
H.B. 66 7th Sub. (Lime) - Property Tax Amendments

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill freezes the minimum basic state rate and guarantees a minimum amount of property tax revenue from the basic rate. This increases the local portion of the minimum school program by \$9,000,000 in FY 2011. Because of the basic rate freezing, other local property tax will decrease by \$9,000,000. Due to recapture, revenue to the Uniform School Fund could increase by \$2,700,000.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Uniform School Fund	\$0	\$0	\$0	\$0	\$0	\$11,700,000
Property Tax	\$0	\$0	\$0	\$0	\$0	(\$9,000,000)
Total	\$0	\$0	\$0	\$0	\$0	\$2,700,000

Individual, Business and/or Local Impact

Due to the provision regarding the basic rate, enactment of this bill will shift \$1,900,000 between school districts in FY 2011. On the provision related to divided school districts, this bill could result in a property tax shift of \$17,300,000 in FY 2011 between individuals and businesses depending upon geographic location. If a school district that experiences a decrease in revenue decides to go through truth in taxation to make up the lost revenue, there will be an increase in property tax on individuals and businesses. Some school districts will likely experience an increase in revenue. If a school district that receives an increase in revenue decides to decrease other property taxes, there will be a decrease in local property tax on certain individuals and businesses. There will likely be recapture of \$2,700,000 from school districts to the Uniform School Fund.