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**H.B. 66 9th Sub. (Pumpkin) - Property Tax Amendments**

**Fiscal Note**

2009 General Session

State of Utah

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**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. The freezing of the basic rate will reduce the state's Uniform School Fund obligation to the basic school program. This increases the local portion of the minimum school program by \$9,000,000 in FY 2011. Because of the basic rate freeze, other local property tax could 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>
General Fund	\$0	\$0	\$0	\$0	\$0	\$11,700,000
Property Tax	\$0	\$0	\$0	\$0	\$0	(\$9,000,000)
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,700,000</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill could increase revenue to school districts to offset the costs of charter school replacement funding by \$3.5 million in FY 2011. 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.