



Fiscal Note
S.B. 255 6th Sub. (Cherry)
 2017 General Session
 Funding for Education Systems
 Amendments
 by Stephenson, H. (Last, Bradley.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$44,000,000	\$(22,000,000)	\$22,000,000

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 \$22.0 million beginning in FY 2018. Growth in local revenue supporting the Minimum School Program decreases the amount of Education Fund revenue required to equalize the Basic School Program from the state.

Revenues	FY 2017	FY 2018	FY 2019
Local Revenue	\$0	\$22,000,000	\$22,000,000
Total Revenues	\$0	\$22,000,000	\$22,000,000

Enactment of this bill could increase the local property tax revenue component of the Basic School Program by approximately \$22.0 million beginning in FY 2018. The bill holds the minimum basic rate at 0.001675 for five years beginning in FY 2018. 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. The result of increasing local property tax revenues in the Basic School Program decreases the state Education Fund expenditures required to support the program by roughly the same amount. This state amount is transferred to the Education Fund Restricted - Local Levy Growth Account beginning in FY 2018 as outlined in the bill. Holding the tax rate may generate additional funding in the subsequent five fiscal years, an additional \$22.0 million is transferred to the account in each of the next 5 years, for a total of \$110.0 million.

Expenditures	FY 2017	FY 2018	FY 2019
Education Fund	\$0	\$(44,000,000)	\$(44,000,000)
Education Fund, One-Time	\$0	\$22,000,000	\$0
Restricted Revenue	\$0	\$22,000,000	\$44,000,000
Local Revenue	\$0	\$22,000,000	\$44,000,000
Total Expenditures	\$0	\$22,000,000	\$44,000,000

Net All Funds	\$0	\$0	\$(22,000,000)
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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 2018 by holding the minimum basic tax rate at 0.001675 (the same rate as FY 2017). Preliminary estimates indicate that this may raise approximately \$22.0 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) of each school district.

Individuals & Businesses

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

Beginning in FY 2018, 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 at 0.001675 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.