject to the approval of two-thirds of the members of a local school board or charter school

297 governing board voting in a regularly scheduled meeting:

298 (A) at which a quorum of the local school board or charter school governing board is

299 present; and

300 (B) held in compliance with Title 52, Chapter 4, Open and Public Meetings Act.

301 (iii) If a local school board or charter school governing board reallocates instructional

302 hours or school days as provided by this Subsection (4)(d), the school district or charter school

303 shall notify students' parents and guardians of the school calendar at least 90 days before the

304 beginning of the school year.

305 (iv) Instructional hours or school days reallocated for teacher preparation time or  
306 teacher professional development pursuant to this Subsection (4)(d) is considered part of a  
307 school term referred to in Subsection (4)(b).

308 (e) The Minimum School Program includes a program or allocation funded by a line  
309 item appropriation or other appropriation designated as follows:

- 310 (i) Basic School Program;
- 311 (ii) Related to Basic Programs;
- 312 (iii) Voted and Board Levy Programs; or
- 313 (iv) Minimum School Program.

314 (5) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of  
315 factors that is computed in accordance with this chapter for the purpose of determining the  
316 costs of a program on a uniform basis for each district.

317 Section 5. Section **53A-17a-105** is amended to read:

318 **53A-17a-105. Powers and duties of State Board of Education to adjust Minimum**  
319 **School Program allocations -- Use of remaining funds at the end of a fiscal year.**

320 (1) For purposes of this section:

321 (a) "Board" means the State Board of Education.

322 (b) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.  
323 Sec. 6301 et seq.

324 (c) "LEA" means:

- 325 (i) a school district; or
- 326 (ii) a charter school.

327 (d) "Program" means a program or allocation funded by a line item appropriation or  
328 other appropriation designated as:

- 329 (i) Basic Program;
- 330 (ii) Related to Basic Programs;
- 331 (iii) Voted and Board Levy Programs; or
- 332 (iv) Minimum School Program.

333 (2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units  
334 in a program is underestimated, the board shall reduce the value of the weighted pupil unit in  
335 that program so that the total amount paid for the program does not exceed the amount

336 appropriated for the program.

337 (3) If the number of weighted pupil units in a program is overestimated, the board shall  
338 spend excess money appropriated for the following purposes giving priority to the purpose  
339 described in Subsection (3)(a):

340 (a) to support the value of the weighted pupil unit in a program within the basic  
341 state-supported school program in which the number of weighted pupil units is underestimated;

342 (b) to support the state guarantee per weighted pupil unit provided under the voted  
343 local levy program established in Section 53A-17a-133 or the board local levy program  
344 established in Section 53A-17a-164, if:

345 (i) local contributions to the voted local levy program or board local levy program are  
346 overestimated; or

347 (ii) the number of weighted pupil units within school districts qualifying for a  
348 guarantee is underestimated;

349 (c) to support the state supplement to local property taxes allocated to charter schools,  
350 if the state supplement is less than the amount prescribed by Section 53A-1a-513; or

351 (d) to support a school district with a loss in student enrollment as provided in Section  
352 53A-17a-139.

353 (4) If local contributions from the minimum basic tax rate imposed under Section  
354 53A-17a-135 or 53A-17a-135.5, as applicable, are overestimated, the board shall reduce the  
355 value of the weighted pupil unit for all programs within the basic state-supported school  
356 program so the total state contribution to the basic state-supported school program does not  
357 exceed the amount of state funds appropriated.

358 (5) If local contributions from the minimum basic tax rate imposed under Section  
359 53A-17a-135 or 53A-17a-135.5, as applicable, are underestimated, the board shall:

360 (a) spend the excess local contributions for the purposes specified in Subsection (3),  
361 giving priority to supporting the value of the weighted pupil unit in programs within the basic  
362 state-supported school program in which the number of weighted pupil units is underestimated;  
363 and

364 (b) reduce the state contribution to the basic state-supported school program so the  
365 total cost of the basic state-supported school program does not exceed the total state and local  
366 funds appropriated to the basic state-supported school program plus the local contributions

367 necessary to support the value of the weighted pupil unit in programs within the basic  
368 state-supported school program in which the number of weighted pupil units is underestimated.

369 (6) Except as provided in Subsection (3) or (5), the board shall reduce the guarantee  
370 per weighted pupil unit provided under the voted local levy program established in Section  
371 [53A-17a-133](#) or board local levy program established in Section [53A-17a-164](#), if:

372 (a) local contributions to the voted local levy program or board local levy program are  
373 overestimated; or

374 (b) the number of weighted pupil units within school districts qualifying for a  
375 guarantee is underestimated.

376 (7) (a) The board may use program funds as described in Subsection (7)(b) if:

377 (i) the state loses flexibility due to the U.S. Department of Education's rejection of the  
378 state's renewal application for flexibility under the ESEA; and

379 (ii) the state is required to fully implement the requirements of Title I of the ESEA, as  
380 amended by the No Child Left Behind Act of 2001.

381 (b) Subject to the requirements of Subsections (7)(a) and (c), for fiscal year 2016, after  
382 any transfers or adjustments described in Subsections (2) through (6) are made, the board may  
383 use up to \$15,000,000 of excess money appropriated to a program, remaining at the end of  
384 fiscal year 2015, to mitigate a budgetary impact to an LEA due to the LEA's loss of flexibility  
385 related to implementing the requirements of Title I of the ESEA, as amended by the No Child  
386 Left Behind Act of 2001.

387 (c) In addition to the reporting requirement described in Subsection (9), the board shall  
388 report actions taken by the board under this Subsection (7) to the Executive Appropriations  
389 Committee.

390 (8) Money appropriated to the board is nonlapsing.

391 (9) The board shall report actions taken by the board under this section to the Office of  
392 the Legislative Fiscal Analyst and the Governor's Office of Management and Budget.

393 Section 6. Section [53A-17a-135](#) is amended to read:

394 **[53A-17a-135. Minimum basic tax rate -- Certified revenue levy.](#)**

395 (1) (a) As used in this section, "basic levy increment rate" means a tax rate that will  
396 generate an amount of revenue equal to \$75,000,000.

397 (b) The provisions of this section are not in effect for a fiscal year that begins July 1,

398 2018, 2019, 2020, 2021, or 2022.

399 (2) (a) In order to qualify for receipt of the state contribution toward the basic program  
400 and as ~~[its]~~ the school district's contribution toward ~~[its]~~ the costs of the basic program, each  
401 school district shall impose a minimum basic tax rate per dollar of taxable value that generates  
402 \$392,266,800 in revenues statewide.

403 (b) The preliminary estimate for the 2016-17 minimum basic tax rate is .001695.

404 (c) The State Tax Commission shall certify on or before June 22 the rate that generates  
405 \$392,266,800 in revenues statewide.

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

408 (3) (a) The state shall contribute to each district toward the cost of the basic program in  
409 the district that portion which exceeds the proceeds of the difference between:

410 (i) the minimum basic tax rate to be imposed under Subsection (2); and

411 (ii) the basic levy increment rate.

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

416 (4) (a) If the difference described in Subsection (3)(a) equals or exceeds the cost of the  
417 basic program in a school district, no state contribution shall be made to the basic program.

418 (b) The proceeds of the difference described in Subsection (3)(a) that exceed the cost  
419 of the basic program shall be paid into the Uniform School Fund as provided by law.

420 (5) The State Board of Education shall:

421 (a) deduct from state funds that a school district is authorized to receive under this  
422 chapter an amount equal to the proceeds generated within the school district by the basic levy  
423 increment rate; and

424 (b) deposit the money described in Subsection (5)(a) into the Minimum Basic Growth  
425 Account created in Section [53A-17a-135.1](#).

426 Section 7. Section **53A-17a-135.1** is amended to read:

427 **53A-17a-135.1. Minimum Basic Growth Account.**

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

429 created in this section.

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

432 (3) The account shall be funded by amounts deposited into the account in accordance  
433 with Section [53A-17a-135](#) or [53A-17a-135.5](#), as applicable.

434 (4) The account shall earn interest.

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

436 (6) Upon appropriation by the Legislature:

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

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

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

445 Section 8. Section [53A-17a-135.5](#) is enacted to read:

446 **[53A-17a-135.5](#). Minimum basic tax rate for July 1, 2018, through July 1, 2022,**  
447 **fiscal years -- Certified revenue levy.**

448 (1) (a) As used in this section:

449 (i) "Basic levy increment rate" means a tax rate that will generate an amount of revenue  
450 equal to \$75,000,000.

451 (ii) "Fixed minimum rate" means a tax rate that will generate an amount of revenue  
452 equal to \$20,000,000.

453 (b) The provisions of this section apply for a fiscal year that begins on July 1, 2018,  
454 2019, 2020, 2021, or 2022.

455 (2) (a) In order to qualify for receipt of the state contribution toward the basic program  
456 and as the school district's contribution toward the costs of the basic program, each school  
457 district shall impose a minimum basic tax rate per dollar of taxable value in accordance with  
458 this section.

459 (b) The minimum basic rate is the greater of:

460 (i) the certified revenue levy; or  
 461 (ii) a tax rate of .0016.  
 462 (c) On or before June 22, the State Tax Commission shall certify:  
 463 (i) the minimum basic tax rate to be imposed under Subsection (2)(b); and  
 464 (ii) the basic levy increment rate.  
 465 (3) (a) The state shall contribute to each school district toward the cost of the basic  
 466 program in the school district the portion that exceeds the proceeds of the difference between:  
 467 (i) the minimum basic tax rate to be imposed under Subsection (2); and  
 468 (ii) the sum of the basic levy increment rate and the fixed minimum rate.  
 469 (b) In accordance with the state strategic plan for public education and to fulfill its  
 470 responsibility for the development and implementation of that plan, the Legislature instructs  
 471 the State Board of Education, the governor, and the Office of the Legislative Fiscal Analyst in  
 472 each of the coming five years to develop budgets that will fully fund student enrollment  
 473 growth.  
 474 (4) (a) If the difference described in Subsection (3)(a) equals or exceeds the cost of the  
 475 basic program in a school district, no state contribution shall be made to the basic program.  
 476 (b) The proceeds of the difference described in Subsection (3)(a) that exceed the cost  
 477 of the basic program shall be paid into the Uniform School Fund as provided by law.  
 478 (5) The State Board of Education shall:  
 479 (a) deduct from state funds that a school district is authorized to receive under this  
 480 chapter an amount equal to the proceeds generated within the school district by the basic levy  
 481 increment rate; and  
 482 (b) deposit the money described in Subsection (5)(a) into the Minimum Basic Growth  
 483 Account created in Section [53A-17a-135.1](#).  
 484 (6) The State Board of Education shall:  
 485 (a) deduct from state funds that a school district is authorized to receive under this  
 486 chapter an amount equal to the fixed minimum rate; and  
 487 (b) deposit the money described in Subsection (6)(a) into the Fixed Rate Growth  
 488 Account created in Section [53A-17a-135.6](#).  
 489 ~~§ → [—Section 9. Section 53A-17a-135.6 is enacted to read:~~  
 490 ~~— [53A-17a-135.6. Fixed Rate Growth Account.](#)Ⓞ~~



491 ~~☉~~ ~~(1) As used in this section, "account" means the Fixed Rate Growth Account created in~~  
 492 ~~this section.~~

493 ~~(2) There is created within the Education Fund a restricted account known as the~~  
 494 ~~"Fixed Rate Growth Account."~~

495 ~~(3) The account shall be funded by amounts deposited into the account in accordance~~  
 496 ~~with Section [53A-17a-135.5](#).~~

497 ~~(4) The account shall earn interest.~~

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

499 ~~(6) The Legislature shall appropriate money in the account to the State Board of~~  
 500 ~~Education.~~

501 ~~(7) The State Board of Education shall use money in the account to fund programs with~~  
 502 ~~demonstrated outcomes that improve student performance.] ←§~~

503 Section 10. Section [53A-17a-143](#) is amended to read:

504 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**  
 505 **allocations from the Federal Impact Aid Program.**

506 (1) In addition to the revenues received from the levy imposed by each school district  
 507 and authorized by the Legislature under Section [53A-17a-135](#) or [53A-17a-135.5](#), as applicable,  
 508 the Legislature shall provide an amount equal to the difference between the district's  
 509 anticipated receipts under the entitlement for the fiscal year from the Federal Impact Aid  
 510 Program and the amount the district actually received from this source for the next preceding  
 511 fiscal year.

512 (2) If at the end of a fiscal year the sum of the receipts of a school district from a  
 513 distribution from the Legislature pursuant to Subsection (1) plus the school district's allocations  
 514 from the Federal Impact Aid Program for that fiscal year exceeds the amount allocated to the  
 515 district from the Federal Impact Aid Program for the next preceding fiscal year, the excess  
 516 funds are carried into the next succeeding fiscal year and become in that year a part of the  
 517 district's contribution to its basic program for operation and maintenance under the state  
 518 minimum school finance law.

519 (3) During that year the district's required tax rate for the basic program shall be  
 520 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's  
 521 required contribution to its basic program.

522 (4) A district that reduces its basic tax rate under this section shall receive state  
523 minimum school program funds as though the reduction in the tax rate had not been made.

524 Section 11. Section **59-2-102** is amended to read:

525 **59-2-102. Definitions.**

526 As used in this chapter and title:

527 (1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
528 engaging in dispensing activities directly affecting agriculture or horticulture with an  
529 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or  
530 rotorcraft's use for agricultural and pest control purposes.

531 (2) "Air charter service" means an air carrier operation that requires the customer to  
532 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled  
533 trip.

534 (3) "Air contract service" means an air carrier operation available only to customers  
535 that engage the services of the carrier through a contractual agreement and excess capacity on  
536 any trip and is not available to the public at large.

537 (4) "Aircraft" means the same as that term is defined in Section [72-10-102](#).

538 (5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

539 (i) operates:

540 (A) on an interstate route; and

541 (B) on a scheduled basis; and

542 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a  
543 regularly scheduled route.

544 (b) "Airline" does not include an:

545 (i) air charter service; or

546 (ii) air contract service.

547 (6) "Assessment roll" means a permanent record of the assessment of property as  
548 assessed by the county assessor and the commission and may be maintained manually or as a  
549 computerized file as a consolidated record or as multiple records by type, classification, or  
550 categories.

551 (7) "Base parcel" means a parcel of property that was legally:

552 (a) subdivided into two or more lots, parcels, or other divisions of land; or

- 553 (b) (i) combined with one or more other parcels of property; and  
554 (ii) subdivided into two or more lots, parcels, or other divisions of land.
- 555 (8) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
556 ad valorem property tax revenue equal to the sum of:
- 557 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
558 previous year from imposing a school minimum basic tax rate, as specified in Section  
559 [53A-17a-135](#) or [53A-17a-135.5](#), as applicable, or multicounty assessing and collecting levy, as  
560 specified in Section [59-2-1602](#); and
- 561 (ii) the product of:
- 562 (A) eligible new growth, as defined in Section [59-2-924](#); and  
563 (B) the school minimum basic tax rate or multicounty assessing and collecting levy  
564 certified by the commission for the previous year.
- 565 (b) For purposes of this Subsection (8), "ad valorem property tax revenue" does not  
566 include property tax revenue received by a taxing entity from personal property that is:
- 567 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and  
568 (ii) semiconductor manufacturing equipment.
- 569 (c) For purposes of calculating the certified revenue levy described in this Subsection  
570 (8), the commission shall use:
- 571 (i) the taxable value of real property assessed by a county assessor contained on the  
572 assessment roll;
- 573 (ii) the taxable value of real and personal property assessed by the commission; and  
574 (iii) the taxable year end value of personal property assessed by a county assessor  
575 contained on the prior year's assessment roll.
- 576 (9) "County-assessed commercial vehicle" means:
- 577 (a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section  
578 [41-1a-301](#) and is not operated interstate to transport the vehicle owner's goods or property in  
579 furtherance of the owner's commercial enterprise;
- 580 (b) any passenger vehicle owned by a business and used by its employees for  
581 transportation as a company car or vanpool vehicle; and
- 582 (c) vehicles that are:
- 583 (i) especially constructed for towing or wrecking, and that are not otherwise used to

584 transport goods, merchandise, or people for compensation;

585 (ii) used or licensed as taxicabs or limousines;

586 (iii) used as rental passenger cars, travel trailers, or motor homes;

587 (iv) used or licensed in this state for use as ambulances or hearses;

588 (v) especially designed and used for garbage and rubbish collection; or

589 (vi) used exclusively to transport students or their instructors to or from any private,  
590 public, or religious school or school activities.

591 (10) (a) Except as provided in Subsection (10)(b), for purposes of Section 59-2-801,  
592 "designated tax area" means a tax area created by the overlapping boundaries of only the  
593 following taxing entities:

594 (i) a county; and

595 (ii) a school district.

596 (b) "Designated tax area" includes a tax area created by the overlapping boundaries of  
597 the taxing entities described in Subsection (10)(a) and:

598 (i) a city or town if the boundaries of the school district under Subsection (10)(a) and  
599 the boundaries of the city or town are identical; or

600 (ii) a special service district if the boundaries of the school district under Subsection  
601 (10)(a) are located entirely within the special service district.

602 (11) "Eligible judgment" means a final and unappealable judgment or order under  
603 Section 59-2-1330:

604 (a) that became a final and unappealable judgment or order no more than 14 months  
605 before the day on which the notice described in Section 59-2-919.1 is required to be provided;  
606 and

607 (b) for which a taxing entity's share of the final and unappealable judgment or order is  
608 greater than or equal to the lesser of:

609 (i) \$5,000; or

610 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
611 previous fiscal year.

612 (12) (a) "Escaped property" means any property, whether personal, land, or any  
613 improvements to the property, that is subject to taxation and is:

614 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed

615 to the wrong taxpayer by the assessing authority;

616 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to  
617 comply with the reporting requirements of this chapter; or

618 (iii) undervalued because of errors made by the assessing authority based upon  
619 incomplete or erroneous information furnished by the taxpayer.

620 (b) "Escaped property" does not include property that is undervalued because of the use  
621 of a different valuation methodology or because of a different application of the same valuation  
622 methodology.

623 (13) "Fair market value" means the amount at which property would change hands  
624 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell  
625 and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair  
626 market value" shall be determined using the current zoning laws applicable to the property in  
627 question, except in cases where there is a reasonable probability of a change in the zoning laws  
628 affecting that property in the tax year in question and the change would have an appreciable  
629 influence upon the value.

630 (14) (a) "Farm machinery and equipment," for purposes of the exemption provided  
631 under Section [59-2-1101](#), means tractors, milking equipment and storage and cooling facilities,  
632 feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters,  
633 tillage tools, scales, combines, spreaders, sprayers, haying equipment, including balers and  
634 cubers, and any other machinery or equipment used primarily for agricultural purposes.

635 (b) "Farm machinery and equipment" does not include vehicles required to be  
636 registered with the Motor Vehicle Division or vehicles or other equipment used for business  
637 purposes other than farming.

638 (15) "Geothermal fluid" means water in any form at temperatures greater than 120  
639 degrees centigrade naturally present in a geothermal system.

640 (16) "Geothermal resource" means:

641 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;  
642 and

643 (b) the energy, in whatever form, including pressure, present in, resulting from, created  
644 by, or which may be extracted from that natural heat, directly or through a material medium.

645 (17) (a) "Goodwill" means:

- 646 (i) acquired goodwill that is reported as goodwill on the books and records that a  
647 taxpayer maintains for financial reporting purposes; or  
648 (ii) the ability of a business to:  
649 (A) generate income that exceeds a normal rate of return on assets and that results from  
650 a factor described in Subsection (17)(b); or  
651 (B) obtain an economic or competitive advantage resulting from a factor described in  
652 Subsection (17)(b).
- 653 (b) The following factors apply to Subsection (17)(a)(ii):  
654 (i) superior management skills;  
655 (ii) reputation;  
656 (iii) customer relationships;  
657 (iv) patronage; or  
658 (v) a factor similar to Subsections (17)(b)(i) through (iv).  
659 (c) "Goodwill" does not include:  
660 (i) the intangible property described in Subsection (21)(a) or (b);  
661 (ii) locational attributes of real property, including:  
662 (A) zoning;  
663 (B) location;  
664 (C) view;  
665 (D) a geographic feature;  
666 (E) an easement;  
667 (F) a covenant;  
668 (G) proximity to raw materials;  
669 (H) the condition of surrounding property; or  
670 (I) proximity to markets;  
671 (iii) value attributable to the identification of an improvement to real property,  
672 including:  
673 (A) reputation of the designer, builder, or architect of the improvement;  
674 (B) a name given to, or associated with, the improvement; or  
675 (C) the historic significance of an improvement; or  
676 (iv) the enhancement or assemblage value specifically attributable to the interrelation

677 of the existing tangible property in place working together as a unit.

678 (18) "Governing body" means:

679 (a) for a county, city, or town, the legislative body of the county, city, or town;

680 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -

681 Local Districts, the local district's board of trustees;

682 (c) for a school district, the local board of education; or

683 (d) for a special service district under Title 17D, Chapter 1, Special Service District

684 Act:

685 (i) the legislative body of the county or municipality that created the special service  
686 district, to the extent that the county or municipal legislative body has not delegated authority  
687 to an administrative control board established under Section 17D-1-301; or

688 (ii) the administrative control board, to the extent that the county or municipal  
689 legislative body has delegated authority to an administrative control board established under  
690 Section 17D-1-301.

691 (19) (a) For purposes of Section 59-2-103:

692 (i) "household" means the association of individuals who live in the same dwelling,  
693 sharing its furnishings, facilities, accommodations, and expenses; and

694 (ii) "household" includes married individuals, who are not legally separated, that have  
695 established domiciles at separate locations within the state.

696 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
697 commission may make rules defining the term "domicile."

698 (20) (a) Except as provided in Subsection (20)(c), "improvement" means a building,  
699 structure, fixture, fence, or other item that is permanently attached to land, regardless of  
700 whether the title has been acquired to the land, if:

701 (i) (A) attachment to land is essential to the operation or use of the item; and

702 (B) the manner of attachment to land suggests that the item will remain attached to the  
703 land in the same place over the useful life of the item; or

704 (ii) removal of the item would:

705 (A) cause substantial damage to the item; or

706 (B) require substantial alteration or repair of a structure to which the item is attached.

707 (b) "Improvement" includes:

- 708 (i) an accessory to an item described in Subsection (20)(a) if the accessory is:
- 709 (A) essential to the operation of the item described in Subsection (20)(a); and
- 710 (B) installed solely to serve the operation of the item described in Subsection (20)(a);

711 and

- 712 (ii) an item described in Subsection (20)(a) that is temporarily detached from the land
- 713 for repairs and remains located on the land.

714 (c) "Improvement" does not include:

- 715 (i) an item considered to be personal property pursuant to rules made in accordance
- 716 with Section [59-2-107](#);

- 717 (ii) a moveable item that is attached to land for stability only or for an obvious
- 718 temporary purpose;

- 719 (iii) (A) manufacturing equipment and machinery; or

- 720 (B) essential accessories to manufacturing equipment and machinery;

- 721 (iv) an item attached to the land in a manner that facilitates removal without substantial
- 722 damage to the land or the item; or

- 723 (v) a transportable factory-built housing unit as defined in Section [59-2-1502](#) if that
- 724 transportable factory-built housing unit is considered to be personal property under Section
- 725 [59-2-1503](#).

726 (21) "Intangible property" means:

- 727 (a) property that is capable of private ownership separate from tangible property,
- 728 including:

- 729 (i) money;

- 730 (ii) credits;

- 731 (iii) bonds;

- 732 (iv) stocks;

- 733 (v) representative property;

- 734 (vi) franchises;

- 735 (vii) licenses;

- 736 (viii) trade names;

- 737 (ix) copyrights; and

- 738 (x) patents;



- 739 (b) a low-income housing tax credit;
- 740 (c) goodwill; or
- 741 (d) a renewable energy tax credit or incentive, including:
- 742 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
- 743 Code;
- 744 (ii) a federal energy credit for qualified renewable electricity production facilities under
- 745 Section 48, Internal Revenue Code;
- 746 (iii) a federal grant for a renewable energy property under American Recovery and
- 747 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
- 748 (iv) a tax credit under Subsection 59-7-614(5).
- 749 (22) "Livestock" means:
- 750 (a) a domestic animal;
- 751 (b) a fish;
- 752 (c) a fur-bearing animal;
- 753 (d) a honeybee; or
- 754 (e) poultry.
- 755 (23) "Low-income housing tax credit" means:
- 756 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
- 757 or
- 758 (b) a low-income housing tax credit under Section 59-7-607 or Section 59-10-1010.
- 759 (24) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 760 (25) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
- 761 valuable mineral.
- 762 (26) "Mining" means the process of producing, extracting, leaching, evaporating, or
- 763 otherwise removing a mineral from a mine.
- 764 (27) (a) "Mobile flight equipment" means tangible personal property that is owned or
- 765 operated by an air charter service, air contract service, or airline and:
- 766 (i) is capable of flight or is attached to an aircraft that is capable of flight; or
- 767 (ii) is contained in an aircraft that is capable of flight if the tangible personal property
- 768 is intended to be used:
- 769 (A) during multiple flights;

770 (B) during a takeoff, flight, or landing; and

771 (C) as a service provided by an air charter service, air contract service, or airline.

772 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare  
773 engine that is rotated at regular intervals with an engine that is attached to the aircraft.

774 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
775 commission may make rules defining the term "regular intervals."

776 (28) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,  
777 sand, rock, gravel, and all carboniferous materials.

778 (29) "Part-year residential property" means property that is not residential property on  
779 January 1 of a calendar year but becomes residential property after January 1 of the calendar  
780 year.

781 (30) "Personal property" includes:

782 (a) every class of property as defined in Subsection (31) that is the subject of  
783 ownership and is not real estate or an improvement;

784 (b) any pipe laid in or affixed to land whether or not the ownership of the pipe is  
785 separate from the ownership of the underlying land, even if the pipe meets the definition of an  
786 improvement;

787 (c) bridges and ferries;

788 (d) livestock; and

789 (e) outdoor advertising structures as defined in Section [72-7-502](#).

790 (31) (a) "Property" means property that is subject to assessment and taxation according  
791 to its value.

792 (b) "Property" does not include intangible property as defined in this section.

793 (32) "Public utility" means:

794 (a) for purposes of this chapter, the operating property of a railroad, gas corporation, oil  
795 or gas transportation or pipeline company, coal slurry pipeline company, electrical corporation,  
796 telephone corporation, sewerage corporation, or heat corporation where the company performs  
797 the service for, or delivers the commodity to, the public generally or companies serving the  
798 public generally, or in the case of a gas corporation or an electrical corporation, where the gas  
799 or electricity is sold or furnished to any member or consumers within the state for domestic,  
800 commercial, or industrial use; and

801 (b) the operating property of any entity or person defined under Section 54-2-1 except  
802 water corporations.

803 (33) (a) Subject to Subsection (33)(b), "qualifying exempt primary residential rental  
804 personal property" means household furnishings, furniture, and equipment that:

805 (i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

806 (ii) are owned by the owner of the dwelling unit that is the primary residence of a  
807 tenant; and

808 (iii) after applying the residential exemption described in Section 59-2-103, are exempt  
809 from taxation under this chapter in accordance with Subsection 59-2-1115(2).

810 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
811 commission may by rule define the term "dwelling unit" for purposes of this Subsection (33)  
812 and Subsection (36).

813 (34) "Real estate" or "real property" includes:

814 (a) the possession of, claim to, ownership of, or right to the possession of land;

815 (b) all mines, minerals, and quarries in and under the land, all timber belonging to  
816 individuals or corporations growing or being on the lands of this state or the United States, and  
817 all rights and privileges appertaining to these; and

818 (c) improvements.

819 (35) (a) "Relationship with an owner of the property's land surface rights" means a  
820 relationship described in Subsection 267(b), Internal Revenue Code, except that the term 25%  
821 shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code.

822 (b) For purposes of determining if a relationship described in Subsection 267(b),  
823 Internal Revenue Code, exists, the ownership of stock shall be determined using the ownership  
824 rules in Subsection 267(c), Internal Revenue Code.

825 (36) (a) Subject to Subsection (36)(b), "residential property," for purposes of the  
826 reductions and adjustments under this chapter, means any property used for residential  
827 purposes as a primary residence.

828 (b) Subject to Subsection (36)(c), "residential property":

829 (i) except as provided in Subsection (36)(b)(ii), includes household furnishings,  
830 furniture, and equipment if the household furnishings, furniture, and equipment are:

831 (A) used exclusively within a dwelling unit that is the primary residence of a tenant;

832 and

833 (B) owned by the owner of the dwelling unit that is the primary residence of a tenant;

834 and

835 (ii) does not include property used for transient residential use.

836 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
837 commission may by rule define the term "dwelling unit" for purposes of Subsection (33) and  
838 this Subsection (36).

839 (37) "Split estate mineral rights owner" means a person that:

840 (a) has a legal right to extract a mineral from property;

841 (b) does not hold more than a 25% interest in:

842 (i) the land surface rights of the property where the wellhead is located; or

843 (ii) an entity with an ownership interest in the land surface rights of the property where  
844 the wellhead is located;

845 (c) is not an entity in which the owner of the land surface rights of the property where  
846 the wellhead is located holds more than a 25% interest; and

847 (d) does not have a relationship with an owner of the land surface rights of the property  
848 where the wellhead is located.

849 (38) (a) "State-assessed commercial vehicle" means:

850 (i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate to  
851 transport passengers, freight, merchandise, or other property for hire; or

852 (ii) any commercial vehicle, trailer, or semitrailer that operates interstate and transports  
853 the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

854 (b) "State-assessed commercial vehicle" does not include vehicles used for hire that are  
855 specified in Subsection (9)(c) as county-assessed commercial vehicles.

856 (39) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of  
857 a base parcel.

858 (40) "Taxable value" means fair market value less any applicable reduction allowed for  
859 residential property under Section [59-2-103](#).

860 (41) "Tax area" means a geographic area created by the overlapping boundaries of one  
861 or more taxing entities.

862 (42) "Taxing entity" means any county, city, town, school district, special taxing

863 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
864 Districts, or other political subdivision of the state with the authority to levy a tax on property.

865 (43) (a) "Tax roll" means a permanent record of the taxes charged on property, as  
866 extended on the assessment roll, and may be maintained on the same record or records as the  
867 assessment roll or may be maintained on a separate record properly indexed to the assessment  
868 roll.

869 (b) "Tax roll" includes tax books, tax lists, and other similar materials.

870 Section 12. Section **63I-2-211** is amended to read:

871 **63I-2-211. Repeal dates -- Title 11.**

872 (1) (a) Subsections 11-13-302(2)(a)(i) and (2)(b)(i), the language that states "or  
873 53A-17a-135.5, as applicable" is repealed July 1, 2023.

874 (2) Section 11-13-310, the language that states "or 53A-17a-135.5, as applicable," is  
875 repealed July 1, 2023.

876 (3) Title 11, Chapter 53, Residential Property Reimbursement, is repealed on January  
877 1, 2020.

878 Section 13. Section **63I-2-253** is amended to read:

879 **63I-2-253. Repeal dates -- Titles 53, 53A, and 53B.**

880 (1) Section 53A-1-403.5 is repealed July 1, 2017.

881 (2) Section 53A-1-411 is repealed July 1, 2017.

882 (3) Section 53A-1-709 is repealed July 1, 2020.

883 (4) Subsection 53A-1a-513(4) is repealed July 1, 2017.

884 (5) Section 53A-1a-513.5 is repealed July 1, 2017.

885 (6) Title 53A, Chapter 1a, Part 10, UPSTART, is repealed July 1, 2019.

886 (7) Subsection 53A-2-118.4 (1)(c)(i), the language that states "or 53A-17a-135.5, as  
887 applicable" is repealed July 1, 2023.

888 [~~7~~] (8) Title 53A, Chapter 8a, Part 8, Peer Assistance and Review Pilot Program, is  
889 repealed July 1, 2017.

890 (9) Subsection 53A-17a-103(2)(a)(i), the language that states "or 53A-17a-135.5, as  
891 applicable" is repealed July 1, 2023.

892 (10) Subsections 53A-17a-105(4) and (5), the language that states "or 53A-17a-135.5,  
893 as applicable," is repealed July 1, 2023.

894 (11) Subsection 53A-17a-135(1)(b) is repealed July 1, 2023.

895 (12) Subsection 53A-17a-135.1(3), the language that states "or 53A-17a-135.5, as  
896 applicable" is repealed July 1, 2023.

897 (13) Section 53A-17a-135.5 is repealed July 1, 2023.

898 (14) Section 53A-17a-135.6 is repealed July 1, 2023.

899 (15) Subsection 53A-17a-143(1), the language that states "or 53A-17a-135.5, as  
900 applicable" is repealed July 1, 2023.

901 ~~[(8)]~~ (16) Sections 53A-24-601 and 53A-24-602 are repealed January 1, 2018.

902 ~~[(9)]~~ (17) (a) Subsections 53B-2a-103(2) and (4) are repealed July 1, 2019.

903 (b) When repealing Subsections 53B-2a-103(2) and (4), the Office of Legislative  
904 Research and General Counsel shall, in addition to its authority under Subsection 36-12-12(3),  
905 make necessary changes to subsection numbering and cross references.

906 ~~[(10)]~~ (18) Title 53B, Chapter 18, Part 14, Uintah Basin Air Quality Research Project,  
907 is repealed July 1, 2023.

908 (19) On July 1, 2023, when making changes in this section, the Office of Legislative  
909 Research and General Counsel shall:

910 (a) in addition to its authority under Subsection 36-12-12(3), make corrections  
911 necessary to ensure that sections and subsections identified in this section are complete  
912 sentences and accurately reflect the office's perception of the Legislature's intent; and

913 (b) identify the text of the affected sections and subsections based upon the section and  
914 subsection numbers used in this bill.

915 Section 14. Section **63I-2-259** is amended to read:

916 **63I-2-259. Repeal dates -- Title 59.**

917 (1) Subsection 59-2-102(8)(a)(i), the language that states "or 53A-17a-135.5, as  
918 applicable" is repealed July 1, 2023.

919 ~~[(1)]~~ (2) Subsection 59-2-919(10) is repealed December 31, 2015.

920 ~~[(2)]~~ (3) Subsection 59-2-919.1(4) is repealed December 31, 2015.

921 ~~[(3)]~~ (4) Subsection 59-2-1007(14) is repealed on December 31, 2018.

922 Section 15. **Effective date.**

923 This bill takes effect on January 1, 2018.

924 Section 16. **Revisor instructions.**

925           The Legislature intends that the Office of Legislative Research and General Counsel, in  
926 preparing the Utah Code database for publication, replace the language in Subsection  
927 [63I-2-253](#)(19)(b) from "this bill" to the bill's designated chapter number in the Laws of Utah.