

# Fiscal Note

H.B. 65

Short Title: Public School Funding

Sponsor: Harper, W.

2011 General Session, State of Utah

## State Government (UCA 36-12-13(2)(b))

Enacting this bill freezes the minimum basic state property tax rate at 0.003. This increases the local portion of the minimum school program by \$269,951,400 in FY 2013 and is distributed through the WPU. Due to recapture, of the \$269,951,400, \$17,090,300 is deposited in the Uniform School Fund in FY 2013.

This bill authorizes an appropriation of \$41,949,100 in FY 2013 to hold 25 school districts harmless. The hold harmless provision is phased out by 25% in FY 2014, 50% in FY 2015, and 75% in FY 2016. The hold harmless provision is eliminated in FY 2017.

## State Budget Detail Table

	FY 2011	FY 2012	FY 2013
Revenue:			
Uniform School Fund	\$0	\$0	\$17,090,300
Property Tax	\$0	\$0	\$252,861,100
Total Revenue	\$0	\$0	\$269,951,400
Expenditure:			
Education Fund	\$0	\$31,461,800	\$31,461,800
Education Fund, One-Time	\$0	(\$31,461,800)	\$10,487,300
Property Tax	\$0	\$0	\$252,861,100
Total Expenditure	\$0	\$0	\$294,810,200
Net Impact, All Funds (Rev.-Exp.)	\$0	\$0	(\$24,858,800)
Net Impact, General/Education Funds	\$0	\$0	(\$24,858,800)

## Local Governments (UCA 36-12-13(2)(c))

Because of the revenue increase from the basic rate freeze, other local school property taxes decrease by \$269,951,400.

## Direct Expenditures by Utah Residents and Businesses (UCA 36-12-13(2)(d))

Absent school districts making up lost revenue, individuals living in 25 school districts can expect a property tax decrease of \$41,949,100.