



Fiscal Note
S.B. 255 2nd Sub. (Salmon)
 2017 General Session
 Funding for Education Systems
 Amendments
 by Stephenson, H. (Stephenson, Howard.)



General, Education, and Uniform School Funds

JR4-5-101

| | Ongoing | One-time | Total |
|---------------------------|--------------|----------------|-------|
| Net GF/EF/USF (rev.-exp.) | \$20,000,000 | \$(20,000,000) | \$0 |

State Government

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

Enactment of this bill could increase budgeted local property tax revenue to the Minimum School Program by an estimated \$20.0 million beginning in FY 2019. Growth in local revenue supporting the Minimum School Program decreases the amount of Education Fund revenue required to equalize the Basic School Program.

| Revenues | FY 2017 | FY 2018 | FY 2019 |
|-----------------------|------------|------------|---------------------|
| Local Revenue | \$0 | \$0 | \$20,000,000 |
| Total Revenues | \$0 | \$0 | \$20,000,000 |

Enactment of this bill could increase the local property tax revenue component of the Basic School Program by approximately \$20.0 million beginning in FY 2019. The result is a decrease in Education Fund expenditures used to equalize the Basic School Program equal to \$20.0 million. The bill holds the minimum basic rate at 0.0016 for five years beginning in FY 2019. Over the course of those five years, the local revenue contribution to the Minimum School Program may continue to increase depending on the taxable value of property throughout the state.

| Expenditures | FY 2017 | FY 2018 | FY 2019 |
|---------------------------|------------|----------------|----------------|
| Education Fund | \$0 | \$(20,000,000) | \$(20,000,000) |
| Education Fund, One-Time | \$0 | \$20,000,000 | \$0 |
| Local Revenue | \$0 | \$0 | \$20,000,000 |
| Total Expenditures | \$0 | \$0 | \$0 |

| | | | |
|----------------------|------------|------------|---------------------|
| Net All Funds | \$0 | \$0 | \$20,000,000 |
|----------------------|------------|------------|---------------------|

Local Government

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

Enactment of this bill could increase local property tax revenue collected by Utah's 41 school districts beginning in FY 2019 by holding the minimum basic tax rate at 0.0016. Preliminary estimates indicate that this may raise approximately \$20.0 million, however, the amount collected will vary depending on the local value of property in each school district. The increased property tax revenue will support the Basic School Program (WPU's) of each school district.

Individuals & Businesses

UCA 36-12-13(2)(d)

Beginning in FY 2019, enactment of this bill could increase the property tax liability for owners of a \$250,000 primary residential property by approximately \$10 and business owners with a \$1.0 million property by approximately \$75. These amounts may increase over the course of the 5 years the tax rate is held a 0.0016 as outlined in the bill.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.