

Effective 1/24/2018

**Part 6
State Guarantee Funding**

53F-2-601 State guaranteed local levy increments -- Appropriation to increase number of guaranteed local levy increments -- No effect of change of minimum basic tax rate -- Voted and board local levy funding balance -- Use of guaranteed local levy increment funds.

(1) As used in this section:

- (a) "Board local levy" means a local levy described in Section 53F-8-302.
- (b) "Guaranteed local levy increment" means a local levy increment guaranteed by the state:
 - (i) for the board local levy, described in Subsections (2)(a)(ii)(A) and (2)(b)(ii)(B); or
 - (ii) for the voted local levy, described in Subsections (2)(a)(ii)(B) and (2)(b)(ii)(A).
- (c) "Local levy increment" means .0001 per dollar of taxable value.
- (d)
 - (i) "Voted and board local levy funding balance" means the difference between:
 - (A) the amount appropriated for the guaranteed local levy increments in a fiscal year; and
 - (B) the amount necessary to fund in the same fiscal year the guaranteed local levy increments as determined under this section.
 - (ii) "Voted and board local levy funding balance" does not include appropriations described in Subsection (2)(b)(i).
- (e) "Voted local levy" means a local levy described in Section 53F-8-301.

(2)

- (a)
 - (i) In addition to the revenue collected from the imposition of a voted local levy or a board local levy, the state shall guarantee that a school district receives, subject to Subsections (2)(b)(ii)(C) and (3)(a), for each guaranteed local levy increment, an amount sufficient to guarantee for a fiscal year that begins on July 1, 2018, \$43.10 per weighted pupil unit.
 - (ii) Except as provided in Subsection (2)(b)(ii), the number of local levy increments that are subject to the guarantee amount described in Subsection (2)(a)(i) are:
 - (A) for a board local levy, the first four local levy increments a local school board imposes under the board local levy; and
 - (B) for a voted local levy, the first 16 local levy increments a local school board imposes under the voted local levy.
- (b)
 - (i) Subject to future budget constraints and Subsection (2)(c), the Legislature shall annually appropriate money from the Local Levy Growth Account established in Section 53F-9-305 for purposes described in Subsection (2)(b)(ii).
 - (ii) The state board shall, for a fiscal year beginning on or after July 1, 2018, and subject to Subsection (2)(c), allocate funds appropriated under Subsection (2)(b)(i) and the amount described in Subsection (3)(c) in the following order of priority by increasing:
 - (A) by up to four increments the number of voted local levy guaranteed local levy increments above 16;
 - (B) by up to 16 increments the number of board local levy guaranteed local levy increments above four; and
 - (C) the guaranteed amount described in Subsection (2)(a)(i).
- (c) The number of guaranteed local levy increments under this Subsection (2) for a school district may not exceed 20 guaranteed local levy increments, regardless of whether the guaranteed

local levy increments are from the imposition of a voted local levy, a board local levy, or a combination of the two.

- (3)
 - (a) The guarantee described in Subsection (2)(a)(i) is indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .011962 times the value of the prior year's weighted pupil unit.
 - (b) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for each year subject to the Legislature appropriating funds for an increase in the guarantee.
 - (c) If the indexing and growth described in Subsections (3)(a) and (b) result in a cost to the state in a given fiscal year that is less than the amount the Legislature appropriated, the state board shall dedicate the difference to the allocation described in Subsection (2)(b)(ii).
- (4)
 - (a) The amount of state guarantee money that a school district would otherwise be entitled to receive under this section may not be reduced for the sole reason that the school district's board local levy or voted local levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.
 - (b) Subsection (4)(a) applies for a period of five years following a change in the certified tax rate as described in Subsection (4)(a).
- (5) The guarantee provided under this section does not apply to the portion of a voted local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal year, unless an increase in the voted local levy rate was authorized in an election conducted on or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.
- (6)
 - (a) If a voted and board local levy funding balance exists for the prior fiscal year, the state board shall distribute the voted and board local levy funding balance, using the calculations for distribution of program balances for the fiscal year in which the balance occurs, to qualifying school districts in a one-time payment during the first quarter of the current fiscal year.
 - (b) The state board shall report action taken under Subsection (6)(a) to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget.
- (7) A local school board of a school district that receives funds described in this section shall budget and expend the funds for public education purposes.

Amended by Chapter 467, 2023 General Session