

# SB0188S05 compared with SB0188S02

~~{Omitted text}~~ shows text that was in SB0188S02 but was omitted in SB0188S05

inserted text shows text that was not in SB0188S02 but was inserted into SB0188S05

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1 **School District Modifications**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Keith Grover**

House Sponsor:Stephanie Gricius



2  
3 **LONG TITLE**

4 **General Description:**

5 This bill addresses creation of new school districts and the transition process from divided  
6 to new school districts.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ defines terms;
- 10 ▶ enacts dates regarding the redistricting of local school board districts after the creation of certain  
11 new school districts;
- 12 ▶ amends the duties of the Office of the Legislative Auditor General to include receiving and  
13 providing certain information during the transition process from divided to new school districts;
- 15 ▶ extends, by an additional year, the rights of transferred employees regarding salary and benefits;
- 17 ▶ reduces the body of voters whose approval is required to create a new school district to voters  
18 within the proposed new school district;
- 19 ▶ reduces the threshold for interlocal participants to propose a new school district to a majority of  
municipalities that are participants in the interlocal agreement;

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- 21           ▶ amends certain dates regarding election cycles following the creation of a new school district;
- 23           ▶ amends certain deadlines for the duties of municipal legislative bodies, county legislative bodies, local school boards, and other entities under certain circumstances after the creation of a new school district;
- 26           ▶ enacts provisions regarding the transition from a divided school district to new and reorganized new school districts, including:
- 28                 • {~~oversight from the state auditor;~~}
- 29                 • school district employee and other personnel issues;
- 30                 • records of the divided school district;
- 31                 • {~~certain feasibility studies and seismic safety evaluations;~~}
- 32                 • {~~certain reports and plans regarding the transition and the allocation of funds, property, assets, and liabilities;~~}
- 34                 • the actual transfer of funds, property, assets, and liabilities;
- 35                 • retrospectively voiding certain agreements or policies; and
- 36                 • resolution of disputes between school districts through an agreed upon or appointed arbiter;
- 38           ▶ {~~prohibits a government entity from charging a fee for certain requests related to the school district creation and transition processes;~~}
- 40           ▶ requires a government entity to send an invoice before requiring payment of past fees before processing a new request; and
- 42           ▶ makes technical and conforming changes.

### 37 **Money Appropriated in this Bill:**

38           None

### 39 **Other Special Clauses:**

40           This bill provides a special effective date.

41           This bill provides retrospective operation.

### 43 **AMENDS:**

44           **36-12-15 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (**Effective upon governor's approval**), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3

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- 53G-3-102 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 48 53G-3-202 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 50 53G-3-205 (Effective upon governor's approval), as renumbered and amended by Laws of Utah 2018, Chapter 3 (Effective upon governor's approval), as renumbered and amended by Laws of Utah 2018, Chapter 3
- 52 53G-3-301 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 54 53G-3-301.1 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 56 53G-3-301.3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 58 53G-3-301.4 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 60 53G-3-302 (Effective upon governor's approval) (Applies beginning 11/04/24), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval) (Applies beginning 11/04/24), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 62 53G-3-303 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3
- 64 53G-3-305 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Third Special Session, Chapter 3

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66 **53G-3-307 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapter 526 (**Effective upon governor's approval**), as last amended by Laws of Utah 2024,  
Chapter 526

68 **63G-2-203 (Effective upon governor's approval)**, as last amended by Laws of Utah 2022,  
Chapter 128 (**Effective upon governor's approval**), as last amended by Laws of Utah 2022,  
Chapter 128

76 ~~**{67-3-1 (Effective upon governor's approval), as last amended by Laws of Utah 2024,  
Chapters 3, 158 (Effective upon governor's approval), as last amended by Laws of Utah  
2024, Chapters 3, 158}**~~

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

72 Section 1. Section **36-12-15** is amended to read:

73 **36-12-15. Office of the Legislative Auditor General established -- Qualifications -- Powers,  
functions, and duties -- Reporting -- Criminal penalty -- Employment.**

84 (1) As used in this section:

85 (a) "Audit action" means an audit, examination, investigation, or review of an entity conducted by the  
office.

87 (b) "Entity" means:

88 (i) a government organization; or

89 (ii) a receiving organization.

90 (c) "Government organization" means:

91 (i) a state branch, department, or agency; or

92 (ii) a political subdivision, including a county, municipality, special district, special service district,  
school district, interlocal entity as defined in Section 11-13-103, or any other local government unit.

95 (d) "Office" means the Office of the Legislative Auditor General.

96 (e) "Receiving organization" means an organization that receives public funds that is not a government  
organization.

98 (2) There is created the Office of the Legislative Auditor General as a permanent staff office for the  
Legislature.

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- (3) The legislative auditor general shall be a licensed certified public accountant or certified internal auditor with at least seven years of experience in the auditing or public accounting profession, or the equivalent, prior to appointment.
- 103 (4) The legislative auditor general shall appoint and develop a professional staff within budget  
limitations.
- 105 (5) The office shall exercise the constitutional authority provided in Utah Constitution, Article VI,  
Section 33.
- 107 (6) Under the direction of the legislative auditor general, the office shall:
- 108 (a) conduct comprehensive and special purpose audits, examinations, investigations, or reviews of  
entity funds, functions, and accounts;
- 110 (b) prepare and submit a written report on each audit action to the Audit Subcommittee created in  
Section 36-12-8 and make the report available to all members of the Legislature within 75 days after  
the audit action is completed;
- 113 (c) monitor, conduct a risk assessment of, or audit any efficiency evaluations that the legislative  
auditor general determines necessary, in accordance with Title 63J, Chapter 1, Part 9, Government  
Performance Reporting and Efficiency Process, and legislative rule;
- 117 (d) create, manage, and report to the Audit Subcommittee a list of high risk programs and operations  
that:
- 119 (i) threaten public funds or programs;
- 120 (ii) are vulnerable to inefficiency, waste, fraud, abuse, or mismanagement; or
- 121 (iii) require transformation;
- 122 (e) monitor and report to the Audit Subcommittee the health of a government organization's internal  
audit functions;
- 124 (f) make recommendations to increase the independence and value added of internal audit functions  
throughout the state;
- 126 (g) implement a process to track, monitor, and report whether the subject of an audit has implemented  
recommendations made in the audit report;
- 128 (h) establish, train, and maintain individuals within the office to conduct investigations and represent  
themselves as lawful investigators on behalf of the office;
- 130 (i) establish policies, procedures, methods, and standards of audit work and investigations for the office  
and staff;

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- 132 (j) prepare and submit each audit and investigative report independent of any influence external of the  
office, including the content of the report, the conclusions reached in the report, and the manner of  
disclosing the legislative auditor general's findings;
- 135 (k) prepare and submit the annual budget request for the office; and
- 136 (l) perform other duties as prescribed by the Legislature.
- 137 (7) In conducting an audit action of an entity, the office may include a determination of any or all of the  
following:
- 139 (a) the honesty and integrity of any of the entity's fiscal affairs;
- 140 (b) the accuracy and reliability of the entity's internal control systems and specific financial statements  
and reports;
- 142 (c) whether or not the entity's financial controls are adequate and effective to properly record and  
safeguard the entity's acquisition, custody, use, and accounting of public funds;
- 145 (d) whether the entity's administrators have complied with legislative intent;
- 146 (e) whether the entity's operations have been conducted in an efficient, effective, and cost efficient  
manner;
- 148 (f) whether the entity's programs have been effective in accomplishing intended objectives; and
- 150 (g) whether the entity's management control and information systems are adequate and effective.
- 152 (8)
- (a) If requested by the office, each entity that the legislative auditor general is authorized to audit under  
Utah Constitution, Article VI, Section 33, or this section shall, notwithstanding any other provision  
of law except as provided in Subsection (8)(b), provide the office with access to information,  
materials, or resources the office determines are necessary to conduct an audit, examination,  
investigation, or review, including:
- 158 (i) the following in the possession or custody of the entity in the format identified by the office:
- 160 (A) a record, document, and report; and
- 161 (B) films, tapes, recordings, and electronically stored information;
- 162 (ii) entity personnel; and
- 163 (iii) each official or unofficial recording of formal or informal meetings or conversations to which  
the entity has access.
- 165 (b) To the extent compliance would violate federal law, the requirements of Subsection (8)(a) do not  
apply.

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- 167 (9)
- (a) In carrying out the duties provided for in this section and under Utah Constitution, Article VI, Section 33, the legislative auditor general may issue a subpoena to access information, materials, or resources in accordance with Chapter 14, Legislative Subpoena Powers.
- 171 (b) The legislative auditor general may issue a subpoena, as described in Subsection (9)(a), to a financial institution or any other entity to obtain information as part of an investigation of fraud, waste, or abuse, including any suspected malfeasance, misfeasance, or nonfeasance involving public funds.
- 175 (10) To preserve the professional integrity and independence of the office:
- 176 (a) no legislator or public official may urge the appointment of any person to the office; and
- 178 (b) the legislative auditor general may not be appointed to serve on any board, authority, commission, or other agency of the state during the legislative auditor general's term as legislative auditor general.
- 181 (11)
- (a) The following records in the custody or control of the legislative auditor general are protected records under Title 63G, Chapter 2, Government Records Access and Management Act:
- 184 (i) records and audit work papers that would disclose information relating to allegations of personal misconduct, gross mismanagement, or illegal activity of a past or present governmental employee if the information or allegation cannot be corroborated by the legislative auditor general through other documents or evidence, and the records relating to the allegation are not relied upon by the legislative auditor general in preparing a final audit report;
- 190 (ii) records and audit workpapers that would disclose the identity of a person who, during the course of a legislative audit, communicated the existence of:
- 192 (A) unethical behavior;
- 193 (B) waste of public funds, property, or personnel; or
- 194 (C) a violation or suspected violation of a United States, Utah state, or political subdivision law, rule, ordinance, or regulation, if the person disclosed on the condition that the identity of the person be protected;
- 197 (iii) before an audit is completed and the final audit report is released, records or drafts circulated to a person who is not an employee or head of an entity for review, response, or information;
- 200 (iv) records that would disclose:

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- 201 (A) an outline;
- 202 (B) all or part of an audit survey, audit risk assessment plan, or audit program; or
- 203 (C) other procedural documents necessary to fulfill the duties of the office; and
- 204 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 205 (b) The provisions of Subsection (11)(a) do not prohibit the disclosure of records or information to a  
government prosecutor or peace officer if those records or information relate to a violation of the  
law by an entity or entity employee.
- 208 (c) A record, as defined in Section 63G-2-103, created by the office in a closed meeting held in  
accordance with Section 52-4-205:
- 210 (i) is a protected record, as defined in Section 63G-2-103;
- 211 (ii) to the extent the record contains information:
- 212 (A) described in Section 63G-2-302, is a private record; or
- 213 (B) described in Section 63G-2-304, is a controlled record; and
- 214 (iii) may not be reclassified by the office.
- 215 (d) The provisions of this section do not limit the authority otherwise given to the legislative auditor  
general to maintain the private, controlled, or protected record status of a shared record in the  
legislative auditor general's possession or classify a document as public, private, controlled, or  
protected under Title 63G, Chapter 2, Government Records Access and Management Act.
- 220 (12) The legislative auditor general shall:
- 221 (a) be available to the Legislature and to the Legislature's committees for consultation on matters  
relevant to areas of the legislative auditor general's professional competence;
- 223 (b) conduct special audits as requested by the Audit Subcommittee;
- 224 (c) report immediately to the Audit Subcommittee any apparent violation of penal statutes disclosed by  
the audit of an entity and furnish to the Audit Subcommittee all information relative to the apparent  
violation;
- 227 (d) report immediately to the Audit Subcommittee any apparent instances of malfeasance or  
nonfeasance by an entity officer or employee disclosed by the audit of an entity; and
- 230 (e) make any recommendations to the Audit Subcommittee with respect to the alteration or  
improvement of the accounting system used by an entity.
- 232 (13) If the legislative auditor general conducts an audit of an entity that has previously been audited and  
finds that the entity has not implemented a recommendation made by the legislative auditor general

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in a previous audit report, the legislative auditor general shall report to the Audit Subcommittee that the entity has not implemented the recommendation.

237 (14) Before each annual general session, the legislative auditor general shall:

238 (a) prepare an annual report that:

239 (i) summarizes the audits, examinations, investigations, and reviews conducted by the office since the  
last annual report; and

241 (ii) evaluate and report the degree to which an entity that has been the subject of an audit has  
implemented the audit recommendations;

243 (b) include in the report any items and recommendations that the legislative auditor general believes the  
Legislature should consider in the annual general session; and

245 (c) deliver the report to the Legislature and to the appropriate committees of the Legislature.

247 (15)

(a) If the chief officer of an entity has actual knowledge or reasonable cause to believe that there is  
misappropriation of the entity's public funds or assets, or another entity officer has actual knowledge  
or reasonable cause to believe that the chief officer is misappropriating the entity's public funds or  
assets, the chief officer or, alternatively, the other entity officer, shall immediately notify, in writing:

252 (i) the office;

253 (ii) the attorney general, county attorney, or district attorney; and

254 (iii)

(A) for a state government organization, the chief executive officer;

255 (B) for a political subdivision government organization, the legislative body or governing board; or

257 (C) for a receiving organization, the governing board or chief executive officer unless the chief  
executive officer is believed to be misappropriating the funds or assets, in which case the next  
highest officer of the receiving organization.

260 (b) As described in Subsection (15)(a), the entity chief officer or, if applicable, another entity officer, is  
subject to the protections of Title 67, Chapter 21, Utah Protection of Public Employees Act.

263 (c) If the Office of the Legislative Auditor General receives a notification under Subsection (15)(a) or  
other information of misappropriation of public funds or assets of an entity, the office shall inform  
the Audit Subcommittee.

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(d) The attorney general, county attorney, or district attorney shall notify, in writing, the Office of the Legislative Auditor General whether the attorney general, county attorney, or district attorney pursued criminal or civil sanctions in the matter.

269 (16)

(a) An actor commits interference with a legislative audit if the actor uses force, violence, intimidation, or engages in any other unlawful act with a purpose to interfere with:

272 (i) a legislative audit action; or

273 (ii) the office's decisions relating to:

274 (A) the content of the office's report;

275 (B) the conclusions reached in the office's report; or

276 (C) the manner of disclosing the results and findings of the office.

277 (b) A violation of Subsection (16)(a) is a class B misdemeanor.

278 (17)

(a) The office may require any current employee, or any applicant for employment, to submit to a fingerprint-based local, regional, and criminal history background check as an ongoing condition of employment.

281 (b) An employee or applicant for employment shall provide a completed fingerprint card to the office upon request.

283 (c) The office shall require that an individual required to submit to a background check under this Subsection (17) also provide a signed waiver on a form provided by the office that meets the requirements of Subsection 53-10-108(4).

286 (d) For a noncriminal justice background search and registration in accordance with Subsection 53-10-108(13), the office shall submit to the Bureau of Criminal Identification:

289 (i) the employee's or applicant's personal identifying information and fingerprints for a criminal history search of applicable local, regional, and national databases; and

291 (ii) a request for all information received as a result of the local, regional, and nationwide background check.

293 (18) Subject to prioritization of the Legislative Audit Subcommittee, the Office of the Legislative Auditor General shall[-] :

295 (a) conduct a feasibility study [under Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4.] that an entity requests under Title 53G, Chapter 3, Part 3, Creating a New School District; and

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298 (b) accept and maintain submissions for local school boards to have sufficient information to resolve  
299 disputes through an agreed upon or appointed arbiter in accordance with Section 53G-3-302.

293 Section 2. Section **53G-3-102** is amended to read:

294 **53G-3-102. Definitions.**

As used in this chapter:

304 (1) "Allocation date" means:

305 (a) July 1 of the second calendar year following the local school board election date as described in  
306 Section 53G-3-302; or

307 (b) another date to which the new local school board and reorganized school board agree.

308 (2) "Creation date" means the date on which voters approve the creation of a new school district under  
309 Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4.

310 (3) "Divided school district" means:

311 (a) an existing school district from which a new school district is created under Section 53G-3-301.1,  
312 53G-3-301.3, or 53G-3-301.4; and

313 (b) an existing school district from which a reorganized new school district is created.

314 (4)

[(a)] "Feasibility study" means a study:

315 [(i)] (a) ~~conducted by~~ that one of the following conducts:

316 [(A)] (i) a school district, municipal legislative body, or interlocal agreement participants~~[before July 1,~~  
317 ~~2024]~~; or

318 [(B)] (ii) the Office of the Legislative Auditor General, subject to prioritization by the Legislative Audit  
319 Subcommittee; and

320 [(ii)] (b) to determine:

321 [(A)] (i) the financial viability for a new school district and reorganized new school district that is  
322 contained within the boundaries of a divided school district;

323 [(B)] (ii) the financial impact on a new school district and reorganized new school district that is  
324 contained within the boundaries of a divided school district; and

325 [(C)] (iii) the impact of the tax burden on taxpayers within the boundaries of the proposed new school  
326 district.

327

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(5) "Interlocal agreement participant" means a public agency, as that term is defined in Section 11-13-103, that enters into an agreement with one or more other public agencies for the purpose described in and in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

331 (6) "Isolated area" means an area that:

332 (a) is entirely within the boundaries of an existing school district;

333 (b) is contiguous to the proposed new school district;

334 (c) has a combined student population of fewer than 5,000 students; and

335 (d) because of the creation of a new school district from the existing district in which the area is located, would become completely geographically isolated.

337 (7) "Municipality" means the same as that term is defined in Section 10-1-104.

338 (8) "New school district" means a school district created under Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4.

340 (9) "Public hearing" means the same as that term is defined in Section 10-9a-103.

341 ~~[(9)]~~ (10) "Reorganized new school district" means the remaining portion of the divided school district after voters approve the creation of a new school district under ~~[Subsection]~~ Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4~~[-]~~, when:

344 (a) the entire geographical area of the reorganized new school district is not included in a proposal for the new school district; or

346 (b) the entire geographical area of the reorganized new school district is:

347 (i) included in a proposal for a new school district that voters do not approve; and

348 (ii) within the boundaries of an existing district that contains an area that is included in the new district for which voters approve the creation.

342 Section 3. Section **53G-3-202** is amended to read:

343 **53G-3-202. School districts independent of municipal and county governments -- School district name -- Control of property.**

353 (1)

(a) ~~[Each school district shall be controlled by its]~~ Each school district, including a new school district or a reorganized new school district upon the election of the local school board, is:

348 (i) under the control of the district's local school board; ~~and~~ ~~[shall be]~~

349 (ii) independent of municipal and county governments.

350

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- (b) The name of each school district created after May 1, 2000, including a reorganized new school district, shall [ ] :
- 352 (i) comply with Section 17-50-103~~[.]~~ ; and
- 353 (ii) be a name:
- 354 (A) that the local school board of the relevant new school district or reorganized new school district selects; and
- 356 (B) that another school district has not previously chosen and recorded.
- 357 (2) The local school board ~~[shall have]~~ :
- 358 (a) except as provided in Subsection 53G-3-302(6), has direction and control of all school property in the district; and [ ]
- 360 (b) may enter into cooperative agreements with other local school boards to provide educational services that best [utilize] use resources for overall operation of the public school system.
- 363 (3)
- (a) On or before [30] 60 days following the day on which the creation of a new school district occurs under Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4, and in accordance with Section 67-1a-15, the following shall register a new school district ~~[shall be registered]~~ as a limited purpose entity [by]:
- 367 (i) the municipal legislative body of the municipality in which the boundaries for the new school district [is] are entirely located; or
- 369 (ii) the legislative body of interlocal agreement participants in which the new school district is located.
- 371 (b) Each school district shall ~~[register and]~~ maintain the school district's registration as a limited purpose entity in accordance with Section 67-1a-15.
- 373 (c) A school district that fails to comply with Subsections (3)(a) and (b) or Section 67-1a-15 is subject to enforcement by the state auditor in accordance with Section 67-3-1.
- Except for the duties described in Section 53G-3-302, each school district is:{
- 355 (i) under the control of the district's ~~{local school board}~~ ; ~~{-and{ } {-shall be } }~~
- 356 (ii) ~~{independent of municipal and county governments.}~~
- 357 ~~{(b)} {The name of each school district created after May 1, 2000, including a reorganized new school district, shall} { } {-}} :~~
- 359 ~~{(i)} {comply with Section 17-50-103} { } {-}} ; and~~

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- 360 ~~{(ii) {be a name that another school district has not previously chosen and recorded.}}~~
- 361 ~~{(2) {The local school board} {f} {shall have}} ;{~~
- 362 ~~{(a) has {direction and control of all school property in the district} ;{and{f} {f}}}~~
- 363 ~~{(b) {may enter into cooperative agreements with other local school boards to provide educational~~  
~~services that best} {f} {utilize}} use{-resources for overall operation of the public school system.~~
- 366 ~~{(3)}~~
- ~~{(a) On or before 30 days following the day on which the creation of a new school district occurs~~  
~~under Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4, and in accordance with Section~~  
~~67-1a-15,} the following shall register {a new school district{f} {shall be registered}} {f} {-as a~~  
~~limited purpose entity} {f} {by}} {f} {:}~~
- 370 (i) ~~the municipal legislative body} of the municipality {in which the boundaries for the new school~~  
~~district{f} {is}} are{-entirely located; or~~
- 372 (ii) ~~{the legislative body of interlocal agreement participants in which the new school district is~~  
~~located.}~~
- 374 ~~{(b) {Each school district shall} {f} {register and}} {f} {maintain the school district's registration as a~~  
~~limited purpose entity in accordance with Section 67-1a-15.}~~
- 376 ~~{(c) A school district that fails to comply with Subsections (3)(a) and (b) or Section 67-1a-15 is~~  
~~subject to enforcement by the state auditor in accordance with Section 67-3-1.}~~
- 376 Section 4. Section **53G-3-205** is amended to read:
- 377 **53G-3-205. Rights of transferred employees -- Salary during first two years year -- Leave**  
**and tenure benefits.**
- 382 (1) If a school or school district employee described in Subsection (4)(a) is transferred from one district  
to another because of district consolidation, creation, or restructuring, the employee's salary may not  
be less, during the first {year} two years after the transfer, than ~~{it}~~ the employee's salary would  
have been had the transfer not taken place.
- 386 (2) The district to which an employee is transferred under Subsection (1) shall credit the employee  
with all accumulated leave and tenure recognized by the district from which the employee was  
transferred.
- 389 (3) If the district to which an employee is transferred does not have a leave benefit which reasonably  
corresponds to one the employee seeks to transfer, that district shall compensate the employee for  
the benefit on the same basis as would have been done had the employee retired.

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392a (4) { ~~§~~ → { } { ~~(4)~~ }

(a)(a) On or before the day that is six months before the allocation date, each new school district and each reorganized new school district shall {ensure that} provide a written offer of employment to contracted employees of the divided district, in {proportion} a number that is proportional to the student population distribution{, employ} within each {contracted employee of the divided} new and reorganized new school district, who {is} are not:

392e (i)(i) {not employed in} employed on an administrative {role} salary schedule; {and}

392f (ii)(ii) {neither} provisional {nor at-will}; or

397 (iii) at-will.

392g (b)(b) The job responsibilities or titles of an employee described in Subsection (4)(a) are subject to change. { ←§ }

For purposes of Subsection (1), the allocation date is the date of the transfer for an employee described in Subsection (4)(a).

400 (c) The job responsibilities or titles of an employee described in Subsection (4)(a) are subject to change.

402 Section 5. Section **53G-3-301** is amended to read:

403 **53G-3-301. Creation of new school district -- Initiation of process -- Procedures to be followed.**

396 (1) A new school district may be created from one or more existing school districts, as provided in this chapter.

398 (2) The process to create a new school district may be initiated:

399 (a) through a citizens' petition in accordance with Section 53G-3-301.1;

400 (b) at the request of a municipality within the boundaries of the school district in accordance with Section 53G-3-301.3; or

402 (c) at the request of interlocal agreement participants in accordance with Section 53G-3-301.4.

404 (3) [~~Except as provided in Sections 53G-3-301.3 and 53G-3-301.4, a~~] A request or petition under Subsection (2) may not form a new school district unless the new school district boundaries and the reorganized new school district boundaries:

407 (a) are contiguous;

408 (b) do not create an isolated area, as defined in Section 53G-3-102; and

409 (c) include the entire boundaries of each participant municipality or town, unless the excluded portion of the municipality or town is not within the divided school district.

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- 411 (4) For each new school district, each county legislative body shall comply with the notice and plat  
filing requirements of Section 53G-3-203.
- 413 (5) ~~If a new school district is created, {f} the new district shall reimburse the reorganized new district's  
documented costs to study and implement the proposal in proportion to the student population of  
each school district.]~~ No later than July 1 of the second year following the inaugural local school  
board election of the new and reorganized new school districts, each new school district and each  
reorganized new school district shall reimburse the municipalities in which the school districts are  
located for any legal or administrative costs the municipality incurs relating to compliance with  
Sections 53G-3-202, 53G-3-203, 53G-3-301, 53G-3-301.3, and 53G-3-301.4.
- 430 (6) On January 1 of each of the first and second years following the local school board election for new  
and reorganized new school districts following the division of a school district, the relevant divided  
district shall provide to each relevant new and reorganized new school districts, the greater of the  
following amounts, distributed based on student population in the new and reorganized new school  
districts, using the most recent October student count:
- 436 (a) 1% of the divided district's total WPU funding; or
- 437 (b) \$60 per student.
- 438 ~~(6)~~ (7) An inadequacy of a feasibility study, as defined in Section 53G-3-102, may not be the basis of  
a legal action or other challenge to:
- 440 (a) an election for voter approval of the creation of a new school district; or
- 441 (b) the creation of the new school district.
- 442 ~~(7)~~ (8) Notwithstanding the creation of a new district as provided in this part:
- 443 (a) a new school district and a reorganized new school district may not begin to provide educational  
services to the area within the new school district and reorganized new school district until July 1  
of the second calendar year following the local school board election date as described in Section  
53G-3-301.1, 53G-3-301.3, or 53G-3-301.4; and
- 448 (b) the divided school district shall continue, until the time specified in Subsection ~~(7)(a)~~ (8)(a), to  
provide educational services within the entire area covered by the divided school district.
- 451 ~~(8)~~ (9) A new school district and a reorganized new school district shall enter into a shared services  
agreement, except if the local school boards of the districts mutually agree to not enter into an  
agreement, that permits students residing in each ~~new~~ school district access to attend a school that  
serves students with disabilities within or outside of each school district boundary:

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456 (a) for up to five years after the day on which the new school district commences educational services;

458 (b) for actual costs of services provided to students; and

459 (c) without affecting services provided to other students.

460 ~~[(9)]~~ (10) The process described in Subsection (2) [ ] :

461 (a) may not be initiated more than once during any two-year period [ ] ; and

462 (b) may only be initiated within a divided school district in the year of the allocation date.

no later than July 1 of the second year following the inaugural local school board election of the new and reorganized new school districts, each new school district and each reorganized new school district shall reimburse the municipalities in which the school districts are located for any legal or administrative costs the municipality incurs relating to compliance with Subsection 53G-3-202(3), including feasibility studies, legal mapping, transition and asset assessments, legal consulting, and public communication.

422 ~~{(6) On January 1 of each of the first and second years following the local school board election for new and reorganized new school districts following the division of a school district, the relevant divided district shall provide to each relevant new and reorganized new school districts, using the most recent October student count, the greater of: }~~

426 ~~{(a) 1% of the divided district's total WPU funding, distributed based on student population; or }~~

428 ~~{(b) {\$60 per student. }~~

429 ~~{[(6)](7) {An inadequacy of a feasibility study, as defined in Section 53G-3-102, may not be the basis of a legal action or other challenge to: }~~

431 ~~{(a) {an election for voter approval of the creation of a new school district; or }~~

432 ~~{(b) {the creation of the new school district. }~~

433 ~~{[(7)](8) {Notwithstanding the creation of a new district as provided in this part: }~~

434 ~~{(a) {a new school district and a reorganized new school district may not begin to provide educational services to the area within the new school district and reorganized new school district until July 1 of the second calendar year following the local school board election date as described in Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4; and }~~

439 ~~{(b) {the divided school district shall continue, until the time specified in Subsection } { } [(7)(a)] }~~  
~~(8)(a) {, to provide educational services within the entire area covered by the divided school district.~~

442 ~~{[(8)](9) {A new school district and a reorganized new school district shall enter into a shared services agreement that permits students residing in each } { } [new ] { } { school district access~~

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~~to attend a school that serves students with disabilities within or outside of each school district boundary.~~

446 ~~{(a)} for up to five years~~ after the day on which the new school district commences educational  
services{;

448 ~~{(b)} {for actual costs of services provided to students; and}~~

449 ~~{(c)} {without affecting services provided to other students.}~~

450 ~~{(9)}{(10)}~~ ~~{The process described in Subsection (2)}~~ ~~{ } { } }~~ ;

451 ~~{(a)} {may not be initiated more than once during any two-year period}~~ ~~{ } { } }~~ ; and

452 ~~{(b) may only be initiated within a divided school district in the year of the allocation date.}~~

464 Section 6. Section **53G-3-301.1** is amended to read:

465 **53G-3-301.1. Creation of a new school district -- Citizens' petition -- Procedures to be**  
**followed.**

457 (1) Citizens may file a petition to create a new school district in accordance with this section and  
Section 53G-3-301.

459 (2)

(a) The county clerk shall ensure that a petition described in Subsection (1) is signed by registered voters residing within the geographical boundaries of the proposed new school district in an amount equal to at least 10% of all votes cast within the geographic boundaries of the proposed new school district for all candidates for president of the United States at the last regular general election at which a president of the United States was elected.

465 (b) The sponsors of a petition described in Subsection (1) shall file the petition with the clerk of each county in which any part of the proposed new school district is located.

467 (c) The petition sponsors shall ensure that the petition described in Subsection (1):

468 (i) indicates the typed or printed name and current residence address of each voter who signs the petition;

470 (ii) describes the proposed new school district boundaries; and

471 (iii) designates up to five signers of the petition as sponsors, designating one as the contact sponsor, with the mailing address and telephone number of each.

473 (3)

(a)

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- (i) A signer of a petition described in Subsection (1) may withdraw or, once withdrawn, reinstate the signer's signature by filing a written statement requesting for withdrawal or reinstatement with the county clerk no later than three business days after the day on which the petition is filed with the county clerk.
- 477 (ii) A statement described in Subsection (3)(a)(i) shall comply with the requirements described in Subsection 20A-1-1003(2).
- 479 (iii) The county clerk shall use the procedures described in Subsection 20A-1-1003(3) to determine whether to remove or reinstate an individual's signature from a petition after receiving a timely, valid statement.
- 482 (b) The county clerk shall use the procedures described in Section 20A-1-1002 to determine whether the petition has been signed by the required number of registered voters residing within the geographical boundaries of the proposed new school district.
- 486 (4) Within 14 days after the day on which a petition described in Subsection (1) is filed, the clerk of each county with which the request or petition is filed shall:
- 488 (a) determine whether the petition complies with Subsections (2) and (3), as applicable, and Section 53G-3-301; and
- 490 (b)
- (i) if the county clerk determines that the request or petition complies with the applicable requirements:
- 492 (A) certify the petition and deliver the certified petition to the county legislative body; and
- 494 (B) mail or deliver written notification of the certification to the contact sponsor; or
- 496 (ii) if the county clerk determines that the petition fails to comply with any of the applicable requirements, reject the petition and notify the contact sponsor in writing of the rejection and reasons for the rejection.
- 499 (5)
- (a) If the county clerk fails to certify or reject a petition within the time specified in Subsection (4), the petition is considered to be certified.
- 501 (b) If the county clerk rejects a petition, the individual who submitted the petition may amend the petition to correct the deficiencies for which the county clerk rejected the petition and refile the petition.
- 504 (6) Within 10 days after the day on which a county legislative body receives a certified petition as described in Subsection (4) or (5), the county legislative body shall request[ ~~that the Legislative~~

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~~Audit Subcommittee consider prioritizing~~ a feasibility study~~[, as that term is defined in Section 53G-3-102].~~

508 (7)

(a) The county legislative body shall:

509 (i) provide for a ~~[45-day]~~ 30-day public comment period to begin on the day the county legislative body receives the study under Subsection (6); and

511 (ii) hold at least two public hearings~~[, as defined in Section 10-9a-103,]~~ on the study and recommendations.

513 (b) Within five business days after the day on which the public comment period ends, the legislative body of each county with which a petition is filed shall vote on the creation of the proposed new school district.

516 (c) A county legislative body approves a petition proposing a new school district if a majority of the members of the legislative body vote in favor of the petition.

518 (8)

(a) Within five business days after the day on which a county legislative body approves a petition proposing a new school district under Subsection (7), the county legislative body shall provide notice of the approval and a copy of the petition to which the approval relates to the county clerk of each county described in Subsection (2)(b).

523 (b) If each county described in Subsection (2)(b) approves a petition proposing a new school district, the county clerks of the counties shall submit the proposal for the creation of a new school district to all legal voters in the ~~[existing school district]~~ proposed new school district for approval or rejection at the next regular general election that is at least 65 days after the day on which all of the counties described in Subsection (2)(b) have complied with Subsection (8)(a).

529 (c) The new school district proposed in the petition and the reorganized new school district are created if a majority of the voters in the ~~[existing]~~ proposed new school district vote in favor of creating the new school district.

542 Section 7. Section **53G-3-301.3** is amended to read:

543 **53G-3-301.3. Creation of a new school district -- Request by a municipality -- Procedures to be followed.**

535 (1) A municipality located within the boundaries of a school district may file a request to create a new school district in accordance with this section and Section 53G-3-301.

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- 537 (2)
- (a) The municipality shall file the request to create a new school district with the clerk of each county in which any part of the proposed new school district is located.
- 539 (b) The filing municipality shall ensure that the request described in Subsection (2)(a):
- 540 (i) indicates the typed or printed and current residence address of each governing board member making the request;
- 542 (ii) describes the proposed new school district boundaries; and
- 543 (iii) designates up to five signers of the request as sponsors, including one as the contact sponsor, with the mailing address and telephone number of each.
- 545 (3) Within five business days after the day on which a request described in Subsection (2) is filed, the clerk of each county with which the request is filed shall:
- 547 (a) determine whether the request complies with Subsection (2) and Section 53G-3-301; and
- 549 (b)
- (i) if the county clerk determines that the request complies with the applicable requirements:
- 551 (A) certify the request and deliver the certified request to the municipality and each county legislative body; and
- 553 (B) mail or deliver written notification of the certification to the contact sponsor; or
- 555 (ii) if the county clerk determines that the request fails to comply with any of the applicable requirements, reject the request and notify the contact sponsor in writing of the rejection and reasons for the rejection.
- 558 (4)
- (a) If the county clerk fails to certify or reject the request within the time specified in Subsection (3), the request is considered to be certified.
- 560 (b) If the county clerk rejects the request, the municipality that submitted the request may amend the request to correct the deficiencies for which the county clerk rejected the request and refile the request.
- 563 (5)
- ~~[(a)]~~ Within 10 days after the day on which a municipal legislative body receives a certification as described in Subsection (3) or (4), a municipal legislative body shall request ~~[that the Legislative Audit Subcommittee consider prioritizing]~~ a feasibility study~~[-as that term is defined in Section 53G-3-102].~~

## SB0188S02 compared with SB0188S05

- 567 [~~(b) For the year 2024, the municipal legislative body may use a feasibility study that the municipal~~  
legislative body conducted before July 1, 2024, if:]
- 569 [(i) ~~the feasibility study contains the determinations described in Section 53G-3-102; and]~~
- 571 [(ii) ~~the municipality receives a report and recommendation regarding the feasibility study in a public~~  
meeting.]
- 573 (6)
- (a) The municipal legislative body shall:
- 574 (i) provide for a 30-day public comment period to begin [-:]
- 575 [~~(A)] on the day the study is presented to the municipal legislative body under Subsection (5); [or] and~~  
577 [~~(B) if the municipal legislative body uses a feasibility study described in Subsection (5)(b), on July 1,~~  
2024; and]
- 579 (ii) hold at least two public hearings[~~, as defined in Section 10-9a-103;~~] on the study and  
recommendation.
- 581 (b) Within 14 days after the day on which the public comment period ends, the municipal legislative  
body shall vote on the creation of the proposed new school district.
- 584 (c) A municipal legislative body approves a proposal if a majority of the municipal legislative body  
vote in favor of the proposal.
- 586 (d) Within five business days after the day on which the municipal legislative body approves a request  
proposing the creation of a new school district, the municipal legislative body shall notify the  
legislative body and the county clerk of each county described in Subsection (2)(a).
- 590 (7) The county clerks of the counties described in Subsection (2)(a) shall submit the proposal for the  
creation of a new school district to all legal voters residing within the proposed new school district  
boundaries for approval or rejection at the next regular general election that is a least 65 days after  
the day on which the municipal legislative body complies with Subsection (6)(d).
- 595 (8) The new school district described in the request and the reorganized new school district are created  
if a majority of the voters in the proposed new school district boundaries vote in favor of creating  
the new school district.
- 598 {(9) Nothing in this section prevents a municipality from assisting the new school district or  
reorganized new school district, including by:}
- 600 {(a) entering into a loan agreement with the new school district or reorganized new school district; or}
- 602 {(b) assisting the new school district or reorganized new school district in securing a line of credit.}

## SB0188S02 compared with SB0188S05

614 Section 8. Section **53G-3-301.4** is amended to read:

615 **53G-3-301.4. Creation of a new school district -- By interlocal agreement participants --**

### **Procedures to follow.**

607 (1)

(a) On or after April 30, 2024, interlocal agreement participants may file a request proposing the creation of a new school district in accordance with this section and Section 53G-3-301.

610 (b) A municipality may not:

611 (i) enter into more than one interlocal agreement for the purpose of submitting for voter approval, in the same election, a proposal to create a new school district under this part; or

614 (ii) participate in a request under this section and submit a request under Section 53G-3-301.3 for the same election.

616 (c) A municipality may not withdraw from an interlocal agreement under this part, unless, before August 1 of the year in which the interlocal agreement participants file the request under Subsection (1)(a):

619 (i) the municipality votes, via the legislative body of the municipality, to withdraw from the interlocal agreement; and

621 (ii) a majority of all municipalities that are participants in the interlocal agreement vote to withdraw from the interlocal agreement, via a separate vote of the legislative body of each municipality.

624 (d) If a majority of all municipalities that are participants in the interlocal agreement vote to withdraw from the interlocal agreement under Subsection (1)(a), the request is void and the interlocal agreement participants may not participate in a new or a revised request until the following year.

628 (2)

(a) Except as provided in Subsection (3), by a majority vote of each legislative body, the legislative body of a municipality, together with at least one other municipality, may enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, for the purpose of submitting for voter approval a measure to create a new school district if the new school district boundaries comply with the requirements of Section 53G-3-301.

634 (b) A county may only participate in an interlocal agreement under this Subsection (2) for the unincorporated areas of the county.

636 (c) Boundaries of a new school district created under this section may include:

637 (i) a portion of one or more existing school districts; and

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- 638 (ii) a portion of the unincorporated area of a county.
- 639 (3)
- (a) As used in this Subsection (3), "municipality's school district" means the school district that includes all of the municipality in which the isolated area is located except the isolated area~~[, as that term is defined in Section 53G-3-102].~~
- 642 (b) Notwithstanding Subsection 53G-3-301(3), a municipality may be a participant in an interlocal agreement under Subsection (2)(a) with respect to some but not all of the area within the municipality's boundaries if:
- 645 (i) the portion of the municipality proposed to be included in the new school district would, if not included, become an isolated area upon the creation of the new school district; or
- 648 (ii)
- (A) the portion of the municipality proposed to be included in the new school district is within the boundaries of the same school district that includes the other interlocal agreement participants; and
- 651 (B) the portion of the municipality proposed to be excluded from the new school district is within the boundaries of a school district other than the school district that includes the other interlocal agreement participants.
- 654 (c)
- (i) Notwithstanding Subsection 53G-3-301(3), interlocal agreement participants may submit a proposal to the legal voters residing within the proposed new school district boundaries to create a new school district in accordance with an interlocal agreement under Subsection (2)(a), even though the new school district boundaries would create an isolated area, ~~[as that term is defined in Section 53G-3-102,]~~if:
- 660 (A) the potential isolated area is contiguous to one or more of the interlocal agreement participants;
- 662 (B) the interlocal participants submit a written request to the municipality in which the potential isolated area is located, requesting the municipality to enter into an interlocal agreement under Subsection (2)(a) that proposes to submit for voter approval a proposal to create a new school district that includes the potential isolated area; and
- 667 (C) the municipality, to which the interlocal agreement participants submitted a request under Subsection (3)(c)(i)(B), did not respond to the written request within 30 days after the day on which the request was submitted.

670

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- 674 (ii) Each municipality receiving a request under Subsection (3)(c)(i) shall hold at least two public hearings to allow input from the public and affected school districts regarding whether the municipality should enter into an interlocal agreement with respect to the potential isolated area.
- 674 (iii) A municipal legislative body approves a proposal to enter into an interlocal agreement with respect to the potential isolated area if a majority of the municipal legislative body votes in favor of the proposal.
- 677 (d)
- (i) The isolated area described in this Subsection (3) shall, on July 1 of the second calendar year following the local school board general election date described in Section 53G-3-302, become part of the municipality's school district.
- 680 (ii) The divided school district shall continue to provide educational services to the isolated area until July 1 of the second calendar year following the local school board general election date described in Section 53G-3-302.
- 683 (4)
- (a) Interlocal agreement participants shall file a request described in Subsection (1) with the clerk of each county in which any part of the proposed new school district is located.
- 686 (b) The filing interlocal agreement participants shall ensure that the request described in Subsection (4)
- (a):
- 688 (i) indicates the typed or printed and current residence address of each governing board member making a request;
- 690 (ii) describes the proposed new school district boundaries; and
- 691 (iii) designates up to five signers of the request as sponsors, including as the contact sponsor, with the mailing address and telephone number of each.
- 693 (5) Within five business days after the day on which a request described in Subsection (4)(a) is filed, the clerk of each county with which the request is filed shall:
- 695 (a) determine whether the request complies with this section and Section 53G-3-301; and
- 696 (b)
- (i) if the county clerk determines that the request complies with the applicable requirements:
- 698 (A) certify the request and deliver the certified request to the legislative bodies of the interlocal agreement participants; and
- 700 (B) mail or deliver written notification of the certification to the contact sponsor; or

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- 702 (ii) if the county clerk determines that the request fails to comply with any of the applicable  
requirements, reject the request and notify the contact sponsor in writing of the rejection and reasons  
for the rejection.
- 705 (6)
- (a) If the county clerk fails to certify or reject a request within the time specified in Subsection (5), the  
request is considered to be certified.
- 707 (b) If the county clerk rejects a request, the interlocal agreement participants that submitted the request  
may amend the request to correct the deficiencies for which the county clerk rejected the request,  
and refile the request.
- 710 (7)
- ~~[(a)] Within 30 days after the day on which the contact sponsor receives certification as described in  
Subsection (5) or (6), the contact sponsor shall request[that the Legislative Audit Subcommittee  
consider prioritizing] a feasibility study[as that term is defined in Section 53G-3-102].~~
- 714 ~~[(b) For the year 2024, the interlocal agreement participants may use a feasibility study that interlocal  
agreement participants conducted before July 1, 2024, if:]~~
- 716 ~~[(i) the feasibility study contains the determinations described in Section 53G-3-102; and]~~
- 718 ~~[(ii) the legislative bodies of the interlocal agreement participants receive a report and recommendation  
regarding the feasibility study in a public meeting.]~~
- 720 (8)
- (a) The legislative bodies of the interlocal agreement participants, and each municipality within the  
geographic boundaries of the proposed new school district, shall:
- 723 (i) provide for a 30-day public comment period to begin [÷]
- 724 ~~[(A)] on the day on which the legislative bodies of the interlocal agreement participants receive [the  
report under] a feasibility study described in Subsection (7); [or] and~~
- 727 ~~[(B) on July 1, 2024, if the municipal legislative body uses a feasibility study described in Subsection  
(7)(b), regardless of whether the municipal legislative body provided all or a portion of a public  
comment period in relation to the feasibility study before July 1, 2024; and]~~
- 731 (ii) ~~[except as provided in Subsection (8)(d),]~~ hold at least two public hearings~~[as defined in  
Section 10-9a-103,]~~ on the study and recommendation.
- 733 (b) Within 14 days after the day on which the public comment period ends, the legislative bodies of the  
interlocal agreement participants shall vote on the creation of the proposed new school district.

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- 736 (c) The interlocal agreement participants approve a proposal if a majority of ~~[each of]~~the legislative  
bodies of municipalities that are participants in the interlocal agreement~~[participants' members]~~  
vote in favor of the proposal.
- 739 ~~[(d) If the municipal legislative body uses a feasibility study described in Subsection (7)(b), the number  
of public hearings required under Subsection (8)(a)(ii) is reduced by the number of public hearings  
the municipal legislative body held on the feasibility study before July 1, 2024.]~~
- 743 (9) Within five business days after the day on which the interlocal agreement participants approve a  
request proposing the creation of a new school district, the interlocal agreement participants shall  
notify the legislative body and the county clerk of each county described in Subsection (4)(a).
- 747 (10)
- (a) The county clerks of the counties described in Subsection (4)(a) shall submit the proposal for the  
creation of a new school district to all legal voters residing within the proposed new school district  
boundaries for approval or rejection at the next regular general election that is at least 65 days after  
the day on which the interlocal agreement participants comply with Subsection (9).
- 752 (b) The new school district described in the request and the reorganized new school district are created  
if a majority of the voters in the proposed new school district boundaries vote in favor of creating  
the new school district.
- 755 ~~{(11) Nothing in this section prevents an interlocal agreement participant from assisting the new  
school district or reorganized new school district, including by:}~~
- 757 ~~{(a) entering into a loan agreement with the new school district or reorganized new school district; or}~~
- 759 ~~{(b) assisting the new school district or reorganized new school district in securing a line of credit.}~~
- 771 Section 9. Section **53G-3-302** is amended to read:
- 772 **53G-3-302. Election of local school board members -- Allocation of assets and liabilities --  
Startup costs -- Transfer of title.** ~~<compare mode="add">(Text Out Of Order)</compare>~~
- 765 (1) As used in this section:
- 766 (a) "Associated property" means furniture, equipment, or supplies located in or specifically associated  
with a physical asset.
- 768 ~~{(b) {"Director" means the individual the municipal legislative body or mayoral board may select under  
Subsection (3).}}~~
- 770 (b)(c)

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- (i) "Discretionary asset or liability" means an asset or liability that is not tied to a specific project, school, student, or employee by law or school district accounting practice.
- 773 (ii) "Discretionary asset or liability" does not include a physical asset, associated property, a vehicle, an employee, or bonded indebtedness.
- 775 ~~{(d) {"Mayoral board" means the board of mayors an interlocal agreement establishes under Subsection (3)(b)(i).}}~~
- 777 ~~(c)(e)~~
- (i) "Nondiscretionary asset or liability" means an asset or liability that is tied to a specific project, school, student, or employee by law or school district accounting practice.
- 780 (ii) "Nondiscretionary asset or liability" does not include a physical asset, associated property, a vehicle, or bonded indebtedness.
- 782 ~~(d)(f)~~ "Physical asset" means a building, land, or water right together with revenue derived from the lease or use of the building, land, or water right.
- 784 ~~(e)(g)~~
- (i) "Physical liability" means a liability associated with a physical asset, including:
- 791 (A) a seismic safety evaluation or mitigation; or
- 792 (B) deferred maintenance.
- 793 (ii) "Physical liability" does not include a liability associated with any debt, including a general obligation or lease revenue bond.
- 795 ~~[(+)] (2)~~
- (a) If voters approve a proposal to create a new school district under this part:
- 796 (i) the legislative body of each county where all or a part of the new school district and the reorganized new school district are located shall hold elections, during the year immediately following the year in which the voters approve the proposal or municipal legislative bodies or interlocal agreement participants create a new school district, to elect members to the local school board of the new school district and to the local school board of the reorganized new school district, as follows:
- 803 (A) the filing period for a declaration of candidacy ~~[will be]~~ is the same as the filing period for ~~[a]~~ the next regular or municipal general election for the given year;
- 806 (B) the primary election ~~[will be]~~ is held on the same day as the ~~[municipal]~~ primary election for the next regular or municipal general election for the given year; and

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- 809 (C) the general election ~~[will be]~~ is held on the same day as the ~~[municipal]~~ next regular or municipal  
general election for the given year;
- 811 (ii) ~~[the]~~ any new school district and reorganized new school district shall divide the assets and  
liabilities of the divided school district between the ~~[new school district and the reorganized new  
school district as provided in Subsection (3)]~~ school districts in accordance with Subsection (4)  
and Section 53G-3-307;
- 815 (iii) ~~[transferred employees shall be treated]~~ any new school district and reorganized new school  
district shall treat the employment of transferred employees from the divided school district in  
accordance with Sections 53G-3-205 and 53G-3-308;
- 818 (iv) an individual residing within the boundaries of a new school district or reorganized new school  
district at the time the new school district is created may, for six school years following the  
creation of the new school district, elect to enroll in a secondary school located outside the  
boundaries of the ~~[reorganized new]~~ school district if:
- 823 (A) the individual resides within the boundaries of ~~[that]~~ the secondary school ~~[as of]~~ on the day before  
the creation of the new school district ~~[is created]~~; and
- 825 (B) the individual would have been eligible to enroll in ~~[that]~~ the secondary school ~~[had]~~ if not for the  
creation of the new school district ~~[not been created]~~;
- 827 (v) the ~~[reorganized]~~ new school district ~~[in which the secondary school is located]~~ shall provide  
educational services, including, if provided before the creation of the new school district, busing  
to each individual making an election under Subsection ~~[(1)(a)(iv)]~~ (2)(a)(iv) for each school  
year for which the individual makes the election; and
- 832 (vi) within one year following the date on which the new school district begins providing  
educational services, the superintendent of each affected school district shall meet, together  
with the state superintendent, to determine if further boundary changes should take place in  
accordance with Section 53G-3-501.
- 836 (b)
- (i) The county or municipal legislative bodies that conduct redistricting for the new school district and  
the reorganized new school district shall, at the meeting where the county or municipal legislative  
bodies adopt the final redistricting maps, adjust the initial terms of the board members for the new  
school district and the reorganized new school district, by lot, so that approximately half of the

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board members on each board will have an initial term of three years with the other members having an initial term of five years.

843 ~~[(ii)]~~ ~~The term of a member of the divided school district local school board terminates on January 1 of~~  
~~the year following the allocation date.]~~

845 ~~[(iii)]~~ (ii) Notwithstanding the existence of the new school district local school board and the  
reorganized new school district local school board under Subsection ~~[(1)(a)(i)]~~ (2)(a)(i), the divided  
school district local school board shall continue to function and exercise authority as a local school  
board until the allocation date to the extent necessary to continue to provide educational services to  
the entire divided school district.

851 ~~[(iv)]~~ (iii) An individual may simultaneously serve as or be elected to be a member of the local school  
board of a divided school district and a member of the local school board of:

854 (A) a new school district; or

855 (B) a reorganized new school district.

856 (iv) On the allocation date, the divided school district and the associated local school board cease to  
exist.

858 (c)

(i) On the Tuesday immediately following certification of the election results for the first election for  
the members of the local school board described in Subsection (2)(a)(i), the newly elected members  
of the local school board for the new school district or reorganized new school district shall take the  
oath of office and begin serving.

863 (ii) If the term of a member of the local school board of the divided school district ends within one year  
of the allocation date, the member's term shall extend to the allocation date.

866 ~~[(2)]~~ (3)

(a) The divided school district local school board shall~~[-]~~ :

867 (i) within 60 days after the creation date~~[-]~~ ;

868 [(i)] prepare an initial inventory of the divided school district's:

869 (A) assets, both tangible and intangible, real and personal; and

870 (B) liabilities;~~[-and]~~

871 [(i)] ~~deliver a copy of the inventory to the Office of the Legislative Auditor General.]~~

872 (ii) on or before December 1 of the year following the creation date:

873

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- 876 (A) prepare an asset inventory, with records, of the divided school district's assets and the location of each associated property, discretionary asset, nondiscretionary asset, and physical asset; and
- 876 (B) prepare an inventory of the divided school district's liabilities, with records, that includes a description of any liability, including an estimate cost to resolve the liability, for each associated property, discretionary asset, nondiscretionary asset, physical asset, and unresolved demands, claims, or suits with an estimated cost to resolve each liability;
- 881 (iii) mutually agree with the local school board of each relevant district to establish a regular schedule for the divided school district local school board to, between the creation date and the allocation date, prepare regular updates including any change in the information required in the inventory and liability reports described in this Subsection (3)(a); and
- 886 (iv) deliver the reports described in this Subsection (3)(a) to:
- 887 (A) the Office of the Legislative Auditor General; and
- 888 (B) the local school board of each relevant new school district and reorganized new school district.
- 890 (b) Following the local school board election date described in Subsection ~~[(1)(a)]~~ (2)(a), the new school district and reorganized new school district local school boards shall:
- 892 ~~[(i) request a copy of the inventory described in Subsection (2)(a) from the Office of the Legislative Auditor General;]~~
- 894 [(ii)] (i) in cooperation with the local school board of each new school district and reorganized new school district, determine the allocation of the divided school district's assets and, except for indebtedness under Section 53G-3-307, liabilities of the new school district and reorganized new school district in accordance with Subsection ~~[(3)]~~ (4);
- 899 ~~[(iii)]~~ (ii) prepare a written report detailing the allocation under Subsection ~~[(2)(b)(ii); and]~~ (3)(b)(i);
- 901 (iii) prepare a written report of the disposition of assets and liabilities upon which the local school boards could not agree; and
- 903 (iv) deliver a copy of the written report to the Office of the Legislative Auditor General and the local school board of the divided school district ~~local board~~.
- 905 (c) The new school district and reorganized new school district local boards shall determine the allocation under Subsection ~~[(2)(b)]~~ (3)(b) and deliver the report required under Subsection ~~[(2)(b)]~~ (3)(b) on or before ~~July 1~~ December 15 of the year following the school board election date described in Subsection (2)(a), unless that deadline is extended by mutual agreement of the local school boards of the new school district and reorganized new school district ~~local boards~~.

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- 911 ~~[(3)]~~  
~~[(a)] As used in this Subsection (3):~~
- 912 [(i) "Associated property" means furniture, equipment, or supplies located in or specifically  
associated with a physical asset.]
- 914 [(ii)  
(A) "Discretionary asset or liability" means, except as provided in Subsection (3)(a)(ii)(B), an asset or  
liability that is not tied to a specific project, school, student, or employee by law or school district  
accounting practice.]
- 917 ~~[(B) "Discretionary asset or liability" does not include a physical asset, associated property, a vehicle,  
or bonded indebtedness.]~~
- 919 [(iii)  
(A) "Nondiscretionary asset or liability" means, except as provided in Subsection (3)(a)(iii)(B), an asset  
or liability that is tied to a specific project, school, student, or employee by law or school district  
accounting practice.]
- 922 ~~[(B) "Nondiscretionary asset or liability" does not include a physical asset, associated property, a  
vehicle, or bonded indebtedness.]~~
- 924 [(iv) Physical ~~{ {asset} liability~~ means a ~~{building, land, or water right together } liability~~  
~~associated with {revenue derived from the lease or use of the building, land, or water right} a~~  
~~physical asset.~~
- 785 ~~{(1)}(2)}~~  
~~{(a)} ]~~
- 926 ~~[(b)] (4)~~  
(a) Except as provided under Subsection ~~[(3)(e)] (4)(c)~~, the new school district and reorganized new  
school district local school boards shall allocate all assets and liabilities the divided school district  
owns on the allocation date, both tangible and intangible, real and personal ~~[as follows]~~, allocating:
- 930 (i) a physical asset, physical liability, and associated property asset ~~[shall be allocated]~~ to the school  
district in which the physical asset is located;
- 932 (ii) a discretionary asset or liability ~~[shall be allocated]~~ between the new school district and  
reorganized new school district in proportion to the student population of the school districts;
- 935 (iii) vehicles used for pupil transportation ~~[shall be allocated]~~;
- 936

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- (A) according to the transportation needs of schools, as measured by the number and assortment of vehicles used to serve eligible state supported transportation routes serving schools within the new school district and the reorganized new school district; and
- 940 (B) in a manner that gives each school district a fleet of vehicles for pupil transportation that is  
equivalent in terms of age, condition, and variety of carrying capacities; and
- 943 (iv) other vehicles ~~shall be allocated~~:
- 944 (A) in proportion to the student population of the school districts; and
- 945 (B) in a manner that gives each district a fleet of vehicles that is similar in terms of age, condition, and  
carrying capacities.
- 947 (b) ~~Each new and reorganized new school district retains the buildings, land, and water rights of the  
divided district within the boundaries of the relevant new or reorganized new school district.~~
- 950 (c) By mutual agreement, the new school district and reorganized new school district local school  
boards may allocate an asset or liability in a manner different than the allocation method specified in  
Subsection ~~(3)(b)~~ (4)(a).
- 953 ~~(4)~~
- (a) ~~As used in this Subsection (4):~~
- 954 [(i) ~~"New school district startup costs" means the costs and expenses incurred by a new school  
district in order to prepare to begin providing educational services on July 1 of the second  
calendar year following the local school board election date described in Subsection (1)(a)(i).~~]
- 958 [(ii) ~~"Reorganized new school district startup costs" means the costs and expenses that a  
reorganized new school district incurs to make necessary adjustments to deal with the impacts  
resulting from the creation of the new school district and to prepare to provide educational  
services within the reorganized new school district once the new school district begins  
providing educational services within the new school district.~~]
- 964 (b) ~~On or before January 1 of the year following the new local school board election date described in  
Subsection (1)(a)(i), the divided school district shall make the unassigned reserve funds from the  
divided school district's general fund available for the use of the reorganized new school district and  
the new school district in proportion to the student enrollment of each new school district.~~
- 969 (e) ~~The divided school district may make additional funds available for the use of the reorganized new  
school district and the new school district beyond the amount specified in Subsection (4)(b) through  
an interlocal agreement.~~

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- 972 ~~[(d) The following may access and spend money made available under Subsection (4)(b):]~~  
973 ~~[(i) the reorganized new school district local school board; and]~~  
974 ~~[(ii) the new school district local school board.]~~  
975 ~~[(e) The new school district and the reorganized new school district may use the money made available under Subsection (4)(b) to pay for the new school district and reorganized new school district startup costs.]~~  
978 ~~(5)~~  
~~(a)~~  
~~(i) After the creation date, the local school board of the divided district may issue a lease revenue bond, in accordance with Section 11-14-103:~~  
980 ~~(A) that records the date, terms, and amount of the lease revenue bond the divided school district provides;~~  
982 ~~(B) that designates the new and reorganized new school districts that are the joint recipients of the bond proceeds, in proportion to the property tax values within each district, as the local political subdivisions receiving the bond proceeds;~~  
985 ~~(C) that obligates the new and reorganized new school districts receiving the bond proceeds to proportionally repay the remainder of the bond debt after the allocation date, in proportion to the portion of the bond proceeds each new or reorganized new school district receives;~~  
989 ~~(D) that prohibits the bond from inclusion in the outstanding bond indebtedness of the divided school district, in accordance with Section 53G-3-307;~~  
991 ~~(E) to which, if the relevant local school board has been seated, the local school board of the new school district or reorganized new school district consents in writing; and~~  
994 ~~(F) that provides that the divided school district is responsible for the bond payments until the allocation date and that each new and reorganized new school district receiving the bond proceeds under this section is responsible for a proportional share of the bond payments after the allocation date.~~  
998 ~~(ii) This Subsection (5)(a) applies retrospectively to a lease revenue bond that a divided school district issued after November 4, 2024.~~  
1000 ~~(b)~~  
~~(i) After the creation date, the local school board of the divided school district may issue a general obligation bond for the interlocal agreement participants on behalf of the relevant new and~~

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reorganized new school district within the divided school district, in accordance with Section 11-14-103.

- 1004 (ii) The local school board shall ensure that the resolution submitting the question of the issuance of the bond by the divided school district, in accordance with Section 11-14-201:
- 1007 (A) designates the new and reorganized new school districts that are the joint recipients of the bond proceeds, in proportion to the property tax values within each district, as the local political subdivisions receiving the bond proceeds;
- 1010 (B) obligates the new and reorganized new school districts receiving the bond proceeds to proportionally repay the remainder of the bond debt after the allocation date, in proportion to the portion of the bond proceeds each new or reorganized new school district receives;
- 1014 (C) prohibits the bond from inclusion in the outstanding bonded indebtedness of the divided school district, in accordance with Section 53G-3-307;
- 1016 (D) provides that the divided school district may not issue the bond unless the majority of the qualified voters of the divided school district who vote on the bond proposition approve the issuance of the bond; and
- 1019 (E) provides that the divided school district is responsible for the bond payments until the allocation date and that each new and reorganized new school district receiving the bond proceeds under this section is responsible for a proportional share of the bond payments after the allocation date.
- 1023 (iii) This Subsection (5)(b) applies retrospectively to a general obligation bond that a divided school district issued after November 4, 2024.
- 1025 (c)
- (i) If, within the preceding three years, voters within the divided school district rejected a general obligation bond for which a majority of voters within the area now included in a new or reorganized new school district voted in favor of the general obligation bond, the local school board of the divided district shall issue a lease revenue bond in accordance with Subsection (5)(a)(i) for the relevant new or reorganized new school district.
- 1031 (ii) A lease revenue bond described in Subsection (5)(c)(i) is not subject to the combined total limitation described in Subsection 11-14-103(6)(b)(i) due to the prior approval of voters within the new or reorganized new school district for the general obligation bond.

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(d) The local school board of each new and reorganized new school district may access and spend funds made available under Subsections 53G-3-301.3(9) and 53G-3-301.4(11) and under this Subsection (5).

1038 [(5)] (6)

(a) The divided school district shall transfer title or, if applicable, partial title of property to the new school district and the reorganized new school district in accordance with the allocation of property as stated in the report under Subsection [(2)(b)(iii)] (3)(b)(ii).

1042 (b) The divided school district shall complete each transfer of title or, if applicable, partial title to real property and vehicles on [or before one calendar year from the date of the local school board election date described in Subsection (1)(a)(i)] the allocation date, except as that date is changed by the mutual agreement of:

1046 (i) the local school board of the divided school district;

1047 (ii) the local school board of the reorganized new school district; and

1048 (iii) the local school board of the new school district.

1049 (c) The divided school district shall complete the transfer of all property not included in Subsection [(5) (b)] (6)(b) on [or before November 1 of the calendar year following the local school board election date described in Subsection (1)(a)(i)] the allocation date.

1053 [(6)] (d) Except as provided in this Subsection [(5)] (6), a divided school district may not transfer or agree to transfer title to district property beginning on the [day the new school district or reorganized new school district is created] creation date, without the prior consent of:

1057 (i) before the election of local school boards for the new or reorganized new school district:

1059 [(a)] (A) the legislative body of the municipality in which the boundaries for the new school district or reorganized new school district are entirely located; or

1061 [(b)] (B) the legislative bodies of all interlocal agreement participants in which the boundaries of the new school district or reorganized new school district are located[-]; or

1064 (ii) after the election of local school boards for the new or reorganized new school district, the local school board of the school district where the physical property is located.

1067 (e)

(i) A divided district may:

1068 (A) sell property associated with a career and technical education program; and

1069

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- (B) use proceeds from a sale described in this Subsection (6)(e) to fund the following year's career and technical education program project.
- 1071 (ii) A divided district shall distribute any proceeds from a sale described in this Subsection (6)(e) two years after the inaugural election of local school board members for the new and reorganized new school districts based on student population.
- 1075 (7) On July 1 of the second year following the local school board election date described in Subsection (2)(a), the new school district or the reorganized new school district that receives title to the physical asset of the divided school district main office that existed at the creation date shall become the successor district to the records of the divided school district, unless the local school boards of any relevant new school district and reorganized new school district agree to a chosen successor district.
- 1081 (a) As described in Subsection 63G-2-206(1)(a), the successor district shall serve as a repository of archives for purposes of historical preservation, administrative maintenance, or destruction of all the divided school district's books, accounts, and records.
- 1085 (b) For one year after the allocation date, each new school district or reorganized new school district within the divided school district may access the records of the divided school district through an interlocal agreement and without cost.
- 1088 (8)
- (a) Upon the creation date, a divided school district may not, except by mutual agreement of the local school boards of the new and reorganized new school districts:
- 1090 (i) destroy a school district record;
- 1091 (ii) enter into any employment agreement without including a statement providing that the contract does not bind any new school district or reorganized new school district;
- 1094 (iii) pay any severance or bonuses, issue a retirement package, or provide buy-out compensation to any employee unless under a written agreement or policy that was executed before the creation date; or
- 1097 (iv) increase compensation for any school district employee, other than:
- 1098 (A) a yearly cost-of-living adjustment; or
- 1099 (B) any pay structure increases the divided district established before the creation date for longevity, years of experience, or additional education and professional development.
- 1102 (b) Notwithstanding Subsection 53G-4-402(24), upon the creation of a new school district or a reorganized new school district, a divided school district may not close a school, except with the

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consent of the relevant local school board of the new school district or relevant reorganized new school district once the members of the local school board take the oath of office.

1107 (c) Any agreement or policy contrary to this Subsection (8) is void, including retrospective operation to any agreement or policy that a divided school district created after November 4, 2024.

1110 (9) The newly elected local school boards of any new school district, any reorganized new school district, by December 15 in the year following the local school board election for the new and reorganized new school districts, shall establish a transition plan with the local school board of the divided school district.

1114 (10) Unless otherwise specified in this section, the following bear all costs and expenses to create a new school district or a reorganized new school district and to comply with this section:

1117 (a) for costs that a new school district incurs, the new school district;

1118 (b) for costs that a reorganized new school district incurs, the reorganized new school district; and

1120 (c) for costs that a divided school district incurs, the divided school district.

1121 (11)

(a) A mutually agreed upon arbiter shall resolve any disagreements between local school boards of the divided school district, any new school district, and any reorganized new school district.

1124 (b) If the local school boards do not agree on an arbiter, the state board shall appoint an arbiter.

1126 (c) The Office of the Legislative Auditor General shall provide information the office receives under this part to local school boards and the arbiter described in this Subsection (11) during the dispute resolution process.

{If voters approve a proposal to create a new school district under this part:

786 (i) ~~the legislative body of each county where all or a part of the new school district and the reorganized new school district are located shall hold elections } , { during the year immediately following the year in which the voters approve the proposal } or municipal legislative bodies or interlocal agreement participants create a new school district, { to elect members to the local school board of the new school district and } to the local school board of { the reorganized new school district, as follows:~~

793 ~~{(A)} { the filing period for a declaration of candidacy } {f} {will be} } is { the same as the filing period for {f} {a} } the next regular or { municipal } general { election } for the given year { ;~~

796 ~~{(B)} { the primary election } {f} {will be} } is { held on the same day as the {f} {municipal} } { } primary election } for the next regular or municipal general election for the given year { ; and~~

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- 799    {(C)} {the general election} {f} {will be} is held on the same day as the {f} {municipal} next  
regular or municipal {general election} for the given year{;
- 801    (ii) {f} {the} any {new school district and reorganized new school district shall divide the  
assets and liabilities of the divided school district between the {f} {new school district and the  
reorganized new school district as provided in Subsection (3)} school districts in accordance  
with Subsection (4){and Section 53G-3-307;
- 805    (iii) {f} {transferred employees shall be treated} any new school district and reorganized new  
school district shall treat the employment of transferred employees from the divided school  
district {in accordance with Sections 53G-3-205 and 53G-3-308;
- 808    (iv) {an individual residing within the boundaries of a new school district or reorganized new  
school district at the time the new school district is created may, for six school years following  
the creation of the new school district, elect to enroll in a secondary school located outside the  
boundaries of the } {f} {reorganized new } {school district if:
- 813    {(A)} {the individual resides within the boundaries of } {f} {that} the {secondary school} {f} {as of}  
} on {the day before} the creation of {the new school district} {f} {is created} {f} {;and}
- 815    {(B)} {the individual would have been eligible to enroll in } {f} {that} the {secondary school} {f}  
{had} if not for the creation of {the new school district} {f} {not been created} {f} {;}
- 817    (v) {the } {f} {reorganized } {new school district } {f} {in which the secondary school is  
located } {f} {shall provide educational services, including, if provided before the creation of  
the new school district, busing to each individual making an election under Subsection } {f}  
{(1)(a)(iv)} (2)(a)(iv){for each school year for which the individual makes the election; and
- 822    (vi) {within one year following the date on which the new school district begins providing  
educational services, the superintendent of each affected school district shall meet, together  
with the state superintendent, to determine if further boundary changes should take place in  
accordance with Section 53G-3-501.}
- 826    {(b)}
- {(i)} {The county or municipal legislative bodies that conduct redistricting for the new school district  
and the reorganized new school district shall, at the meeting where the county or municipal  
legislative bodies adopt the final redistricting maps, adjust the initial terms of the board members  
for the new school district and the reorganized new school district, by lot, so that approximately half

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of the board members on each board will have an initial term of three years with the other members having an initial term of five years. }

833 { (ii) } { The term of a member of the divided school district local school board terminates on January 1 of the year following the allocation date. } { }

835 { (iii) } (ii) { Notwithstanding the existence of the new school district local school board and the reorganized new school district local school board under Subsection } { } { (1)(a)(i) } } (2)(a)(i) { ; the divided school district local school board shall continue to function and exercise authority as a local school board until the allocation date to the extent necessary to continue to provide educational services to the entire divided school district. }

841 { (iv) } (iii) { An individual may simultaneously serve as or be elected to be a member of the local school board of a divided school district and a member of the local school board of: }

844 { (A) } { a new school district; or }

845 { (B) } a reorganized new school district. }

846 { (iv) } On the allocation date, the divided school district and the associated local school board cease to exist. }

848 { (e) }

{ (i) } On the Tuesday immediately following certification of the election results for the first election for the members of the local school board described in Subsection (2)(a)(i), the newly elected members of the local school board for the new school district or reorganized new school district shall take the oath of office and begin serving. }

853 { (ii) } If the term of a member of the local school board of the divided school district ends within one year of the allocation date, the member's term shall extend to the allocation date. }

856 { (3) }

{ (a) } Upon creation of a new school district or a reorganized new school district, the following shall commence the start-up phase: }

858 { (i) } for a new school district or a reorganized new school district located entirely within the boundaries of a single municipality, the legislative body of the municipality; or }

861 { (ii) } for a new school district or reorganized new school district that is not located entirely within the boundaries of a single municipality, the legislative bodies of the municipalities within which the new school district or reorganized new school district is located, through an interlocal agreement. }

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- 865     ~~{(b) Participants to the interlocal agreement described in Subsection (3)(a) shall ensure that the~~  
interlocal agreement: }
- 867     ~~{(i) establishes a board composed of the mayors of each municipality; and }~~
- 868     ~~{(ii) includes a provision that requires that each municipality represented on the board described in~~  
Subsection (3)(b)(i) has weighted representation in decision-making based on the percentage of the  
tax value of each municipality within the relevant new school district or reorganized new school  
district as of the creation date: }
- 872     ~~{(c) Within the later of 45 days of the creation date or 30 days after the effective date of this bill, the~~  
legislative body described in Subsection (3)(a)(i) or the board described in Subsection (3)(b) may: }
- 875     ~~{(i) to reimburse costs after the creation date: }~~
- 876     ~~{(A) enter into a loan agreement with the new school district or reorganized new school district; or }~~
- 878     ~~{(B) assist the new school district or reorganized new school district in securing a line of credit; }~~
- 880     ~~{(ii) select an individual to serve as the director as described in this section who has: }~~
- 881     ~~{(A) outstanding professional qualifications in the field of education; }~~
- 882     ~~{(B) a doctorate degree in education; }~~
- 883     ~~{(C) experience teaching in a classroom in a public school within the state; and }~~
- 884     ~~{(D) experience in administration in a public school or school district within the state; and }~~
- 886     ~~{(iii) assist the director in establishing a budget. }~~
- 887     ~~{(d) If the municipal legislative body or mayoral board chooses to select a director under Subsection (3)~~  
(c), upon selection of the director: }
- 889     ~~{(i) the mayoral board described in Subsection (3)(b)(i) dissolves and the interlocal agreement~~  
described in Subsection (3)(a) terminates; }
- 891     ~~{(ii) the state auditor: }~~
- 892     ~~{(A) shall oversee the director until members of the local school board of the new school district or~~  
reorganized new school district appoints a district superintendent; }
- 895     ~~{(B) shall enter into a written employment agreement that sets compensation and benefits at an amount~~  
not less than the average compensation of a superintendent of a school district of a size that is  
similar to the relevant new school district or reorganized new school district and that includes a term  
of employment with the relevant new school district through the allocation date; }
- 900     ~~{(C) shall assist the director in establishing a budget; and }~~
- 901

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- {(D) may terminate the director for malfeasance in office, as that term is defined in Section 63A-14-102, at any time before the local school board election date described in Subsection (2)(a).}
- 904 {(e) The following may not be the director, be an employee of or under retention by the director, or interfere with or impede the duties of the director: }
- 906 {(i) an appointed or elected official of: }
- 907 {(A) the divided school district; or }
- 908 {(B) a municipality within the divided school district while in office; }
- 909 {(ii) a current employee of a municipality within the divided school district; or }
- 910 {(iii) a current employee of the divided school district. }
- 911 {(f) The mayoral board or the director, if the municipal legislative body or mayoral board chooses to select a director under Subsection (3)(c), until the relevant local school board takes office, on behalf of a new school district or a reorganized new school district, has the authority to: }
- 915 {(i) establish and maintain a sufficient budget that encompasses the estimated new school district or reorganized new school district startup costs; }
- 917 {(ii) access and spend funds made available under Subsections 53G-3-301.3(9) and 53G-3-301.4(11); }
- 919 {(iii) expend funds for professional services, leases, software, hardware, and other operating expenses; }
- 921 {(iv) select and otherwise engage the services of contractors, including certified public accountants, attorneys, information technology professionals, and other consultants; }
- 924 {(v) set compensation for each contractor; }
- 925 {(vi) lease office space; }
- 926 {(vii) open bank and depository accounts; }
- 927 {(viii) receive reports described in Subsection (4)(a); and }
- 928 {(ix) request and receive records associated with each report described in Subsection (8). }
- 930 {(g) If the municipal legislative body or mayoral board chooses to select a director under Subsection (3)(c), the local school board of the new school district or reorganized new school district shall ratify, modify, or rescind any agreement into which the director enters. }
- 934 {(h) If the municipal legislative body or mayoral board chooses to select a director under Subsection (3)(c), when the members of the local school board of the new school district or reorganized new school district begin the members' terms of office: }
- 937 {(i) the state auditor shall transfer oversight and employment of the director to the local school board; }
- 939

## SB0188S02 compared with SB0188S05

- {(ii) by mutual agreement, the local school board of the new school district or reorganized new school district may revise the employment agreement of the director and the employees or contractors of the school district; and }
- 942 {(iii) the local school board shall appoint a district superintendent. }
- 943 {(i) Upon appointment of a district superintendent: }
- 944 {(i) the director has no further authority or duties; and }
- 945 {(ii) {the director position dissolves.}}
- 945a { ~~§~~ → (j) } { **If the mayoral board does not select a director under Subsection (3)(c), the mayoral board dissolves on the day on which the members of the local school board for the new school district or reorganized new school district take office.** } { } { ← ~~§~~ }
- 946 { (2) } (4) }
- {(a) {The divided school district local school board shall } { } { , } } :
- 947 (i) { within 60 days after the creation date } { } { : } }
- 948 { (i) } prepare an } initial { inventory of the divided school district's:
- 949 { (A) } { assets, both tangible and intangible, real and personal; and }
- 950 { (B) } { liabilities; } { } { - and } { }
- 951 { (ii) } { deliver a copy of the inventory to the Office of the Legislative Auditor General. } }
- 952 { (ii) on or before May 10 of the year following the creation date: }
- 953 { (A) prepare an asset inventory, with records, of the divided school district's assets and the location of each associated property, discretionary asset, nondiscretionary asset, and physical asset; and }
- 956 { (B) prepare an inventory of the divided school district's liabilities, with records, that includes a description of any liability, including an estimate cost to resolve the liability, for each associated property, discretionary asset, nondiscretionary asset, physical asset, and unresolved demands, claims, or suits with an estimated cost to resolve each liability; }
- 961 { (iii) mutually agree with the local school board of each relevant district or the directors or mayoral boards for each relevant district to establish a regular schedule for the divided school district local school board to, between the creation date and the allocation date, prepare regular updates including any change in the information required in the inventory and liability reports described in this Subsection (4)(a); and }
- 967 { (iv) deliver the reports described in this Subsection (4)(a) to: }
- 968 { (A) the Office of the Legislative Auditor General; and }

## SB0188S02 compared with SB0188S05

- 969     ~~{(B) { each relevant director, mayoral board, or local school board of each relevant new school district and reorganized new school district.}}~~
- 971     ~~{(b) {Following the local school board election date described in Subsection- } { } {(1)(a)}{ } (2)(a){;~~  
the new school district and reorganized new school district local school boards shall:
- 973     ~~{(i) {request a copy of the inventory described in Subsection (2)(a) from the Office of the Legislative Auditor General;}} { }~~
- 975     ~~{(ii)}{(i) in cooperation with the local school board of each new school district and reorganized new school district, {determine the allocation of the divided school district's assets and, except for indebtedness under Section 53G-3-307, liabilities of the new school district and reorganized new school district in accordance with Subsection- { } {(3)}{ } (5){;~~
- 980     ~~{(iii)}{(ii) {prepare a written report detailing the allocation under Subsection- } { } {(2)(b)(ii); and}}{(4)(b)(i);~~
- 982     ~~{(iii) {prepare a written report of the disposition of assets and liabilities upon which the local school boards could not agree; and }~~
- 984     ~~{(iv) deliver a copy of the written report to the Office of the Legislative Auditor General and the } local school board of the {divided school district{ } {local board}} { } {:-}~~
- 986     ~~{(c) {The new school district and reorganized new school district local boards shall determine the allocation under Subsection- } { } {(2)(b)}{ } (4)(b){and deliver the report required under Subsection- { } {(2)(b)}{ } (4)(b){on or before July 1 of the year following the school board election date } described in Subsection (2)(a){, unless that deadline is extended by mutual agreement of the- } local school boards of the {new school district and reorganized new school district{ } {local boards}} { } {:-}~~
- 992     ~~{(3)}~~
- 993     ~~{(a) {As used in this Subsection (3):}} { }~~
- 995     ~~[(i) {"Associated property" means furniture, equipment, or supplies located in or specifically associated with a physical asset.}] { }~~
- 998     ~~[(ii)~~
- 998     ~~{(A) {"Discretionary asset or liability" means, except as provided in Subsection (3)(a)(ii)(B), an asset or liability that is not tied to a specific project, school, student, or employee by law or school district accounting practice.}} { }~~

## SB0188S02 compared with SB0188S05

- 1000      ~~{(B)} {"Discretionary asset or liability" does not include a physical asset, associated property, a vehicle, or bonded indebtedness.} {}~~
- 1000      ~~[(iii)~~
- 1003      ~~{(A)} {"Nondiscretionary asset or liability" means, except as provided in Subsection (3)(a)(iii)(B), an asset or liability that is tied to a specific project, school, student, or employee by law or school district accounting practice.} {}~~
- 1005      ~~{(B)} {"Nondiscretionary asset or liability" does not include a physical asset, associated property, a vehicle, or bonded indebtedness.} {}~~
- 1005      ~~[(iv) {"Physical asset" means a building, land, or water right together with revenue derived from the lease or use of the building, land, or water right.} {}]~~
- 1007      ~~{(b)}(5)}~~
- 1011      ~~{(a)} {Except as provided under Subsection } {} {(3)(e)} } (5)(b){, the new school district and reorganized new school district local school boards shall allocate all assets and liabilities the divided school district owns on the allocation date, both tangible and intangible, real and personal {} { as follows } } , allocating {:~~
- 1011      ~~(i) a physical asset } , physical liability, { and associated property asset { } { shall be allocated } {} } { to the school district in which the physical asset is located; }~~
- 1013      ~~(ii) { a discretionary asset or liability } {} { shall be allocated } {} } { between the new school district and reorganized new school district in proportion to the student population of the school districts; }~~
- 1016      ~~(iii) { vehicles used for pupil transportation } {} { shall be allocated } {} } {:~~
- 1017      ~~{(A)} { according to the transportation needs of schools, as measured by the number and assortment of vehicles used to serve eligible state-supported transportation routes serving schools within the new school district and the reorganized new school district; and }~~
- 1021      ~~{(B)} { in a manner that gives each school district a fleet of vehicles for pupil transportation that is equivalent in terms of age, condition, and variety of carrying capacities; and }~~
- 1024      ~~(iv) { other vehicles } {} { shall be allocated } {} } {:~~
- 1025      ~~{(A)} { in proportion to the student population of the school districts; and }~~
- 1026      ~~{(B)} { in a manner that gives each district a fleet of vehicles that is similar in terms of age, condition, and carrying capacities. }~~
- 1028

## SB0188S02 compared with SB0188S05

- ~~{{(e)}(b)} {By mutual agreement, the new school district and reorganized new school district local school boards may allocate an asset or liability in a manner different than the allocation method specified in Subsection (3)(b).} {{(3)(b)}} (5)(a){-~~
- 1031 ~~{{(4)}~~
- ~~{{(a)} {As used in this Subsection (4):} {{}}~~
- 1032 ~~[(i) {"New school district startup costs" means the costs and expenses incurred by a new school district in order to prepare to begin providing educational services on July 1 of the second calendar year following the local school board election date described in Subsection (1)(a)(i).} {{}}~~
- 1036 ~~[(ii) {"Reorganized new school district startup costs" means the costs and expenses that a reorganized new school district incurs to make necessary adjustments to deal with the impacts resulting from the creation of the new school district and to prepare to provide educational services within the reorganized new school district once the new school district begins providing educational services within the new school district.} {{}}~~
- 1042 ~~{{(b)} {On or before January 1 of the year following the new local school board election date described in Subsection (1)(a)(i), the divided school district shall make the unassigned reserve funds from the divided school district's general fund available for the use of the reorganized new school district and the new school district in proportion to the student enrollment of each new school district.} {{}}~~
- 1047 ~~{{(e)} {The divided school district may make additional funds available for the use of the reorganized new school district and the new school district beyond the amount specified in Subsection (4)(b) through an interlocal agreement.} {{}}~~
- 1050 ~~{{(d)} {The following may access and spend money made available under Subsection (4)(b):} {{}}~~
- 1051 ~~{{(i)} {the reorganized new school district local school board; and} {{}}~~
- 1052 ~~{{(ii)} {the new school district local school board.} {{}}~~
- 1053 ~~{{(e)} {The new school district and the reorganized new school district may use the money made available under Subsection (4)(b) to pay for the new school district and reorganized new school district startup costs.} {{}}~~
- 1056 ~~{{(6)}~~
- ~~{{(a)}~~
- ~~{(i) After the creation date, the local school board of the divided district may issue one or more lease revenue bonds, in accordance with Section 11-14-103, through an interlocal agreement.}~~

## SB0188S02 compared with SB0188S05

- 1059            ~~{(A) that records the date, terms, and amount of the lease revenue bond the divided school district provides;}~~
- 1061            ~~{(B) that designates the new school district or reorganized new school district that is the recipient of the bond proceeds as the local political subdivision receiving the bond proceeds;}~~
- 1064            ~~{(C) that obligates the new school district or reorganized new school district receiving the bond proceeds to repay the bond;}~~
- 1066            ~~{(D) that prohibits the bond from inclusion in the outstanding bond indebtedness of the divided school district, in accordance with Section 53G-3-307;}~~
- 1068            ~~{(E) to which, if the relevant local school board has been seated, the local school board of the new school district or reorganized new school district consents in writing; and}~~
- 1071            ~~{(F) that provides that the divided school district makes the bond payments until the allocation date and that the amounts the divided school district be allocated to the new school district or reorganized new school district receiving the bond proceeds in accordance with this section.}~~
- 1075            ~~{(ii) This Subsection (6)(a) applies retrospectively to a lease revenue bond that a divided school district issued after November 4, 2024.}~~
- 1077            ~~{(b)}~~
- ~~{(i) After the creation date, the local school board of the divided school district may issue a general obligation bond for a local political subdivision that is specific to a new school district or a reorganized new school district within the divided school district, in accordance with Section 11-14-103.}~~
- 1081            ~~{(ii) The local school board shall ensure that the resolution submitting the question of the issuance of the bond by the divided school district, in accordance with Section 11-14-201:}~~
- 1084            ~~{(A) designates the new school district or reorganized new school district that is the recipient of the bond proceeds as the local political subdivision receiving the bond proceeds;}~~
- 1087            ~~{(B) obligates the local political subdivision receiving the bond proceeds to repay the bond;}~~
- 1089            ~~{(C) prohibits the bond from inclusion in the outstanding bonded indebtedness of the divided school district, in accordance with Section 53G-3-307;}~~
- 1091

## SB0188S02 compared with SB0188S05

- {(D) provides that the divided school district may not issue the bond unless the majority of the qualified voters of the divided school district who vote on the bond proposition approve the issuance of the bond; and }
- 1094 {(E) provides that the divided school district is responsible for the bond payments until the allocation date and that the amounts the divided school district paid be allocated to the local political subdivision receiving the bond proceeds under Section 53G-3-302. }
- 1098 {(iii) This Subsection (6)(b) applies retrospectively to a general obligation bond that a divided school district issued after November 4, 2024. }
- 1100 {(e) The following may access and spend funds made available under Subsections 53G-3-301.3(9) and 53G-3-301.4(11) and under this Subsection (6): }
- 1102 {(i) for each reorganized new school district, the director, if the director is authorized under Subsection (3) to access and spend funds, the mayoral board, and the local school board; and }
- 1105 {(ii) {for each new school district, the director, if the director is authorized under Subsection (3) to access and spend funds, the mayoral board, and the local school board. }
- 1108 ~~{(5)}~~ (7) }
- {(a) {The divided school district shall transfer title or, if applicable, partial title of property to the new school district and the reorganized new school district in accordance with the allocation of property as stated in the report under Subsection } { } ~~{(2)(b)(iii)}~~ } (4)(b)(ii){:
- 1112 {(b) {The divided school district shall complete each transfer of title or, if applicable, partial title to real property and vehicles on } { ~~§~~ } { } { } **{or before one calendar year from the date }** **{of the local school board election date described in Subsection }** { } { ~~←§~~ } ~~{(1)(a)(i)}~~ { ~~§~~ } { } ~~{(2)(a)}~~ } { } {the allocation date} } { } { ~~←§~~ } {, except as that date is changed by the mutual agreement of: }
- 1116 {(i) {the local school board of the divided school district; }
- 1117 {(ii) {the local school board of the reorganized new school district; and }
- 1118 {(iii) {the local school board of the new school district. }
- 1119 {(e) {The divided school district shall complete the transfer of all property not included in Subsection } { } ~~{(5)(b)}~~ } (7)(b){-on { ~~§~~ } } { } { } **{or before November 1 of the }** { } { ~~←§~~ } **{calendar }** { ~~§~~ } { } **{year following }** **{the local school board election date described in Subsection }** { } { ~~←§~~ } ~~{(1)(a)(i)}~~ { ~~§~~ } { } ~~{(2)(a)}~~ } { } **{the allocation date}** } { } { ~~←§~~ } {:- }
- 1122

## SB0188S02 compared with SB0188S05

- ~~{{(6)}(d)}~~ Except as provided in } this {Subsection-{{(5)}}} (7){, a divided school district may not transfer or agree to transfer title to district property beginning on the-{{(f)}} {{day the new school district or reorganized new school district is created}} } creation date, { ~~without the prior consent of:~~ }
- 1126 {{(i)} {before the election of local school boards for the new or reorganized new school district: }
- 1128 ~~{{(a)}(A)}~~ {the legislative body of the municipality in which the boundaries for the new school district or reorganized new school district are entirely located; or }
- 1130 ~~{{(b)}(B)}~~ {the legislative bodies of all interlocal agreement participants in which the boundaries of the new school district or reorganized new school district are located } {{(f)}} {{(f)}} } ; or
- 1133 {{(ii)} after the election of local school boards for the new or reorganized new school district, the director, the mayoral board, or the local school board of the school district where the physical property is located. }
- 1136 {{(e)}
- 1137 {{(i)} A divided district may: }
- 1138 {{(A)} sell property associated with a career and technical education program; and }
- 1138 {{(B)} use proceeds from a sale described in this Subsection (7)(e) to fund the following year's career and technical education program project. }
- 1140 {{(ii)} A divided district shall distribute any proceeds from a sale described in this Subsection (7)(e) two years after the inaugural election of local school board members for the new and reorganized new school districts based on student population. }
- 1144 {{(8)}
- 1146 {{(a)} Each director, if a director is authorized under Subsection (3)(e), or mayoral board shall: }
- 1147 {{(i)} issue the following written reports: }
- 1147 {{(A)} an asset and liability report that includes a proposed allocation of assets and liabilities, as described in Subsection (8)(b); and }
- 1149 {{(B)} a local school assessment report, as described in Subsection (8)(c); }
- 1150 {{(ii)} complete the reports in cooperation with any other relevant director or mayoral board; }
- 1152 {{(iii)} on or before February 15 of the year following the local school board election date, as described in Subsection (2)(a), present a copy of each report to the local school board of each new school district and reorganized new school district; and }
- 1155 {{(iv)} deliver a copy of each report to the Office of the Legislative Auditor General. }

## SB0188S02 compared with SB0188S05

- 1156 {~~(b) Each director, if a director is authorized under Subsection (3)(c), shall, or a mayoral board may ensure that an asset and liability report includes:~~}
- 1158 {~~(i) the location of, a description of, and applicable records for:~~}
- 1159 {~~(A) each physical asset;~~}
- 1160 {~~(B) each associated property;~~}
- 1161 {~~(C) each non-discretionary asset or liability;~~}
- 1162 {~~(D) each discretionary asset or liability;~~}
- 1163 {~~(E) each vehicle within the divided school district, as described in Subsection (5)(a)(iii);~~}
- 1165 {~~(F) each interlocal agreement between the divided school district and other governmental entities;~~}
- 1167 {~~(G) each vendor agreement for the divided school district;~~}
- 1168 {~~(H) each employment or other agreement involving compensation, benefits, bonuses, or severance of the divided school district;~~}
- 1170 {~~(I) all known and unresolved claims, rights, or causes of action or liabilities that a party has made or asserted against the divided school district, including each unresolved Title IX claim;~~}
- 1173 {~~(J) the policies and procedures of the divided school district and the district's local school board, including school and student safety plans;~~}
- 1175 {~~(K) the divided school district's policies and practices regarding personnel, including salary schedules, benefits, and COBRA administration; and~~}
- 1177 {~~(L) any other item or record the director or mayoral board deems necessary;~~}
- 1178 {~~(ii) any cooperative agreements between each new local school board and other local school boards to provide educational services to use resources for the overall operation of the public school system, as described in Section 53G-3-202;~~}
- 1181 {~~(iii) a valuation from an independent third party, whom the director or mayoral board selects, of:~~}
- 1183 {~~(A) each discretionary asset or liability; and~~}
- 1184 {~~(B) each bus and vehicle within the divided school district;~~}
- 1185 {~~(iv) a proposed allocation of the:~~}
- 1186 {~~(A) divided school district's assets and liabilities;~~}
- 1187 {~~(B) divided school district's outstanding bonded indebtedness, as described in Section 53G-3-307;~~}
- 1189 {~~(C) divided school district's outstanding and ongoing legal liabilities;~~}
- 1190 {~~(D) COBRA and other legal obligations related to employees of the divided school district;~~}
- 1192 {~~(E) retirement funds for employees of the divided school district;~~}

## SB0188S02 compared with SB0188S05

- 1193 {~~(F) disposition of bonds the divided school district approved but did not issue before the creation of the new school district or reorganized new school district based primarily on the representation made to the voters at the time of the bond election as described in Section 53G-3-307;~~}
- 1197 {~~(G) vehicles as described in Subsection (5)(a);~~}
- 1198 {~~(H) funds in any related divided school district foundation;~~}
- 1199 {~~(I) funds of the divided school district; and~~}
- 1200 {~~(J) any other remaining assets or liability of the divided school district; and~~}
- 1201 {~~(v) an overview of the disposition of assets and liabilities upon which the directors or mayoral boards could not agree.~~}
- 1203 {~~(c) Each director, if a director is authorized under Subsection (3)(c), shall, or the mayoral board may, ensure that a local school assessment report includes the records for each school within the divided school district, including:~~}
- 1206 {~~(i) a list of each school containing the school's address and description;~~}
- 1207 {~~(ii) a list of employees who are currently assigned to each school within the divided school district, including employment description, compensation, and any promised employment incentives;~~}
- 1210 {~~(iii) a list of all employment or other agreements involving compensation, benefits, bonuses, or severance for each person assigned to each school within the divided school district;~~}
- 1213 {~~(iv) the grades, classes, and courses that each school provides, including specialty classes;~~}
- 1215 {~~(v) the estimated number of students in each class in each school; and~~}
- 1216 {~~(vi) any other item or record the director or mayoral board deems necessary.~~}
- 1217 {~~(d) On or before June 1 of the year following the creation date, the divided school district shall provide records associated with each report described in this section to the director, if a director is authorized under Subsection (3)(c), or mayoral board for each new school district and reorganized new school district.~~}
- 1221 {~~(9)~~}
- {~~(a)~~}
- {~~(i) On July 1 of the second year following the local school board election date described in Subsection (2)(a), the new school district or the reorganized new school district that receives title to the physical asset of the divided school district main office that existed at the creation date shall become the successor district to the records of the divided school district, unless the~~}

## SB0188S02 compared with SB0188S05

~~local school boards of any relevant new school district and reorganized new school district agree to a chosen successor district. }~~

- 1228     ~~{(ii) As described in Subsection 63G-2-206(1)(a), the successor district shall serve as a repository of archives for purposes of historical preservation, administrative maintenance, or destruction of all the divided school district's books, accounts, and records. }~~
- 1232     ~~{(iii) After the allocation date, each new school district or reorganized new school district within the divided school district may access the records of the divided school district through an interlocal agreement and without cost. }~~
- 1235     ~~{(b) }~~
- ~~{(i) A director, a mayoral board, a new school district, or a reorganized new school district that makes a request for records of the divided school district, except for records described in Subsection (8), shall make a written request to the superintendent of the divided school district. }~~
- 1239     ~~{(ii) After receiving a request for a record under Subsection (9)(b)(i), the divided school district shall, as soon as reasonably possible but no later than 10 business days after receiving the request unless the parties mutually agree on a different date: }~~
- 1243     ~~{(A) approve the request and provide a copy of the record in each format the divided school district possesses; or }~~
- 1245     ~~{(B) if the divided school district or the divided school district's successor does not maintain the requested record, notify the requester of the lack of the record and provide, if known, the name and address of the governmental entity that maintains the record. }~~
- 1249     ~~{(10) }~~
- ~~{(a) Upon the creation date, a divided school district may not, except by mutual agreement of the local school boards, mayoral boards, or directors of the new school district and reorganized new school district: }~~
- 1252     ~~{(i) destroy a school district record; }~~
- 1253     ~~{(ii) enter into any employment agreement without including a statement providing that the contract does not bind any new school district or reorganized new school district; }~~
- 1256     ~~{(iii) {pay any severance or bonuses, issue a retirement package, or provide buy-out compensation to any employee unless under a written agreement or policy that was executed before the creation date; or }~~

1259



## SB0188S02 compared with SB0188S05

1291 ~~{(14)}~~

~~{(a) An actor commits interference with a director or mayoral board if the actor uses force, violence, intimidation, or engages in any other unlawful act with a purpose to interfere with the director's duties.}~~

1294 ~~{(b) A violation of Subsection (14)(a) is a class B misdemeanor.}~~

1129 Section 10. Section **53G-3-303** is amended to read:

1130 **53G-3-303. New school district property tax -- Limitations.**

1298 (1) A new school district, created under Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4, and a reorganized new school district may not impose a property tax before the fiscal year in which the new school district and reorganized new school district assume responsibility for providing student instruction.

1302 (2)

(a) If at the time a new school district created in accordance with Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4[;] assumes responsibility for student instruction any portion of the territory within the new school district was subject to a levy [~~pursuant to~~] under Section 53F-8-301, the new school district's local school board may:

1306 (i) discontinue the levy for the new school district;

1307 (ii) impose a levy on the new school district as provided in Section 53F-8-301; or

1308 (iii) impose the levy on the new school district, subject to Subsection (2)(b).

1309 (b) If the new school district's local school board applies a levy to the new school district in accordance with Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by the voters of the divided school district at the time of the vote to create the new school district or that resulted in the creation of the reorganized new school district.

1148 Section 11. Section **53G-3-305** is amended to read:

1149 **53G-3-305. Redistricting -- Local school board membership.**

1317 (1) Upon the creation of a new school district or a reorganized new school district in accordance with Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4, the applicable legislative body shall redistrict the affected school districts in accordance with Section 20A-14-201.

1321 (2) Except as provided in Section 53G-3-302, local school board membership in the affected school districts [~~shall be determined under~~] is subject to Title 20A, Chapter 14, Part 2, Election of Members of Local Boards of Education.

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1158 Section 12. Section **53G-3-307** is amended to read:

1159 **53G-3-307. Tax to pay for indebtedness of divided school district.** <compare  
mode="add">(Text Out Of Order)</compare>

1327 (1) As used in [~~Subsections (2) and (3)~~] this section, "outstanding bonded indebtedness" means, except  
for a lease revenue bond or a general obligation bond described in Subsection 53G-3-302(6), debt  
owed for a general obligation bond or lease revenue bond [~~issued by~~] that the divided school district  
issues:

1331 (a) before the creation of the new school district; or

1332 (b) in accordance with a mutual agreement of the local school boards of the reorganized new school  
district and the new school district under Subsection (4).

1334 (2) If the creation date of a new school district [~~is created~~] occurs on or after May 10, 2011, property  
within the new school district and the reorganized new school district is subject to the levy of a tax  
to pay the divided school district's outstanding bonded indebtedness as provided in Subsection (3).

1338 (3)

(a) Except as provided in Subsection (3)(b), the local school board of the new school district and the  
local school board of the reorganized new school district shall impose a tax levy at a rate that:

1341 (i) generates from the combined districts the amount of revenue required each year to meet the  
outstanding bonded indebtedness of the divided school district; and

1343 (ii) is based on the yearly adjusted assessed value of the new school district and reorganized new  
school district as of the creation date, as the State Tax Commission determines.

1180 (b) A local school board of a new school district may abate a property tax [~~required to be imposed~~  
~~under~~] that Subsection (3)(a) requires the board to impose to the extent the new school district has  
money available to pay to the reorganized new school district the amount of revenue that [~~would be~~  
~~generated~~] the tax rate described in Subsection (3)(a) would generate within the new school district [~~from the tax rate specified in Subsection (3)(a)~~].

1186 (4)

(a) The local school boards of the new school district and the reorganized new school district shall  
determine, by mutual agreement, the disposition of bonds [~~approved but not issued by~~] the divided  
school district approved but did not issue before the creation of the new school district and  
reorganized new school district based primarily on the representation made to the voters at the time  
of the bond election.

## SB0188S02 compared with SB0188S05

1191 (b) Before the local school boards make a ~~{s the State Tax Commission determines}~~ determination  
is made] under Subsection (4)(a), a reorganized new school district may not issue the approved  
and unissued bonds ~~[approved but not issued before the creation of the new school district and~~  
~~reorganized new school district]~~ described in Subsection (4)(a) if property in the new school district  
would be subject to the levy of a tax to pay the bonds.

{:

1345 ~~{(b)}~~ ~~{A local school board of a new school district may abate a property tax}~~ ~~{}~~ ~~{required to~~  
~~be imposed under}~~ ~~{}~~ ~~that~~ ~~{Subsection (3)(a)}~~ ~~requires the board to impose~~ ~~{to the extent the~~  
~~new school district has money available to pay to the reorganized new school district the amount~~  
~~of revenue that}~~ ~~{}~~ ~~{would be generated}~~ ~~{}~~ ~~the tax rate described in Subsection (3)(a) would~~  
~~generate~~ ~~{within the new school district}~~ ~~{}~~ ~~{from the tax rate specified in Subsection (3)(a)}~~ ~~{}~~  
~~{:}~~

1351 ~~{(4)}~~

~~{(a)}~~ ~~The local school boards of the new school district and the reorganized new school district shall~~  
~~determine~~ ~~{by mutual agreement}~~ ~~{the disposition of bonds}~~ ~~{}~~ ~~{approved but not issued by}~~  
~~{}~~ ~~the divided school district}~~ ~~approved but did not issue~~ ~~{before the creation of the new school~~  
~~district and reorganized new school district based primarily on the representation made to the voters~~  
~~at the time of the bond election.~~

1356 ~~{(b)}~~ ~~Before}~~ the local school boards make ~~{a determination}~~ ~~{}~~ ~~{is made}~~ ~~{}~~ ~~under Subsection~~  
~~(4)(a), a reorganized new school district may not issue}~~ the approved and unissued ~~{bonds}~~ ~~{}~~  
~~{approved but not issued before the creation of the new school district and reorganized new school~~  
~~district}~~ ~~{}~~ described in Subsection (4)(a) ~~{if property in the new school district would be subject to~~  
~~the levy of a tax to pay the bonds.}~~

1196 Section 13. Section **63G-2-203** is amended to read:

1197 **63G-2-203. Fees.**

1363 (1)

(a) Subject to Subsection (5), a governmental entity may charge a reasonable fee to cover the  
governmental entity's actual cost of providing a record.

1365 (b) A fee under Subsection (1)(a) shall be approved by the governmental entity's executive officer.

1367 (2)

## SB0188S02 compared with SB0188S05

- (a) When a governmental entity compiles a record in a form other than that normally maintained by the governmental entity, the actual costs under this section may include the following:
- 1370 (i) the cost of staff time for compiling, formatting, manipulating, packaging, summarizing, or  
tailoring the record either into an organization or media to meet the person's request;
- 1373 (ii) the cost of staff time for search, retrieval, and other direct administrative costs for complying  
with a request; and
- 1375 (iii) in the case of fees for a record that is the result of computer output other than word processing,  
the actual incremental cost of providing the electronic services and products together with a  
reasonable portion of the costs associated with formatting or interfacing the information for  
particular users, and the administrative costs as set forth in Subsections (2)(a)(i) and (ii).
- 1380 (b) An hourly charge under Subsection (2)(a) may not exceed the salary of the lowest paid employee  
who, in the discretion of the custodian of records, has the necessary skill and training to perform the  
request.
- 1383 (3)
- (a) Fees shall be established as provided in this Subsection (3).
- 1384 (b) A governmental entity with fees established by the Legislature:
- 1385 (i) shall establish the fees defined in Subsection (2), or other actual costs associated with this section  
through the budget process; and
- 1387 (ii) may use the procedures of Section 63J-1-504 to set fees until the Legislature establishes fees  
through the budget process.
- 1389 (c) Political subdivisions shall establish fees by ordinance or written formal policy adopted by the  
governing body.
- 1391 (d) The judiciary shall establish fees by rules of the judicial council.
- 1392 (4) A governmental entity may fulfill a record request without charge and is encouraged to do so if it  
determines that:
- 1394 (a) releasing the record primarily benefits the public rather than a person;
- 1395 (b) the individual requesting the record is the subject of the record, or an individual specified in  
Subsection 63G-2-202(1) or (2); or
- 1397 (c) the requester's legal rights are directly implicated by the information in the record, and the requester  
is impecunious.
- 1399 (5)

## SB0188S02 compared with SB0188S05

- (a) As used in this Subsection (5), "media representative":
- 1400 (i) means a person who requests a record to obtain information for a story or report for publication  
or broadcast to the general public; and
- 1402 (ii) does not include a person who requests a record to obtain information for a blog, podcast, social  
media account, or other means of mass communication generally available to a member of the  
public.
- 1405 (b) A governmental entity may not charge a fee for:
- 1406 (i) reviewing a record to determine whether it is subject to disclosure, except as permitted by Subsection  
(2)(a)(ii);
- 1408 (ii) inspecting a record; or
- 1409 (iii) the first quarter hour of staff time spent in responding to a request under Section 63G-2-204.
- 1411 (c) Notwithstanding Subsection (5)(b)(iii), a governmental entity is not prevented from charging a fee  
for the first quarter hour of staff time spent in responding to a request under Section 63G-2-204 if  
the person who submits the request:
- 1414 (i) is not a Utah media representative; and
- 1415 (ii) previously submitted a separate request within the 10-day period immediately before the date of the  
request to which the governmental entity is responding.
- 1417 (6)
- (a) A person who believes that there has been an unreasonable denial of a fee waiver under Subsection  
(4) may appeal the denial in the same manner as a person appeals when inspection of a public record  
is denied under Section 63G-2-205.
- 1420 (b) The adjudicative body hearing the appeal:
- 1421 (i) shall review the fee waiver de novo, but shall review and consider the governmental entity's denial of  
the fee waiver and any determination under Subsection (4); and
- 1424 (ii) has the same authority when a fee waiver or reduction is denied as it has when the inspection of a  
public record is denied.
- 1426 (7)
- (a) All fees received under this section by a governmental entity subject to Subsection (3)(b) shall be  
retained by the governmental entity as a dedicated credit.
- 1428 (b) Those funds shall be used to recover the actual cost and expenses incurred by the governmental  
entity in providing the requested record or record series.

## SB0188S02 compared with SB0188S05

- 1430 (8)
- (a) A governmental entity may require payment of past fees and future estimated fees before beginning to process a request if:
- 1432 (i) fees are expected to exceed \$50; or
- 1433 (ii) after the government entity has sent an invoice, the requester has not paid fees from a previous [requests] request.
- 1435 (b) Any prepaid amount in excess of fees due shall be returned to the requester.
- 1436 (9) This section does not alter, repeal, or reduce fees established by other statutes or legislative acts.
- 1438 (10)
- (a) Notwithstanding Subsection (3)(c), fees for voter registration records shall be set as provided in this Subsection (10).
- 1440 (b) The lieutenant governor shall:
- 1441 (i) after consultation with county clerks, establish uniform fees for voter registration and voter history records that meet the requirements of this section; and
- 1443 (ii) obtain legislative approval of those fees by following the procedures and requirements of Section 63J-1-504.
- 1445 ~~{Section 14. Section 67-3-1 is amended to read: }~~
- 1446 **67-3-1. Functions and duties.**
- 1447 (1)
- (a) The state auditor is the auditor of public accounts and is independent of any executive or administrative officers of the state.
- 1449 (b) The state auditor is not limited in the selection of personnel or in the determination of the reasonable and necessary expenses of the state auditor's office.
- 1451 (2) The state auditor shall examine and certify annually in respect to each fiscal year, financial statements showing:
- 1453 (a) the condition of the state's finances;
- 1454 (b) the revenues received or accrued;
- 1455 (c) expenditures paid or accrued;
- 1456 (d) the amount of unexpended or unencumbered balances of the appropriations to the agencies, departments, divisions, commissions, and institutions; and
- 1458 (e) the cash balances of the funds in the custody of the state treasurer.

## SB0188S02 compared with SB0188S05

- 1459 (3)
- 1460 (a) The state auditor shall:
- 1464 (i) audit each permanent fund, each special fund, the General Fund, and the accounts of any department of state government or any independent agency or public corporation as the law requires, as the auditor determines is necessary, or upon request of the governor or the Legislature;
- 1464 (ii) perform the audits in accordance with generally accepted auditing standards and other auditing procedures as promulgated by recognized authoritative bodies; and
- 1466 (iii) as the auditor determines is necessary, conduct the audits to determine:
- 1467 (A) honesty and integrity in fiscal affairs;
- 1468 (B) accuracy and reliability of financial statements;
- 1469 (C) effectiveness and adequacy of financial controls; and
- 1470 (D) compliance with the law.
- 1471 (b) If any state entity receives federal funding, the state auditor shall ensure that the audit is performed in accordance with federal audit requirements.
- 1473 (c)
- 1475 (i) The costs of the federal compliance portion of the audit may be paid from an appropriation to the state auditor from the General Fund.
- 1475 (ii) If an appropriation is not provided, or if the federal government does not specifically provide for payment of audit costs, the costs of the federal compliance portions of the audit shall be allocated on the basis of the percentage that each state entity's federal funding bears to the total federal funds received by the state.
- 1479 (iii) The allocation shall be adjusted to reflect any reduced audit time required to audit funds passed through the state to local governments and to reflect any reduction in audit time obtained through the use of internal auditors working under the direction of the state auditor.
- 1483 (4)
- 1487 (a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to financial audits, and as the auditor determines is necessary, conduct performance and special purpose audits, examinations, and reviews of any entity that receives public funds, including a determination of any or all of the following:
- 1487 (i) the honesty and integrity of all the entity's fiscal affairs;

## SB0188S02 compared with SB0188S05

- 1488 (ii) whether the entity's administrators have faithfully complied with legislative intent;
- 1489 (iii) whether the entity's operations have been conducted in an efficient, effective, and cost-efficient manner;
- 1491 (iv) whether the entity's programs have been effective in accomplishing the intended objectives; and
- 1493 (v) whether the entity's management, control, and information systems are adequate, effective, and secure.
- 1495 (b) The auditor may not conduct performance and special purpose audits, examinations, and reviews of any entity that receives public funds if the entity:
- 1497 (i) has an elected auditor; and
- 1498 (ii) has, within the entity's last budget year, had the entity's financial statements or performance formally reviewed by another outside auditor.
- 1500 (5) The state auditor:
- 1501 (a) shall administer any oath or affirmation necessary to the performance of the duties of the auditor's office; and
- 1503 (b) may:
- 1504 (i) subpoena witnesses and documents, whether electronic or otherwise; and
- 1505 (ii) examine into any matter that the auditor considers necessary.
- 1506 (6) The state auditor may require all persons who have had the disposition or management of any property of this state or its political subdivisions to submit statements regarding the property at the time and in the form that the auditor requires.
- 1509 (7) The state auditor shall:
- 1510 (a) except where otherwise provided by law, institute suits in Salt Lake County in relation to the assessment, collection, and payment of revenues against:
- 1512 (i) persons who by any means have become entrusted with public money or property and have failed to pay over or deliver the money or property; and
- 1514 (ii) all debtors of the state;
- 1515 (b) collect and pay into the state treasury all fees received by the state auditor;
- 1516 (c) perform the duties of a member of all boards of which the state auditor is a member by the constitution or laws of the state, and any other duties that are prescribed by the constitution and by law;

## SB0188S02 compared with SB0188S05

- 1519 (d) stop the payment of the salary of any state official or state employee who:
- 1520 (i) refuses to settle accounts or provide required statements about the custody and disposition of public funds or other state property;
- 1522 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling board or department head with respect to the manner of keeping prescribed accounts or funds; or
- 1525 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the official's or employee's attention;
- 1527 (e) establish accounting systems, methods, and forms for public accounts in all taxing or fee-assessing units of the state in the interest of uniformity, efficiency, and economy;
- 1529 (f) superintend the contractual auditing of all state accounts;
- 1530 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of property taxes from a state or local taxing or fee-assessing unit, if necessary, to ensure that officials and employees in those taxing units comply with state laws and procedures in the budgeting, expenditures, and financial reporting of public funds;
- 1534 (h) subject to Subsection (9), withhold the disbursement of tax money from any county, if necessary, to ensure that officials and employees in the county comply with Section 59-2-303.1; and
- 1537 (i) withhold state allocated funds or the disbursement of property taxes from a local government entity or a limited purpose entity, as those terms are defined in Section 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity registers and maintains the entity's registration with the lieutenant governor, in accordance with Section 67-1a-15.
- 1542 (8)
- (a) Except as otherwise provided by law, the state auditor may not withhold funds under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received formal written notice of noncompliance from the auditor and has been given 60 days to make the specified corrections.
- 1546 (b) If, after receiving notice under Subsection (8)(a), a state or independent local fee-assessing unit that exclusively assesses fees has not made corrections to comply with state laws and procedures in the budgeting, expenditures, and financial reporting of public funds, the state auditor:
- 1550 (i) shall provide a recommended timeline for corrective actions;
- 1551 (ii) may prohibit the state or local fee-assessing unit from accessing money held by the state; and
- 1553 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an account of a financial institution by filing an action in a court with jurisdiction under Title 78A, Judiciary and

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- Judicial Administration, requesting an order of the court to prohibit a financial institution from providing the fee-assessing unit access to an account.
- 1558 (c) The state auditor shall remove a limitation on accessing funds under Subsection (8)(b) upon compliance with state laws and procedures in the budgeting, expenditures, and financial reporting of public funds.
- 1561 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with state law, the state auditor:
- 1563 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to comply;
- 1565 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the state; and
- 1567 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an account of a financial institution by:
- 1569 (A) contacting the taxing or fee-assessing unit's financial institution and requesting that the institution prohibit access to the account; or
- 1571 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, requesting an order of the court to prohibit a financial institution from providing the taxing or fee-assessing unit access to an account.
- 1574 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law, the state auditor shall eliminate a limitation on accessing funds described in Subsection (8)(d).
- 1577 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has received formal written notice of noncompliance from the auditor and has been given 60 days to make the specified corrections.
- 1580 (10)
- (a) The state auditor may not withhold funds under Subsection (7)(i) until the state auditor receives a notice of non-registration, as that term is defined in Section 67-1a-15.
- 1583 (b) If the state auditor receives a notice of non-registration, the state auditor may prohibit the local government entity or limited purpose entity, as those terms are defined in Section 67-1a-15, from accessing:
- 1586 (i) money held by the state; and
- 1587 (ii) money held in an account of a financial institution by:
- 1588 (A) contacting the entity's financial institution and requesting that the institution prohibit access to the account; or

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- 1590 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, requesting an order of the court to prohibit a financial institution from providing the entity access to an account.
- 1593 (c) The state auditor shall remove the prohibition on accessing funds described in Subsection (10)(b) if the state auditor received a notice of registration, as that term is defined in Section 67-1a-15, from the lieutenant governor.
- 1596 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state auditor:
- 1598 (a) shall authorize a disbursement by a local government entity or limited purpose entity, as those terms are defined in Section 67-1a-15, or a state or local taxing or fee-assessing unit if the disbursement is necessary to:
- 1601 (i) avoid a major disruption in the operations of the local government entity, limited purpose entity, or state or local taxing or fee-assessing unit; or
- 1603 (ii) meet debt service obligations; and
- 1604 (b) may authorize a disbursement by a local government entity, limited purpose entity, or state or local taxing or fee-assessing unit as the state auditor determines is appropriate.
- 1607 (12)
- (a) The state auditor may seek relief under the Utah Rules of Civil Procedure to take temporary custody of public funds if an action is necessary to protect public funds from being improperly diverted from their intended public purpose.
- 1610 (b) If the state auditor seeks relief under Subsection (12)(a):
- 1611 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8); and
- 1613 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if a court orders the public funds to be protected from improper diversion from their public purpose.
- 1616 (13) The state auditor shall:
- 1617 (a) establish audit guidelines and procedures for audits of local mental health and substance abuse authorities and their contract providers, conducted pursuant to Title 17, Chapter 43, Part 2, Local Substance Abuse Authorities, Title 17, Chapter 43, Part 3, Local Mental Health Authorities, Title 26B, Chapter 5, Health Care - Substance Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act; and
- 1623 (b) ensure that those guidelines and procedures provide assurances to the state that:

## SB0188S02 compared with SB0188S05

- 1624 (i) state and federal funds appropriated to local mental health authorities are used for mental health purposes;
- 1626 (ii) a private provider under an annual or otherwise ongoing contract to provide comprehensive mental health programs or services for a local mental health authority is in compliance with state and local contract requirements and state and federal law;
- 1630 (iii) state and federal funds appropriated to local substance abuse authorities are used for substance abuse programs and services; and
- 1632 (iv) a private provider under an annual or otherwise ongoing contract to provide comprehensive substance abuse programs or services for a local substance abuse authority is in compliance with state and local contract requirements, and state and federal law.
- 1636 (14)
- (a) The state auditor may, in accordance with the auditor's responsibilities for political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act, initiate audits or investigations of any political subdivision that are necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability of financial statements, effectiveness, and adequacy of financial controls and compliance with the law.
- 1643 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor may initiate an audit or investigation of the public entity subject to the notice to determine compliance with Section 11-41-103.
- 1647 (15)
- (a) The state auditor may not audit work that the state auditor performed before becoming state auditor.
- 1649 (b) If the state auditor has previously been a responsible official in state government whose work has not yet been audited, the Legislature shall:
- 1651 (i) designate how that work shall be audited; and
- 1652 (ii) provide additional funding for those audits, if necessary.
- 1653 (16) The state auditor shall:
- 1654 (a) with the assistance, advice, and recommendations of an advisory committee appointed by the state auditor from among special district boards of trustees, officers, and employees and special service district boards, officers, and employees:

## SB0188S02 compared with SB0188S05

- 1657 (i) prepare a Uniform Accounting Manual for Special Districts that:
- 1658 (A) prescribes a uniform system of accounting and uniform budgeting and reporting procedures for  
special districts under Title 17B, Limited Purpose Local Government Entities - Special Districts,  
and special service districts under Title 17D, Chapter 1, Special Service District Act;
- 1662 (B) conforms with generally accepted accounting principles; and
- 1663 (C) prescribes reasonable exceptions and modifications for smaller districts to the uniform system of  
accounting, budgeting, and reporting;
- 1665 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to reflect generally  
accepted accounting principles;
- 1667 (iii) conduct a continuing review and modification of procedures in order to improve them;
- 1669 (iv) prepare and supply each district with suitable budget and reporting forms; and
- 1670 (v)
- (A) prepare instructional materials, conduct training programs, and render other services considered  
necessary to assist special districts and special service districts in implementing the uniform  
accounting, budgeting, and reporting procedures; and
- 1674 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with Title 63G, Chapter 22,  
State Training and Certification Requirements; and
- 1676 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices and experiences  
of specific special districts and special service districts selected by the state auditor and make the  
information available to all districts.
- 1679 (17)
- (a) The following records in the custody or control of the state auditor are protected records under Title  
63G, Chapter 2, Government Records Access and Management Act:
- 1682 (i) records that would disclose information relating to allegations of personal misconduct,  
gross mismanagement, or illegal activity of a past or present governmental employee if the  
information or allegation cannot be corroborated by the state auditor through other documents  
or evidence, and the records relating to the allegation are not relied upon by the state auditor in  
preparing a final audit report;
- 1688 (ii) records and audit workpapers to the extent the workpapers would disclose the identity of  
an individual who during the course of an audit, communicated the existence of any waste  
of public funds, property, or manpower, or a violation or suspected violation of a law, rule,

## SB0188S02 compared with SB0188S05

or regulation adopted under the laws of this state, a political subdivision of the state, or any recognized entity of the United States, if the information was disclosed on the condition that the identity of the individual be protected;

- 1695 (iii) before an audit is completed and the final audit report is released, records or drafts circulated  
to an individual who is not an employee or head of a governmental entity for the individual's  
1698 response or information;  
1700 (iv) records that would disclose an outline or part of any audit survey plans or audit program; and  
1701 (v) requests for audits, if disclosure would risk circumvention of an audit.
- (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure of records  
or information that relate to a violation of the law by a governmental entity or employee to a  
government prosecutor or peace officer.
- 1704 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to the state auditor  
to classify a document as public, private, controlled, or protected under Title 63G, Chapter 2,  
Government Records Access and Management Act.
- 1707 (d)
- (i) As used in this Subsection (17)(d), "record dispute" means a dispute between the state auditor and  
the subject of an audit performed by the state auditor as to whether the state auditor may release  
a record, as defined in Section 63G-2-103, to the public that the state auditor gained access to in  
the course of the state auditor's audit but which the subject of the audit claims is not subject to  
disclosure under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1713 (ii) The state auditor may submit a record dispute to the State Records Committee, created in Section  
63G-2-501, for a determination of whether the state auditor may, in conjunction with the state  
auditor's release of an audit report, release to the public the record that is the subject of the record  
dispute.
- 1717 (iii) The state auditor or the subject of the audit may seek judicial review of a State Records Committee  
determination under Subsection (17)(d)(ii), as provided in Section 63G-2-404.
- 1720 (18) If the state auditor conducts an audit of an entity that the state auditor has previously audited  
and finds that the entity has not implemented a recommendation made by the state auditor in a  
previous audit, the state auditor shall notify the Legislative Management Committee through the  
Legislative Management Committee's audit subcommittee that the entity has not implemented that  
recommendation.

## SB0188S02 compared with SB0188S05

- 1725 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state privacy officer  
described in Section 67-3-13.
- 1727 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that another  
government entity reports, on the financial, operational, and performance metrics for the state  
system of higher education and the state system of public education, including metrics in relation to  
students, programs, and schools within those systems.
- 1731 (21)
- (a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits of:
- 1732 (i) the scholarship granting organization for the Carson Smith Opportunity Scholarship Program,  
created in Section 53E-7-402;
- 1734 (ii) the State Board of Education for the Carson Smith Scholarship Program, created in Section  
53F-4-302; and
- 1736 (iii) the scholarship program manager for the Utah Fits All Scholarship Program, created in  
Section 53F-6-402, including an analysis of the cost effectiveness of the program, taking into  
consideration the amount of the scholarship and the amount of state and local funds dedicated  
on a per-student basis within the traditional public education system.
- 1741 (b) Nothing in this subsection limits or impairs the authority of the State Board of Education to  
administer the programs described in Subsection (21)(a).
- 1743 (22) The state auditor shall, based on the information posted by the Office of Legislative Research and  
General Counsel under Subsection 36-12-12.1(2), for each policy, track and post the following  
information on the state auditor's website:
- 1746 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);
- 1747 (b) an indication regarding whether the policy is timely adopted, adopted late, or not adopted;
- 1749 (c) an indication regarding whether the policy complies with the requirements established by law for the  
policy; and
- 1751 (d) a link to the policy.
- 1752 (23)
- (a) A legislator may request that the state auditor conduct an inquiry to determine whether a  
government entity, government official, or government employee has complied with a legal  
obligation directly imposed, by statute, on the government entity, government official, or  
government employee.

## SB0188S02 compared with SB0188S05

- 1756 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct the inquiry  
requested.
- 1758 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state auditor shall post  
the results of the inquiry on the state auditor's website.
- 1760 (d) The state auditor may limit the inquiry described in this Subsection (23) to a simple determination,  
without conducting an audit, regarding whether the obligation was fulfilled.
- 1763 (24) The state auditor shall:
- 1764 (a) ensure compliance with Title 63G, Chapter 31, Distinctions on the Basis of Sex, in accordance with  
Section 63G-31-401; and
- 1766 (b) report to the Legislative Management Committee, upon request, regarding the state auditor's actions  
under this Subsection (24).
- 1768 (25) The state auditor shall report compliance with Sections 67-27-107, 67-27-108, and 67-27-109 by:
- 1770 (a) establishing a process to receive and audit each alleged violation; and
- 1771 (b) reporting to the Legislative Management Committee, upon request, regarding the state auditor's  
findings and recommendations under this Subsection (25).
- 1773 (26) The state auditor shall employ and oversee a director, if a director is authorized under Subsection  
53G-3-302(3)(c), for the commencement of a new school district or reorganized new school district  
in accordance with Section 53G-3-302.

1280 Section 14. **Effective date.**  
Effective Date.

- 1777 (1) Except as provided in Subsection (2), this bill takes effect on May 7, 2025; or
- 1778 (2) if approved by two-thirds of all members elected to each house:
- 1779 (a) upon approval by the governor;
- 1780 (b) without the governor's signature, the day following the constitutional time limit of Utah  
Constitution, Article VII, Section 8; or
- 1782 (c) in the case of a veto, the date of veto override.

1287 Section 15. **Retrospective Operation.**  
Retrospective operation.

Section 53G-3-302 has retrospective operation to November 4, 2024.

3-7-25 3:17 PM