



**Fiscal Note**  
**S.B. 255 3rd Sub. (Ivory)**  
 2017 General Session  
 Funding for Education Systems  
 Amendments  
 by Stephenson, H. (Fillmore, Lincoln.)



**General, Education, and Uniform School Funds**

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$0	\$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 \$20,000,000 beginning in FY 2019. Growth in local revenue supporting the Minimum School Program decreases the amount of Education Fund revenue to equalize the Basic School Program. This bill transfers the Education Fund savings into a newly created restricted account in the Education Fund called the Local Levy Growth Account.

Revenues	FY 2017	FY 2018	FY 2019
Education Fund	\$0	\$(20,000,000)	\$(20,000,000)
Education Fund, One-Time	\$0	\$20,000,000	\$0
Restricted Revenue	\$0	\$0	\$20,000,000
Local Revenue	\$0	\$0	\$20,000,000
<b>Total Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000,000</b>

Enactment of this bill could increase the local property tax revenue component of the Basic School Program by \$20,000,000 million beginning in FY 2019. The result is a decrease in Education Fund expenditures used to equalize the Basic School Program equal to \$20,000,000 million annually. The Education Fund expenditure decrease is transferred to a newly created Education Fund Restricted Account named the Local Levy Growth Account and expended by the State Board of Education as outlined in the bill. 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
Restricted Revenue	\$0	\$0	\$20,000,000
Local Revenue	\$0	\$0	\$20,000,000
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000,000</b>

<b>Net All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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S.B. 255 3rd Sub. (Ivory)

**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 by approximately \$20,000,000 annually beginning in FY 2019. The amount collected will vary by each school district depending on the taxable value of property within each school district. The increased property tax revenue will support the Basic School Program (WPU) of each school district.

**Individuals & Businesses**

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

Beginning in FY 2019, enactment of this legislation could increase the property tax liability for owners of a \$250,000 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 at 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.