FISCAL NOTE

S.B. 81 1st Sub. (Green)

SHORT TITLE: School Property Tax Funding

SPONSOR: Osmond, A. (Powell, K. Sub.)

2013 GENERAL SESSION

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill freezes the basic rate at the higher of 0.001691 or the certified revenue levy. By freezing the basic rate, the bill increases the budgeted property tax revenue within the Minimum School Program by $15 million in FY 2015; by FY 2025, the estimated revenue increase to the Minimum School Program is a cumulative $870 million.

STATE BUDGET DETAIL TABLE	FY 2013	FY 2014	FY 2015
Revenue:			
Local Revenue	$0	$0	$15,000,000
Total Revenue	$0	$0	$15,000,000
Expenditure:			
Local Revenue	$0	$0	$15,000,000
Total Expenditure	$0	$0	$15,000,000
Net Impact, All Funds (Rev.-Exp.)	$0	$0	$0
Net Impact, General/Education Funds	$0	$0	$0

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

By freezing the basic rate, enactment of this bill initially increases the local revenue share of the basic school program by $15 million in FY 2015. The bill incrementally increases property tax revenue, which, by FY 2025, would amount to a cumulative $870 million. Also, by allowing four school districts with a current Board Local Levy cap of 0.0018 to increase their cap to 0.0025, these four school districts may be able to increase property tax revenue by a combined $27 million in FY 2015.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill initially increases property tax by $15 million in FY 2015 and a cumulative of $870 million by FY 2025. Depending on the actions of local school districts, other local property taxes may decrease by some portion of the $870 million. Also, individuals and businesses in four districts where the property tax cap is increased may see increased property tax liability of up to $27 million in FY 2015.

PERFORMANCE NOTE (JR 4-2-404): Not Required

3/12/2013, 10:35 AM, Lead Analyst: Young, T./Attorney: RLR

State of Utah, Office of the Legislative Fiscal Analyst