

Effective 5/13/2014

53A-16-107 Capital outlay levy -- Authority to use proceeds of .0002 tax rate for maintenance of school facilities -- Restrictions and procedure -- Limited authority to use proceeds for general fund purposes -- Notification required when using proceeds for general fund purposes -- Authority for small school districts to use levy proceeds for operation and maintenance of plant services.

- (1) Subject to Subsection (3) and except as provided in Subsections (2), (5), (6), and (7), a local school board may annually impose a capital outlay levy not to exceed .0024 per dollar of taxable value to be used for:
 - (a) capital outlay; or
 - (b) debt service.
- (2)
 - (a) A local school board with an enrollment of 2,500 students or more may utilize the proceeds of a maximum of .0002 per dollar of taxable value of the local school board's annual capital outlay levy for the maintenance of school facilities in the school district.
 - (b) A local school board that uses the option provided under Subsection (2)(a) shall:
 - (i) maintain the same level of expenditure for maintenance in the current year as it did in the preceding year, plus the annual average percentage increase applied to the maintenance and operation budget for the current year; and
 - (ii) identify the expenditure of capital outlay funds for maintenance by a district project number to ensure that the funds are expended in the manner intended.
 - (c) The State Board of Education shall establish by rule the expenditure classification for maintenance under this program using a standard classification system.
- (3) Beginning January 1, 2009, and through the taxable year beginning January 1, 2011, in order to qualify for receipt of the state contribution toward the minimum school program, a local school board in a county of the first class shall impose a capital outlay levy of at least .0006 per dollar of taxable value.
- (4)
 - (a) The county treasurer of a county of the first class shall distribute revenues generated by the .0006 portion of the capital outlay levy required in Subsection (3) to school districts within the county in accordance with Section 53A-16-114.
 - (b)
 - (i) Except as provided in Subsection (4)(b)(ii), if a school district in a county of the first class imposes a capital outlay levy pursuant to this section which exceeds .0006 per dollar of taxable value, the county treasurer of a county of the first class shall distribute revenues generated by the portion of the capital outlay levy which exceeds .0006 to the school district imposing the levy.
 - (ii) If a new district and a remaining district are required to impose property tax levies pursuant to Subsection 53A-2-118.4(2), the county treasurer shall distribute revenues of the new district or remaining district generated by the portion of a capital outlay levy that exceeds .0006 in accordance with Section 53A-2-118.4.
- (5)
 - (a) Notwithstanding Subsections (1)(a) and (b) and subject to Subsections (5)(b), (c), and (d), for fiscal years 2010-11 and 2011-12, a local school board may use the proceeds of the local school board's capital outlay levy for general fund purposes if the proceeds are not committed or dedicated to pay debt service or bond payments.

- (b) If a local school board uses the proceeds described in Subsection (5)(a) for general fund purposes, the local school board shall notify the public of the local school board's use of the capital outlay levy proceeds for general fund purposes:
 - (i) prior to the board's budget hearing in accordance with the notification requirements described in Section 53A-19-102; and
 - (ii) at a budget hearing required in Section 53A-19-102.
 - (c) A local school board may not use the proceeds described in Subsection (5)(a) to fund the following accounting function classifications as provided in the Financial Accounting for Local and State School Systems guidelines developed by the National Center for Education Statistics:
 - (i) 2300 Support Services - General District Administration; or
 - (ii) 2500 Support Services - Central Services.
 - (d) A local school board may not use the proceeds from a distribution described in Section 53A-16-114 for general fund purposes.
- (6)
- (a) In addition to the uses described in Subsection (1), a local school board of a school district with an enrollment of fewer than 2,500 students, may use the proceeds of the local school board's capital outlay levy, in fiscal years 2011-12, 2012-13, and 2013-14, for expenditures made within the accounting function classification 2600, Operation and Maintenance of Plant Services, of the Financial Accounting for Local and State School Systems guidelines developed by the National Center for Education Statistics, excluding expenditures for mobile phone service and vehicle operation and maintenance.
 - (b) If a local school board of a school district with an enrollment of fewer than 2,500 students uses the proceeds of a capital outlay levy for the operation and maintenance of plant services as described in Subsection (6)(a), the local school board shall notify the public of the local school board's use of the capital outlay levy proceeds for operation and maintenance of plant services:
 - (i) prior to the board's budget hearing in accordance with the notification requirements described in Section 53A-19-102; and
 - (ii) at a budget hearing required in Section 53A-19-102.
- (7) Beginning January 1, 2012, a local school board may not levy a tax in accordance with this section.

Amended by Chapter 189, 2014 General Session