

Effective 1/24/2018

Chapter 4 School Districts

Part 1 General Provisions

53G-4-101 Title.

This chapter is known as "School Districts."

Enacted by Chapter 3, 2018 General Session

53G-4-102 Definitions.

Reserved

Enacted by Chapter 3, 2018 General Session

Part 2 Local School Board Organization and Meetings

53G-4-201 Selection and election of members to local school boards.

Members of local school boards shall be elected as provided in Title 20A, Chapter 14, Nomination and Election of State and Local School Boards.

Amended by Chapter 293, 2019 General Session

53G-4-202 Local school board meetings -- Rules of order and procedure -- Location requirements -- Expulsion of members prohibited -- Exceptions.

(1) As used in this section:

(a) "Disaster" means an event that:

- (i) causes, or threatens to cause, loss of life, human suffering, public or private property damage, or economic or social disruption resulting from attack, internal disturbance, natural phenomenon, or technological hazard; and
- (ii) requires resources that are beyond the scope of local agencies in routine responses to emergencies and accidents and may be of a magnitude or involve unusual circumstances that require a response by a governmental, not-for-profit, or private entity.

(b) "Local emergency" means a condition in any municipality or county of the state that requires that emergency assistance be provided by the affected municipality or county or another political subdivision to save lives and protect property within its jurisdiction in response to a disaster or to avoid or reduce the threat of a disaster.

(c) "Rules of order and procedure" means a set of policies that governs and prescribes in a public meeting:

- (i) parliamentary order and procedure;
- (ii) ethical behavior; and
- (iii) civil discourse.

(2) Subject to Subsection (4), a local school board shall:

- (a) adopt rules of order and procedure to govern a public meeting of the local school board;
 - (b) conduct a public meeting in accordance with the rules of order and procedure described in Subsection (2)(a); and
 - (c) make the rules of order and procedure described in Subsection (2)(a) available to the public:
 - (i) at each public meeting of the local school board; and
 - (ii) on the local school board's public website, if available.
- (3)
- (a) Except as provided in Subsections (3)(b) and (c), a local school board may not hold a public meeting outside of the geographic boundary of the local school board's school district.
 - (b) A local school board may hold a public meeting outside of the geographic boundary of the local school board's school district if it is necessary for the local school board to hold a meeting during a disaster or local emergency.
 - (c) A local school board may hold a public meeting outside of the geographic boundary of the local school board's school district to conduct a site visit if:
 - (i) the location of the site visit provides the local school board members the opportunity to see or experience an activity that:
 - (A) relates to the local school board's responsibilities; and
 - (B) does not exist within the geographic boundaries of the local school board's school district; and
 - (ii) the local school board does not vote or take other action during the public meeting held at the site visit location.
 - (d) This Subsection (3) does not apply to a charter school governing board.
- (4) The requirements of this section do not affect a local school board's duty to comply with Title 52, Chapter 4, Open and Public Meetings Act.
- (5)
- (a) Except as provided in Subsection (5)(b), a local school board may not expel a member of the local school board from an open public meeting or prohibit the member from attending an open public meeting.
 - (b) Except as provided in Subsection (5)(c), following a two-thirds vote of the members of the local school board, the local school board may fine or expel a member of the local school board for:
 - (i) disorderly conduct at the open public meeting;
 - (ii) a member's direct or indirect financial conflict of interest regarding an issue discussed at or action proposed to be taken at the open public meeting; or
 - (iii) a commission of a crime during the open public meeting.
 - (c) A local school board may adopt policies or ordinances that expand the reasons or establish more restrictive procedures for the expulsion of a member from a public meeting.

Amended by Chapter 293, 2019 General Session

53G-4-203 Election of officers -- Terms -- Time of election -- Removal of officers -- Quorum requirements.

- (1) A local school board shall elect a president and a vice president whose terms of office are for two years and until their successors are elected.
- (2) The elections shall be held during the first local school board meeting in January following a regular local school board election held in the district.
- (3) An officer appointed or elected by a local school board may be removed from office for cause by a vote of two-thirds of the local school board.

- (4) When a vacancy occurs in the office of president or vice president of the local school board for any reason, a replacement shall be elected for the unexpired term.
- (5) Attendance of a simple majority of the local school board members constitutes a quorum for the transaction of official business.

Amended by Chapter 293, 2019 General Session

53G-4-204 Compensation for services -- Additional per diem -- Notice of meeting -- Approval of expenses.

- (1) Each member of a local school board, except the student member, shall receive compensation for services and for necessary expenses in accordance with compensation schedules adopted by the local school board in accordance with the provisions of this section.
- (2) Beginning on July 1, 2007, if a local school board decides to adopt or amend its compensation schedules, the local school board shall set a time and place for a public hearing at which all interested persons shall be given an opportunity to be heard.
- (3) Notice of the time, place, and purpose of the meeting shall be provided for at least seven days before the day of the meeting by publishing the notice, as a class A notice under Section 63G-30-102, for the school district.
- (4) After the conclusion of the public hearing, the local school board may adopt or amend its compensation schedules.
- (5) Each member shall submit an itemized account of necessary travel expenses for local school board approval.
- (6) A local school board may, without following the procedures described in Subsections (2) and (3), continue to use the compensation schedule that was in effect prior to July 1, 2007, until, at the discretion of the local school board, the compensation schedule is amended or a new compensation schedule is adopted.

Amended by Chapter 435, 2023 General Session

53G-4-205 Duties of president.

- (1) The president of each local school board shall preside at all meetings of the local school board, appoint all committees, and sign all warrants ordered by the local school board to be drawn upon the business administrator for school money.
- (2) If the president is absent or acquires a disability, these duties are performed by the vice president.

Amended by Chapter 293, 2019 General Session

53G-4-206 Ethics complaint -- Political Subdivisions Ethics Review Commission.

A person may file a complaint for an alleged violation of Title 67, Chapter 16, Utah Public Officers' and Employees' Ethics Act, by a member of a local school board in accordance with Title 63A, Chapter 15, Political Subdivisions Ethics Review Commission.

Enacted by Chapter 378, 2023 General Session

Part 3

Local School Board Administrative Officers

53G-4-301 Local superintendent of schools -- Appointment -- Qualifications -- Term -- Compensation.

- (1) Subject to Subsection (7), a local school board shall appoint a district superintendent of schools who serves as the local school board's chief executive officer.
- (2) A local school board shall appoint the superintendent on the basis of outstanding professional qualifications.
- (3)
 - (a) A superintendent's term of office is for two years and until, subject to Subsection (7), a successor is appointed and qualified.
 - (b) A local school board that appoints a superintendent in accordance with this section may not, on or after May 10, 2011, enter into an employment contract that contains an automatic renewal provision with the superintendent.
- (4) Unless a vacancy occurs during an interim vacancy period subject to Subsection (7), if it becomes necessary to appoint an interim superintendent due to a vacancy in the office of superintendent, the local school board shall make an appointment during a public meeting for an indefinite term not to exceed one year, which term shall end upon the appointment and qualification of a new superintendent.
- (5) A local school board shall set the superintendent's compensation for services.
- (6) A superintendent qualifies for office by taking the constitutional oath of office.
- (7)
 - (a) As used in this Subsection (7), "interim vacancy period" means the period of time that:
 - (i) begins on the day on which a general election described in Section 20A-1-202 is held to elect a member of a local school board; and
 - (ii) ends on the day on which the member-elect begins the member's term.
 - (b)
 - (i) The local school board may not appoint a superintendent during an interim vacancy period.
 - (ii) Notwithstanding Subsection (7)(b)(i):
 - (A) the local school board may appoint an interim superintendent during an interim vacancy period; and
 - (B) the interim superintendent's term shall expire once a new superintendent is appointed by the new local school board after the interim vacancy period has ended.
 - (c) Subsection (7)(b) does not apply if all the local school board members who held office on the day of the general election whose term of office was vacant for the election are re-elected to the local school board for the following term.

Renumbered and Amended by Chapter 3, 2018 General Session
Amended by Chapter 22, 2018 General Session

53G-4-302 Business administrator -- Term -- Oath.

- (1) Subject to Subsection (5), a local school board shall appoint a business administrator.
- (2)
 - (a) The business administrator's term of office is for two years and until, subject to Subsection (5), a successor is appointed and qualified.

- (b) A local school board that appoints a business administrator in accordance with this section may not, on or after May 8, 2012, enter into an employment contract that contains an automatic renewal provision with the business administrator.
- (3) Unless a vacancy occurs during an interim vacancy period subject to Subsection (5), if it becomes necessary to appoint an interim business manager due to a vacancy in the office of business administrator, then the local school board shall make an appointment during a public meeting for an indefinite term not to exceed one year, which term shall end upon the appointment and qualification of a new business manager.
- (4) The business administrator qualifies for office by taking the constitutional oath of office.
- (5)
 - (a) As used in this Subsection (5), "interim vacancy period" means the period of time that:
 - (i) begins on the day on which a general election described in Section 20A-1-202 is held to elect a member of a local school board; and
 - (ii) ends on the day on which the member-elect begins the member's term.
 - (b)
 - (i) A local school board may not appoint a business administrator during an interim vacancy period.
 - (ii) Notwithstanding Subsection (5)(b)(i):
 - (A) the local school board may appoint an interim business administrator during an interim vacancy period; and
 - (B) the interim business administrator's term shall expire once a new business administrator is appointed by the new local school board after the interim vacancy period has ended.
 - (c) Subsection (5)(b) does not apply if all the local school board members who held office on the day of the general election whose term of office was vacant for the election are reelected to the local school board for the following term.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-303 Duties of business administrator.

Subject to the direction of the district superintendent of schools, the district's business administrator shall:

- (1) attend all meetings of the local school board, keep an accurate record of its proceedings, and have custody of the seal and records;
- (2) be custodian of all district funds, be responsible and accountable for all money received and disbursed, and keep accurate records of all revenues received and their sources;
- (3) countersign with the president of the local school board all warrants and claims against the district as well as other legal documents approved by the local school board;
- (4) prepare and submit to the local school board each month a written report of the district's receipts and expenditures;
- (5) use uniform budgeting, accounting, and auditing procedures and forms approved by the state board, which shall be in accordance with generally accepted accounting principles or auditing standards and Title 63J, Chapter 1, Budgetary Procedures Act;
- (6) prepare and submit to the local school board a detailed annual statement for the period ending June 30, of the revenue and expenditures, including beginning and ending fund balances;
- (7) assist the superintendent in the preparation and submission of budget documents and statistical and fiscal reports required by law or the state board;
- (8) insure that adequate internal controls are in place to safeguard the district's funds; and
- (9) perform other duties as the superintendent may require.

Amended by Chapter 293, 2019 General Session

53G-4-304 Other local school board officers.

- (1) A local school board may appoint other necessary officers who serve at the pleasure of the local school board.
- (2) These officers shall qualify by taking the constitutional oath of office before assuming office.

Amended by Chapter 293, 2019 General Session

Part 4

Local School Board Powers and Miscellaneous Duties

53G-4-401 Local school boards are bodies corporate -- Seal -- Authority to sue -- Conveyance of property -- Duty to residents of the local school board member's district -- Establishment of public education foundation.

- (1) As used in this section, "body corporate" means a public corporation and legal subdivision of the state, vested with the powers and duties of a government entity as specified in this chapter.
- (2) The local school board of a school district is a body corporate under the name of the "Board of Education of School District" (inserting the proper name), and shall have an official seal conformable to its name.
- (3) The seal is used by its business administrator in the authentication of all required matters.
- (4) A local school board may sue and be sued, and may take, hold, lease, sell, and convey real and personal property as the interests of the schools may require.
- (5) Notwithstanding a local school board's status as a body corporate, an elected member of a local school board serves and represents the residents of the local school board member's district, and that service and representation may not be restricted or impaired by the local school board member's membership on, or obligations to, the local school board.
- (6) A local school board may establish a foundation in accordance with Section 53E-3-403.

Amended by Chapter 293, 2019 General Session

53G-4-402 Powers and duties generally.

- (1) A local school board shall:
 - (a) implement the core standards for Utah public schools using instructional materials that best correlate to the core standards for Utah public schools and graduation requirements;
 - (b) administer tests, required by the state board, which measure the progress of each student, and coordinate with the state superintendent and state board to assess results and create plans to improve the student's progress, which shall be submitted to the state board for approval;
 - (c) use progress-based assessments as part of a plan to identify schools, teachers, and students that need remediation and determine the type and amount of federal, state, and local resources to implement remediation;
 - (d) for each grading period and for each course in which a student is enrolled, issue a grade or performance report to the student:

- (i) that reflects the student's work, including the student's progress based on mastery, for the grading period; and
 - (ii) in accordance with the local school board's adopted grading or performance standards and criteria;
 - (e) develop early warning systems for students or classes failing to make progress;
 - (f) work with the state board to establish a library of documented best practices, consistent with state and federal regulations, for use by the special districts;
 - (g) implement training programs for school administrators, including basic management training, best practices in instructional methods, budget training, staff management, managing for learning results and continuous improvement, and how to help every child achieve optimal learning in basic academic subjects; and
 - (h) ensure that the local school board meets the data collection and reporting standards described in Section 53E-3-501.
- (2) Local school boards shall spend Minimum School Program funds for programs and activities for which the state board has established minimum standards or rules under Section 53E-3-501.
- (3)
- (a) A local school board may purchase, sell, and make improvements on school sites, buildings, and equipment, and construct, erect, and furnish school buildings.
 - (b) School sites or buildings may only be conveyed or sold on local school board resolution affirmed by at least two-thirds of the school board members.
- (4)
- (a) A local school board may participate in the joint construction or operation of a school attended by students residing within the district and students residing in other districts either within or outside the state.
 - (b) Any agreement for the joint operation or construction of a school shall:
 - (i) be signed by the president of the local school board of each participating district;
 - (ii) include a mutually agreed upon pro rata cost; and
 - (iii) be filed with the state board.
- (5) A local school board may establish, locate, and maintain elementary, secondary, and applied technology schools.
- (6) A local school board may enter into cooperative agreements with other local school boards to provide educational services that best utilize resources for the overall operation of the school districts, including shared transportation services.
- (7) An agreement under Subsection (6) shall:
- (a) be signed by the president of the local school board of each participating district;
 - (b) specify the resource being shared;
 - (c) include a mutually agreed upon pro rata cost;
 - (d) include the duration of the agreement; and
 - (e) be filed with the state board.
- (8) Except as provided in Section 53E-3-905, a local school board may enroll children in school who are at least five years old before September 2 of the year in which admission is sought.
- (9) A local school board:
- (a) may establish and support school libraries; and
 - (b) shall provide an online platform:
 - (i) through which a parent is able to view the title, author, and a description of any material the parent's child borrows from the school library, including a history of borrowed materials, either using an existing online platform that the LEA uses or through a separate platform; and

- (ii)
 - (A) for a school district with 1,000 or more enrolled students, no later than August 1, 2024;
 - and
 - (B) for a school district with fewer than 1,000 enrolled students, no later than August 1, 2026.
- (10) A local school board may collect damages for the loss, injury, or destruction of school property.
- (11) A local school board may authorize guidance and counseling services for students and the student's parents before, during, or following school enrollment.
- (12)
 - (a) A local school board shall administer and implement federal educational programs in accordance with Title 53E, Chapter 3, Part 8, Implementing Federal or National Education Programs.
 - (b) Federal funds are not considered funds within the school district budget under Chapter 7, Part 3, Budgets.
- (13)
 - (a) A local school board may organize school safety patrols and adopt policies under which the patrols promote student safety.
 - (b) A student appointed to a safety patrol shall be at least 10 years old and have written parental consent for the appointment.
 - (c) Safety patrol members may not direct vehicular traffic or be stationed in a portion of a highway intended for vehicular traffic use.
 - (d) Liability may not attach to a school district, its employees, officers, or agents, or to a safety patrol member, a parent of a safety patrol member, or an authorized volunteer assisting the program by virtue of the organization, maintenance, or operation of a school safety patrol.
- (14)
 - (a) A local school board may on its own behalf, or on behalf of an educational institution for which the local school board is the direct governing body, accept private grants, loans, gifts, endowments, devises, or bequests that are made for educational purposes.
 - (b) The contributions made under Subsection (14)(a) are not subject to appropriation by the Legislature.
- (15)
 - (a) A local school board may appoint and fix the compensation of a compliance officer to issue citations for violations of Subsection 76-10-105(2)(b).
 - (b) A person may not be appointed to serve as a compliance officer without the person's consent.
 - (c) A teacher or student may not be appointed as a compliance officer.
- (16) A local school board shall adopt bylaws and policies for the local school board's own procedures.
- (17)
 - (a) A local school board shall make and enforce policies necessary for the control and management of the district schools.
 - (b) Local school board policies shall be in writing, filed, and referenced for public access.
- (18) A local school board may hold school on legal holidays other than Sundays.
- (19)
 - (a) A local school board shall establish for each school year a school traffic safety committee to implement this Subsection (19).
 - (b) The committee shall be composed of one representative of:
 - (i) the schools within the district;
 - (ii) the Parent Teachers' Association of the schools within the district;

- (iii) the municipality or county;
- (iv) state or local law enforcement; and
- (v) state or local traffic safety engineering.

(c) The committee shall:

- (i) receive suggestions from school community councils, parents, teachers, and others, and recommend school traffic safety improvements, boundary changes to enhance safety, and school traffic safety program measures;
- (ii) review and submit annually to the Department of Transportation and affected municipalities and counties a child access routing plan for each elementary, middle, and junior high school within the district;
- (iii) consult the Utah Safety Council and the Division of Family Health Services and provide training to all students in kindergarten through grade 6, within the district, on school crossing safety and use; and
- (iv) help ensure the district's compliance with rules made by the Department of Transportation under Section 41-6a-303.

(d) The committee may establish subcommittees as needed to assist in accomplishing the committee's duties under Subsection (19)(c).

(20)

(a) A local school board shall adopt and implement a comprehensive emergency response plan to prevent and combat violence in the local school board's public schools, on school grounds, on its school vehicles, and in connection with school-related activities or events.

(b) The plan shall:

- (i) include prevention, intervention, and response components;
- (ii) be consistent with the student conduct and discipline policies required for school districts under Chapter 11, Part 2, Miscellaneous Requirements;
- (iii) require professional learning for all district and school building staff on the staff's roles in the emergency response plan;
- (iv) provide for coordination with local law enforcement and other public safety representatives in preventing, intervening, and responding to violence in the areas and activities referred to in Subsection (20)(a); and
- (v) include procedures to notify a student who is off campus at the time of a school violence emergency because the student is:
 - (A) participating in a school-related activity; or
 - (B) excused from school for a period of time during the regular school day to participate in religious instruction at the request of the student's parent.

(c) The state board, through the state superintendent, shall develop comprehensive emergency response plan models that local school boards may use, where appropriate, to comply with Subsection (20)(a).

(d) A local school board shall, by July 1 of each year, certify to the state board that its plan has been practiced at the school level and presented to and reviewed by its teachers, administrators, students, and the student's parents and local law enforcement and public safety representatives.

(21)

(a) A local school board may adopt an emergency response plan for the treatment of sports-related injuries that occur during school sports practices and events.

(b) The plan may be implemented by each secondary school in the district that has a sports program for students.

(c) The plan may:

- (i) include emergency personnel, emergency communication, and emergency equipment components;
 - (ii) require professional learning on the emergency response plan for school personnel who are involved in sports programs in the district's secondary schools; and
 - (iii) provide for coordination with individuals and agency representatives who:
 - (A) are not employees of the school district; and
 - (B) would be involved in providing emergency services to students injured while participating in sports events.
 - (d) The local school board, in collaboration with the schools referred to in Subsection (21)(b), may review the plan each year and make revisions when required to improve or enhance the plan.
 - (e) The state board, through the state superintendent, shall provide local school boards with an emergency plan response model that local school boards may use to comply with the requirements of this Subsection (21).
- (22) A local school board shall do all other things necessary for the maintenance, prosperity, and success of the schools and the promotion of education.
- (23)
- (a) Before closing a school or changing the boundaries of a school, a local school board shall:
 - (i) at least 90 days before approving the school closure or school boundary change, provide notice that the local school board is considering the closure or boundary change to:
 - (A) parents of students enrolled in the school, using the same form of communication the local school board regularly uses to communicate with parents;
 - (B) parents of students enrolled in other schools within the school district that may be affected by the closure or boundary change, using the same form of communication the local school board regularly uses to communicate with parents; and
 - (C) the governing council and the mayor of the municipality in which the school is located;
 - (ii) provide an opportunity for public comment on the proposed school closure or school boundary change during at least two public local school board meetings; and
 - (iii) hold a public hearing as defined in Section 10-9a-103 and provide public notice of the public hearing as described in Subsection (23)(b).
 - (b) The notice of a public hearing required under Subsection (23)(a)(iii) shall:
 - (i) indicate the:
 - (A) school or schools under consideration for closure or boundary change; and
 - (B) the date, time, and location of the public hearing;
 - (ii) for at least 10 days before the day of the public hearing, be published for the school district in which the school is located, as a class A notice under Section 63G-30-102; and
 - (iii) at least 30 days before the public hearing described in Subsection (23)(a)(iii), be provided as described in Subsections (23)(a)(i).
- (24) A local school board may implement a facility energy efficiency program established under Title 11, Chapter 44, Performance Efficiency Act.
- (25) A local school board may establish or partner with a certified youth court in accordance with Section 80-6-902 or establish or partner with a comparable restorative justice program, in coordination with schools in that district. A school may refer a student to a youth court or a comparable restorative justice program in accordance with Section 53G-8-211.
- (26)
- (a) As used in this Subsection (26):

- (i) "Learning material" means any learning material or resource used to deliver or support a student's learning, including textbooks, reading materials, videos, digital materials, websites, and other online applications.
- (ii)
 - (A) "Instructional material" means learning material that a local school board adopts and approves for use within the LEA.
 - (B) "Instructional material" does not include learning material used in a concurrent enrollment, advanced placement, or international baccalaureate program or class or another class with required instructional material that is not subject to selection by the local school board.
- (iii) "Supplemental material" means learning material that:
 - (A) an educator selects for classroom use; and
 - (B) a local school board has not considered and adopted, approved, or prohibited for classroom use within the LEA.
- (b) A local school board shall:
 - (i) make instructional material that the school district uses readily accessible and available for a parent to view;
 - (ii) annually notify a parent of a student enrolled in the school district of how to access the information described in Subsection (26)(b)(i); and
 - (iii) include on the school district's website information about how to access the information described in Subsection (26)(b)(i).
- (c) In selecting and approving instructional materials for use in the classroom, a local school board shall:
 - (i) establish an open process, involving educators and parents of students enrolled in the LEA, to review and recommend instructional materials for board approval; and
 - (ii) ensure that under the process described in Subsection (26)(c)(i), the board:
 - (A) before the meetings described in Subsection (26)(c)(ii)(B), posts the recommended learning material online to allow for public review or, for copyrighted material, makes the recommended learning material available at the LEA for public review;
 - (B) before adopting or approving the recommended instructional materials, holds at least two public meetings on the recommendation that provides an opportunity for educators whom the LEA employs and parents of students enrolled in the LEA to express views and opinions on the recommendation; and
 - (C) adopts or approves the recommended instructional materials in an open and regular board meeting.
- (d) A local school board shall adopt a supplemental materials policy that provides flexible guidance to educators on the selection of supplemental materials or resources that an educator reviews and selects for classroom use using the educator's professional judgment, including whether any process or permission is required before classroom use of the materials or resources.
- (e) If an LEA contracts with another party to provide online or digital materials, the LEA shall include in the contract a requirement that the provider give notice to the LEA any time that the provider makes a material change to the content of the online or digital materials, excluding regular informational updates on current events.
- (f) Nothing in this Subsection (26) requires a local school board to review all learning materials used within the LEA.

Amended by Chapter 16, 2023 General Session

Amended by Chapter 252, 2023 General Session
Amended by Chapter 343, 2023 General Session
Amended by Chapter 352, 2023 General Session
Amended by Chapter 435, 2023 General Session

53G-4-403 School district fiscal year -- Statistical reports.

- (1) A school district's fiscal year begins on July 1 and ends on June 30.
- (2)
 - (a) A school district shall forward statistical reports for the preceding school year, containing items required by law or by the state board, to the state superintendent on or before November 1 of each year.
 - (b) The reports shall include information to enable the state superintendent to complete the statement of funds required under Section 53E-1-203.
- (3) A school district shall forward the accounting report required under Section 51-2a-201 to the state superintendent on or before October 15 of each year.

Amended by Chapter 293, 2019 General Session
Amended by Chapter 324, 2019 General Session

53G-4-404 Annual financial report -- Audit report.

- (1)
 - (a) The annual financial report of each school district, containing items required by law or by the state board and attested to by independent auditors, shall be prepared as required by Section 51-2a-201.
 - (b) A school district shall use fund and program accounting methods and standardized account codes capable of producing financial reports that comply with:
 - (i) generally accepted accounting principles;
 - (ii) financial reporting requirements established by the state board under Section 53E-3-501; and
 - (iii) accounting report standards established by the state auditor as described in Section 51-2a-301.
- (2) If auditors are employed under Section 51-2a-201, the auditors shall complete their field work in sufficient time to allow them to verify necessary audit adjustments included in the annual financial report to the state superintendent.
- (3)
 - (a)
 - (i) The district shall forward the annual financial report to the state superintendent not later than October 1.
 - (ii) The report shall include information to enable the state superintendent to complete the statement of funds required under Section 53E-1-203.
 - (b) The state board shall publish electronically a copy of the report on the Internet not later than January 15.
- (4) The completed audit report shall be delivered to the school district local school board and the state superintendent not later than November 30 of each year.

Amended by Chapter 192, 2020 General Session

53G-4-405 Approval of purchases or indebtedness -- Local school board approval of identified purchases.

- (1) An officer or employee of a school district may not make a purchase or incur indebtedness on behalf of the district without the approval and order of the local school board.
- (2) The local school board shall adopt one of the following approval methods, or a combination of the two:
 - (a) The local school board shall approve an appropriation for identified purchases in the district budget. Each purchase made under an identified purchase does not require additional local school board approval.
 - (b) The local school board shall approve individual purchases when made throughout the fiscal year.

Amended by Chapter 293, 2019 General Session

53G-4-406 Claims against the local school board -- Itemized.

Except for salary which is regularly authorized by the local school board, the local school board may not hear or consider any claim against the local school board which is not itemized.

Amended by Chapter 293, 2019 General Session

53G-4-407 Tax exemption of school board property.

- (1) Real and personal property held by a local school board is exempt from general and special taxation and from local assessments.
- (2) This property may not be taken in any manner for debt.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-408 Residence not condition of employment.

A local school board may not require an employee to reside within its school district as a condition of employment.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-409 Activity disclosure statements.

- (1) A local school board shall require the development of activity disclosure statements for each school-sponsored group or program which involves students and faculty in grades 9 through 12 in contests, performances, events, or other activities that require them to miss normal class time or takes place outside regular school time.
- (2) The activity disclosure statements shall be disseminated to the students desiring involvement in the specific activity or to the students' parents or to both students and their parents.
- (3) An activity disclosure statement shall contain the following information:
 - (a) the specific name of the team, group, or activity;
 - (b) the maximum number of students involved;
 - (c) whether or not tryouts are used to select students, specifying date and time requirements for tryouts, if applicable;
 - (d) beginning and ending dates of the activity;
 - (e) a tentative schedule of the events, performances, games, or other activities with dates, times, and places specified if available;

- (f) if applicable, designation of any nonseason events or activities, including an indication of the status, required, expected, suggested, or optional, with the dates, times, and places specified;
- (g) personal costs associated with the activity;
- (h) the name of the school employee responsible for the activity; and
- (i) any additional information considered important for the students and parents to know.

Amended by Chapter 293, 2019 General Session

53G-4-410 Regional education service agencies.

- (1) As used in this section:
 - (a) "Eligible regional education service agency" means a regional education service agency in existence before July 1, 2020.
 - (b) "Regional education service agency" means an entity formed by two or more school districts as an interlocal entity, in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, with the authority and duties described in this section.
- (2) The Legislature strongly encourages school districts to collaborate and cooperate to provide educational services in a manner that will best utilize resources for the overall operation of the public education system.
- (3) A regional education service agency formed by an interlocal agreement, in accordance with Title 11, Chapter 13, Interlocal Cooperation Act:
 - (a) for an eligible regional education service agency, may receive a distribution described in Subsection (6) if the Legislature appropriates money for eligible regional education service agencies;
 - (b) may apply directly for any grant or program in which an LEA may participate if the agency has the written consent of the LEAs that the agency serves;
 - (c) may receive services from or partner with any department, division, or agency of the state, including coverage by the Division of Risk Management;
 - (d) may recommend educators for licensing;
 - (e) may provide services for students as approved by the regional education service agency's board;
 - (f) may access as necessary LEA systems that the board provides; and
 - (g) does not have authority over the LEAs which the agency serves.
- (4) A regional education service agency may elect to participate as an employer for retirement programs under:
 - (a) Title 49, Chapter 12, Public Employees' Contributory Retirement Act;
 - (b) Title 49, Chapter 13, Public Employees' Noncontributory Retirement Act; and
 - (c) Title 49, Chapter 22, New Public Employees' Tier II Contributory Retirement Act.
- (5)
 - (a) If local school boards enter into an interlocal agreement to confirm or formalize a regional education service agency in operation before July 1, 2011, the interlocal agreement may not eliminate any rights or obligations of the regional education service agency in effect before entering into the interlocal agreement.
 - (b) An interlocal agreement entered into to confirm or formalize an existing regional education service agency shall have the effect of confirming and ratifying in the regional education service agency, the title to any property held in the name, or for the benefit of the regional education service agency as of the effective date of the interlocal agreement.
- (6)

- (a) The state board shall distribute any funding appropriated to eligible regional education service agencies as provided by the Legislature.
 - (b) The state board may provide funding to an eligible regional education service agency in addition to legislative appropriations.
- (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the state board shall make rules regarding regional education service agencies including:
- (a) the authority, scope, and duties of a regional education service agency;
 - (b) the creation of a regional education service agency coordinating council, including:
 - (i) defining the council's role and authority; and
 - (ii) provisions for the council's membership;
 - (c) the distribution of legislative appropriations to eligible regional education service agencies;
 - (d) the designation of eligible regional education service agencies as agents to distribute Utah Education and Telehealth Network services; and
 - (e) the designation of eligible regional education service agencies as agents for regional coordination of public education and higher education services.
- (8) The board shall annually:
- (a) review the funding the Legislature appropriates to support regional education service agencies; and
 - (b) recommend any adjustments as part of the board's annual budget request.

Amended by Chapter 253, 2020 General Session

Amended by Chapter 408, 2020 General Session

53G-4-411 Interlocal agreement for public education transportation services.

- (1) In accordance with Title 11, Chapter 13, Interlocal Cooperation Act, at least two school districts may, for the purpose of coordinating public education transportation services:
- (a) create an interlocal entity as defined in Section 11-13-103 if the school districts establish an interlocal entity governing board as described in Subsection (2); or
 - (b) enter into a joint or cooperative undertaking as described in Section 11-13-207 if the school districts establish a joint board as described in Subsection (2).
- (2) A governing board described in Subsection (1)(a) or a joint board described in Subsection (1) (b) shall consist of:
- (a) at least one elected member of a local school board from each school district that creates the interlocal entity or enters into the joint or cooperative undertaking; and
 - (b) only elected members of the local school boards of the school districts that create the interlocal entity or enter into the joint or cooperative undertaking.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-412 Tribal regalia at high school graduation ceremonies.

- (1) As used in this section:
- (a) "Graduation attire" means attire that an LEA requires a student to wear as part of the dress code for a graduation ceremony.
 - (b) "Graduation ceremony" means a high school graduation ceremony.
 - (c) "Qualifying student" means a student who is:
 - (i) enrolled as a member of a tribe; or
 - (ii) eligible to be enrolled as a member of a tribe.
 - (d)

- (i) "Tribal regalia" means a tribe's:
 - (A) traditional dress; or
 - (B) recognized objects of religious or cultural significance.
- (ii) "Tribal regalia" includes the following items of cultural significance:
 - (A) tribal symbols;
 - (B) beads; and
 - (C) feathers.
- (e) "Tribe" means a tribe, band, nation, or Alaskan Native village that:
 - (i) federal law recognizes; or
 - (ii) a state formally acknowledges.
- (2)
 - (a) A qualifying student may wear tribal regalia during a graduation ceremony.
 - (b) Wearing tribal regalia includes decorating graduation attire with tribal regalia.
- (3) An LEA may not prohibit a qualifying student from wearing tribal regalia as described in Subsection (2).
- (4) Nothing in this section shall be construed to limit an LEA's authority related to student expression under applicable federal and state law.

Enacted by Chapter 197, 2022 General Session

53G-4-413 Required provision of period products in schools.

- (1) As used in this section, "period products" means:
 - (a) tampons;
 - (b) sanitary napkins; or
 - (c) other similar products designed for hygiene in connection with the human menstrual cycle.
- (2) Beginning July 1, 2022, an LEA shall:
 - (a) provide period products free of charge to students in each female or unisex restroom within an elementary, middle, junior, or high school or school facility which students use; and
 - (b) inform public school students of the availability of the period products as described in this section.
- (3) To address the cost of the requirements of this section, an LEA shall:
 - (a) use funds that the Legislature appropriates specifically for the provision of period products; and
 - (b) incorporate the provision of period products into local ongoing capital operations and maintenance budgets no later than July 1, 2025.
- (4) The state board shall:
 - (a) oversee the implementation of the requirements of this section; and
 - (b) monitor compliance with this section.

Enacted by Chapter 309, 2022 General Session

53G-4-414 Religious or cultural attire at school graduation ceremonies.

- (1) As used in this section:
 - (a) "Adornment" means something that a student attaches to or wears with, but does not replace, graduation attire.
 - (b) "Cultural" means recognized practices and traditions of a certain group of people.
 - (c) "Graduation attire" means attire that an LEA requires a student to wear as part of the dress code for a graduation ceremony.

- (d) "Graduation ceremony" means a high school graduation ceremony.
- (2) A student may wear recognized items of cultural or religious significance as an adornment at a graduation ceremony.
- (3)
 - (a) Notwithstanding Subsection (2), an LEA may prohibit a student from wearing an item of adornment that is likely to cause a substantial disruption of, or material interference with, the graduation ceremony.
 - (b) Any prohibition imposed by an LEA on a student's item of cultural or religious significance worn as an adornment shall be by the least restrictive means necessary to accomplish a specifically identified compelling governmental interest.
- (4) An individual may bring a violation of this section to the state board in accordance with the process described in Subsection 53E-3-401(8)(d).
- (5) Nothing in this section limits an LEA's authority related to student expression under applicable federal and state law.
- (6) Nothing in this section shall limit or impair the rights of a qualifying student under Section 53G-4-412 to wear tribal regalia to a graduation ceremony.

Enacted by Chapter 359, 2023 General Session

Part 5 Utah School Boards Association

53G-4-501 Definitions.

Reserved

Enacted by Chapter 3, 2018 General Session

53G-4-502 Utah School Boards Association.

The Utah School Boards Association is recognized as an organization and agency of the local school boards of Utah and is representative of those local school boards.

Amended by Chapter 293, 2019 General Session

53G-4-503 Boards of education authorized to become members of association.

The state board, local school boards, and their agencies may become members of the Utah School Boards Association and cooperate with the association and its members on activities and problems relating to the state's educational system.

Amended by Chapter 293, 2019 General Session

53G-4-504 Payment of dues -- Expenses in attending meetings -- Contributions.

- (1) Member boards may pay dues and make other contributions to the association for its educational activities.
- (2) They may also incur reasonable travel and subsistence expenses for the purpose of attending meetings and conferences of the association.

- (3) Dues and contributions expenses shall be paid in the same manner as are other expenses of the member boards.

Renumbered and Amended by Chapter 3, 2018 General Session

Part 6

School District Indebtedness

53G-4-601 Definitions.

Reserved

Enacted by Chapter 3, 2018 General Session

53G-4-602 School district tax anticipation notes.

- (1) A local school board may borrow money in anticipation of the collection of taxes or other revenue of the school district so long as it complies with Title 11, Chapter 14, Local Government Bonding Act.
- (2) The local school board may incur indebtedness under this section for any purpose for which district funds may be expended, but not in excess of the estimated district revenues for the current school year.
- (3) Revenues include all revenues of the district from the state or any other source.
- (4) The district may incur the indebtedness prior to imposing or collecting the taxes or receiving the revenues. The indebtedness bears interest at the lowest obtainable rate or rates.

Amended by Chapter 293, 2019 General Session

53G-4-603 Additional indebtedness -- Election -- Voter information pamphlet.

- (1) As used in this section:
 - (a) "Qualifying general obligation bond" means a bond:
 - (i) issued pursuant to Title 11, Chapter 14, Local Government Bonding Act; and
 - (ii) authorized by an election held on or after July 1, 2014.
 - (b) "Voter information pamphlet" means the notification required by Section 11-14-202.
- (2) A local school board may require the qualified electors of the district to vote on a proposition as to whether to incur indebtedness, subject to conditions provided in Title 11, Chapter 14, Local Government Bonding Act, if:
 - (a) the debts of the district are equal to school taxes and other estimated revenues for the school year, and it is necessary to create and incur additional indebtedness in order to maintain and support schools within the district; or
 - (b) the local school board determines it advisable to issue school district bonds to purchase school sites, buildings, or furnishings or to improve existing school property.
- (3) A local school board shall specify, in the voter information pamphlet for a bond election, a plan of finance, including:
 - (a) the specific project or projects for which a bond is to be issued; and
 - (b) a priority designation for each project.

- (4) Except as provided in Subsection (5), a local school board shall ensure that qualifying general obligation bond proceeds are used to complete projects in accordance with the plan of finance described in Subsection (3).
- (5)
 - (a) After distribution to the public of the voter information pamphlet, with two-thirds majority approval of the local school board, a local school board may upon a determination of compelling circumstances adjust the plan of finance described in Subsection (3) by:
 - (i) changing the priority designation of a project;
 - (ii) adding a project that was not listed in the voter information pamphlet; or
 - (iii) removing a project that was listed in the voter information pamphlet.
 - (b) A local school board may not vote on more than one adjustment described in Subsection (5)
 - (a) per meeting.
- (6) For a qualifying general obligation bond, a local school board shall post on the local school board's website:
 - (a) the plan of finance as described in the voter information pamphlet; and
 - (b) a progress report detailing the status of the projects listed in the plan of finance, including:
 - (i) the status of any construction contracts related to a project;
 - (ii) the bid amount;
 - (iii) the estimated and actual construction start date;
 - (iv) the estimated and actual construction end date; and
 - (v) the final cost.
- (7)
 - (a) If a local school board violates Subsection (4), a registered voter in the school district may file an action for an extraordinary writ to prohibit the local school board from adjusting the plan of finance without obtaining the necessary local school board approval.
 - (b) If a registered voter prevails in an action under Subsection (7)(a), the court shall award reasonable costs and attorney fees to the registered voter.
 - (c) The action described in Subsection (7)(a) may not be used to challenge the validity of a bond.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-604 Consolidated school district bonds.

- (1) A consolidated county school district may issue bonds, without an election, to fund, purchase, or redeem the district's outstanding indebtedness if the debt was incurred prior to consolidation and assumed by the consolidated school district.
- (2) The legality, regularity, and validity of the outstanding indebtedness shall be determined in the same manner used to determine the validity of other bonds to be refunded by the local school board.

Amended by Chapter 293, 2019 General Session

53G-4-605 Testing validity of bonds to be refunded -- Procedure.

If considered advisable by the local school board, the validity of any bonds intended to be refunded may be determined in the following manner:

- (1) The local school board shall:
 - (a) publish a notice describing with sufficient particularity for identification the bond or bonds intended to be refunded:
 - (i) once a week for two successive weeks in a newspaper published in the school district; and

- (ii) as required in Section 45-1-101; and
- (b) post a notice for two successive weeks in three public and conspicuous places describing with sufficient particularity for identification the bond or bonds intended to be refunded.
- (2) The notice shall require any person objecting to the legality, regularity, or validity of the bonds, their issue or sale, or the indebtedness represented by the bonds, to appear before the local school board at a specified place within the district on a specified day and time.
- (3) The time may not be less than 14 nor more than 60 days after the first publication or posting of the notice.
- (4) The notice shall require the person to appear at the meeting with his objections in writing, duly verified.
- (5) The local school board shall convene at the time and place specified in the notice and receive all objections as prescribed in Subsection (4).
- (6) The objections shall be filed with and preserved by the local school board.
- (7) If no written objections are presented at the time and place specified in the notice, the local school board shall so certify.
- (8) All persons are then prohibited from questioning in any manner or proceeding the legality, regularity, or validity of the bond or bonds, their issue or sale, or the indebtedness represented by the bonds, and the local school board may then refund the bonds.
- (9) Any person filing a written objection under Subsection (4) shall, within 20 days after the filing, commence appropriate legal proceedings against the local school board and others as may be proper parties, in the district court for the county in which the school district is situated, to challenge and determine the legality, regularity, and validity of the bond or bonds, their issue and sale, or the indebtedness represented by them.
- (10) Failure to commence the proceedings within 20 days bars the person filing objections from questioning, in any manner or proceeding, the legality, regularity, or validity of the bond or bonds, their issue or sale, or the indebtedness represented by the bonds.
- (11) Upon proof of failure to commence proceedings, by certificate of the clerk of the court, the local school board may refund the bonds.

Amended by Chapter 293, 2019 General Session

53G-4-606 Sinking fund -- Investment.

- (1) The money levied and collected to create a sinking fund for the redemption of bonds issued by a local school board shall be immediately credited to a special fund.
- (2) After retaining an amount sufficient to pay the principal of the bonds maturing during the year, the local school board shall invest the fund and any surplus as provided under Title 51, Chapter 7, State Money Management Act.

Amended by Chapter 293, 2019 General Session

53G-4-607 Bonds a lien on property -- Levy of tax to pay bonds.

- (1) Bonds issued under this part are a lien upon the taxable property of the school district issuing them.
- (2) If the local school board neglects or refuses to cause a tax to be levied in accordance with law to meet the outstanding bonds or the interest on the bonds, the county legislative body of the county in which the district is located shall levy the tax and apply the money collected to the payment of the bonds and the interest.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-608 Requirement to conduct seismic safety evaluations when issuing a bond.

- (1) As used in this section:
 - (a) "Federal guidelines" means guidelines and procedures specified in "Rapid Visual Screening of Buildings for Potential Seismic Hazards: A Handbook, 2nd Edition" published by the United States Federal Emergency Management Agency.
 - (b) "Qualifying general obligation bond" means a bond:
 - (i) issued pursuant to Title 11, Chapter 14, Local Government Bonding Act; and
 - (ii) authorized by an election held on or after July 1, 2013.
 - (c) "Seismic safety evaluation" means a seismic safety rapid visual screening evaluated in accordance with federal guidelines or a more detailed seismic structural evaluation.
- (2) If a school district issues a qualifying general obligation bond, the school district shall:
 - (a) except as provided in Subsection (4), conduct or update a seismic safety evaluation of each school district building:
 - (i) constructed before 1975; and
 - (ii) used by the school district as a school; and
 - (b) provide a copy of a seismic safety evaluation prepared under Subsection (2)(a) to the Utah Seismic Safety Commission created in Section 63C-6-101.
- (3) A seismic safety evaluation conducted under Subsection (2) shall be conducted by a licensed structural engineer familiar with seismic codes.
- (4) A school district is not required to conduct or update a seismic safety evaluation of a building as required in Subsection (2)(a) if:
 - (a) a seismic safety evaluation was performed on the building within the 25-year period before the school district issues the qualifying general obligation bond; and
 - (b) the school district provides a copy of the school district's seismic safety evaluation described in Subsection (4)(a) to the Utah Seismic Safety Commission.
- (5) Creation of a seismic safety evaluation of a school, or a list of schools needing seismic upgrades, shall not be construed as expanding or changing the state's or a school district's common law duty of care for liability purposes.

Renumbered and Amended by Chapter 3, 2018 General Session

Part 7
Local School Board Building Reserve Fund

53G-4-701 Definitions.

Reserved

Enacted by Chapter 3, 2018 General Session

53G-4-702 School board reserve fund.

Each local school board may establish and maintain a reserve fund to accumulate funds to meet the capital outlay costs of the school district, including costs for planning, constructing, replacing, improving, equipping, and furnishing school buildings and purchasing school sites.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-703 Revenues to be allocated to fund.

A local school board may annually allocate to the fund any revenues from the state which are made available for capital outlay purposes, and not otherwise earmarked, and such other revenues as the school district may raise locally for this purpose.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-704 Building Reserve Fund -- Investment of fund.

- (1) The fund shall be known as the Building Reserve Fund of _____ (name of school district) School District.
- (2) Any interest or capital gains accrue to the benefit of the fund.
- (3) The fund may only be invested as provided in Title 51, Chapter 7, State Money Management Act of 1974.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-705 Accumulations -- Expenditures from fund -- Public notice -- Transfer to other funds.

- (1) The money in the fund shall accumulate from year to year.
- (2) However, the local school board may make expenditures from the fund if public notice is given stating the purpose for which the expenditures are to be made.
- (3) The procedure for giving public notice is set forth in Section 53G-7-303.
- (4) Expenditures shall be made for capital outlay costs only.
- (5) Money in the fund at the end of the year shall remain intact and may not be transferred to any other fund or used for any other purpose.

Renumbered and Amended by Chapter 3, 2018 General Session

**Part 8
School District Bond Guaranty**

53G-4-801 Definitions.

- (1) "Bond" means any general obligation bond or refunding bond issued after the effective date of this part.
- (2) "Default avoidance program" means the school bond guaranty program established by this part.
- (3) "General obligation bond" means any bond, note, warrant, certificate of indebtedness, or other obligation of a local school board payable in whole or in part from revenues derived from ad valorem taxes and that constitutes an indebtedness within the meaning of any applicable constitutional or statutory debt limitation.
- (4) "Paying agent" means the corporate paying agent selected by the local school board for a bond issue who is:
 - (a) duly qualified; and
 - (b) acceptable to the state treasurer.

- (5) "Permanent school fund" means the state school fund described in the Utah Constitution, Article X, Section 5(1).
- (6) "Refunding bond" means any general obligation bond issued by a local school board for the purpose of refunding its outstanding general obligation bonds.
- (7) "School district" means any school district existing now or later under the laws of the state.

Amended by Chapter 293, 2019 General Session

53G-4-802 Contract with bondholders -- Full faith and credit of state is pledged -- Limitation as to certain refunded bonds.

- (1)
 - (a) The state of Utah pledges to and agrees with the holders of any bonds that the state will not alter, impair, or limit the rights vested by the default avoidance program with respect to the bonds until the bonds, together with applicable interest, are fully paid and discharged.
 - (b) Notwithstanding Subsection (1)(a), nothing contained in this part precludes an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the bonds.
 - (c) Each local school board may refer to this pledge and undertaking by the state in its bonds.
- (2)
 - (a) The full faith and credit and unlimited taxing power of the state is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, bonds as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default of otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration).
 - (b) This guaranty does not extend to the payment of any redemption premium.
 - (c) Reference to this part by its title on the face of any bond conclusively establishes the guaranty provided to that bond under provisions of this part.
- (3)
 - (a) Any bond guaranteed under this part that is refunded and considered paid for the purposes of and within the meaning of Subsection 11-27-3(6), no longer has the benefit of the guaranty provided by this part from and after the date on which that bond was considered to be paid.
 - (b) Any refunding bond issued by a local school board that is itself secured by government obligations until the proceeds are applied to pay refunded bonds, as provided in Title 11, Chapter 27, Utah Refunding Bond Act, is not guaranteed under the provisions of this part, until the refunding bonds cease to be secured by government obligations as provided in Title 11, Chapter 27, Utah Refunding Bond Act.
- (4) Only validly issued bonds issued after the effective date of this part are guaranteed under this part.

Amended by Chapter 293, 2019 General Session

53G-4-803 Program eligibility -- Option to forego guaranty.

- (1)
 - (a) Any local school board may request that the state treasurer issue a certificate evidencing eligibility for the state's guaranty under this part.

- (b) After reviewing the request, if the state treasurer determines that the local school board is eligible, the state treasurer shall promptly issue the certificate and provide it to the requesting local school board.
- (c)
 - (i) The local school board receiving the certificate and all other persons may rely on the certificate as evidencing eligibility for the guaranty for one year from and after the date of the certificate, without making further inquiry of the state treasurer during that year.
 - (ii) The certificate of eligibility is valid for one year even if the state treasurer later determines that the local school board is ineligible.
- (2) Any local school board that chooses to forego the benefits of the guaranty provided by this part for a particular issue of bonds may do so by not referring to this part on the face of its bonds.
- (3) Any local school board that has bonds, the principal of or interest on which has been paid, in whole or in part, by the state under this part may not issue any additional bonds guaranteed by this act until:
 - (a) all payment obligations of the local school board to the state under the default avoidance program are satisfied; and
 - (b) the state treasurer and the state superintendent each certify in writing, to be kept on file by the state treasurer and the state superintendent, that the local school board is fiscally solvent.
- (4) Bonds not guaranteed by this part are not included in the definition of "bonds" in Section 53G-4-802 as used generally in this part and are not subject to the requirements of and do not receive the benefits of this part.

Amended by Chapter 293, 2019 General Session

53G-4-804 Fiscal solvency of school districts -- Duties of state treasurer and attorney general.

- (1) The state superintendent shall:
 - (a) monitor the financial affairs and condition of each local school board in the state to evaluate each local school board's financial solvency; and
 - (b) report immediately to the governor and state treasurer any circumstances suggesting that a school district will be unable to timely meet its debt service obligations and recommend a course of remedial action.
- (2)
 - (a) The state treasurer shall determine whether the financial affairs and condition of a local school board are such that it would be imprudent for the state to guarantee the bonds of that local school board.
 - (b) If the state treasurer determines that the state should not guarantee the bonds of that local school board, the state treasurer shall:
 - (i) prepare a determination of ineligibility; and
 - (ii) keep it on file in the office of the state treasurer.
 - (c) The state treasurer may remove a local school board from the status of ineligibility when a subsequent report or other information made available to the state treasurer evidences that it is no longer imprudent for the state to guarantee the bonds of that local school board.
- (3) Nothing in this section affects the state's guaranty of bonds of a local school board issued:
 - (a) before determination of ineligibility;
 - (b) after the eligibility of the local school board is restored; or
 - (c) under a certificate of eligibility issued under Section 53G-4-803.

Amended by Chapter 293, 2019 General Session

53G-4-805 Business administrator duties -- Paying agent to provide notice -- State treasurer to execute transfer to paying agents -- Effect of transfer.

- (1)
 - (a) The business administrator of each local school board with outstanding, unpaid bonds shall transfer money sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the bonds.
 - (b) The paying agent may, if instructed to do so by the business administrator, invest the money at the risk and for the benefit of the local school board until the payment date.
 - (c) A business administrator who is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the state treasurer by:
 - (i) telephone;
 - (ii) a writing sent by facsimile transmission; and
 - (iii) a writing sent by first-class United States mail.
- (2) If sufficient funds are not transferred to the paying agent as required by Subsection (1), the paying agent shall notify the state treasurer of that failure in writing at least 10 days before the scheduled debt service payment date by:
 - (a) telephone;
 - (b) a writing sent by facsimile transmission; and
 - (c) a writing sent by first-class United States mail.
- (3)
 - (a) If sufficient money to pay the scheduled debt service payment has not been transferred to the paying agent, the state treasurer shall, on or before the scheduled payment date, transfer sufficient money to the paying agent to make the scheduled debt service payment.
 - (b) The payment by the treasurer:
 - (i) discharges the obligation of the issuing local school board to its bondholders for the payment; and
 - (ii) transfers the rights represented by the general obligation of the local school board from the bondholders to the state.
 - (c) The local school board shall pay the transferred obligation to the state as provided in this part.

Amended by Chapter 293, 2019 General Session

53G-4-806 State financial assistance intercept mechanism -- State treasurer duties -- Interest and penalty provisions.

- (1)
 - (a) If one or more payments on bonds are made by the state treasurer as provided in Section 53G-4-805, the state treasurer shall:
 - (i) immediately intercept any payments from the Uniform School Fund or from any other source of operating money provided by the state to the local school board that issued the bonds that would otherwise be paid to the local school board by the state; and
 - (ii) apply the intercepted payments to reimburse the state for payments made pursuant to the state's guaranty until all obligations of the local school board to the state arising from those payments, including interest and penalties, are paid in full.
 - (b) The state has no obligation to the local school board or to any person or entity to replace any money intercepted under authority of Subsection (1)(a).

- (2) The local school board that issued bonds for which the state has made all or part of a debt service payment shall:
 - (a) reimburse all money drawn by the state treasurer on its behalf;
 - (b) pay interest to the state on all money paid by the state from the date the money was drawn to the date they are repaid at a rate not less than the average prime rate for national money center banks plus 1%; and
 - (c) pay all penalties required by this part.
- (3)
 - (a) The state treasurer shall establish the reimbursement interest rate after considering the circumstances of any prior draws by the local school board on the state, market interest and penalty rates, and the cost of funds, if any, that were required to be borrowed by the state to make payment on the bonds.
 - (b) The state treasurer may, after considering the circumstances giving rise to the failure of the local school board to make payment on its bonds in a timely manner, impose on the local school board a penalty of not more than 5% of the amount paid by the state pursuant to its guaranty for each instance in which a payment by the state is made.
- (4)
 - (a)
 - (i) If the state treasurer determines that amounts obtained under this section will not reimburse the state in full within one year from the state's payment of a local school board's scheduled debt service payment, the state treasurer shall pursue any legal action, including mandamus, against the local school board to compel it to:
 - (A) levy and provide property tax revenues to pay debt service on its bonds when due as required by Title 11, Chapter 14, Local Government Bonding Act; and
 - (B) meet its repayment obligations to the state.
 - (ii) In pursuing its rights under this Subsection (4)(a), the state shall have the same substantive and procedural rights under Title 11, Chapter 14, Local Government Bonding Act, as would a holder of the bonds of a local school board.
 - (b) The attorney general shall assist the state treasurer in these duties.
 - (c) The local school board shall pay the attorney's fees, expenses, and costs of the state treasurer and the attorney general.
- (5)
 - (a) Except as provided in Subsection (5)(c), any local school board whose operating funds were intercepted under this section may replace those funds from other local school board money or from ad valorem property taxes, subject to the limitations provided in this Subsection (5).
 - (b) A local school board may use ad valorem property taxes or other money to replace intercepted funds only if the ad valorem property taxes or other money was derived from:
 - (i) taxes originally levied to make the payment but which were not timely received by the local school board;
 - (ii) taxes from a special levy made to make the missed payment or to replace the intercepted money;
 - (iii) money transferred from the capital outlay fund of the local school board or the undistributed reserve, if any, of the local school board; or
 - (iv) any other source of money on hand and legally available.
 - (c) Notwithstanding the provisions of Subsections (5)(a) and (b), a local school board may not replace operating funds intercepted by the state with money collected and held to make payments on bonds if that replacement would divert money from the payment of future debt

service on the bonds and increase the risk that the state's guaranty would be called upon a second time.

Amended by Chapter 293, 2019 General Session

53G-4-807 Backup liquidity arrangements -- Issuance of notes.

- (1)
 - (a) If, at the time the state is required to make a debt service payment under its guaranty on behalf of a local school board, sufficient money of the state is not on hand and available for that purpose, the state treasurer may:
 - (i) seek a loan from the Permanent School Fund sufficient to make the required payment; or
 - (ii) issue state debt as provided in Subsection (2).
 - (b) Nothing in this Subsection (1) requires the Permanent School Fund to lend money to the state treasurer.
- (2)
 - (a) The state treasurer may issue state debt in the form of general obligation notes to meet its obligations under this part.
 - (b) The amount of notes issued may not exceed the amount necessary to make payment on all bonds with respect to which the notes are issued plus all costs of issuance, sale, and delivery of the notes, rounded up to the nearest natural multiple of \$5,000.
 - (c) Each series of notes issued may not mature later than 18 months from the date the notes are issued.
 - (d) Notes issued may be refunded using the procedures set forth in this part for the issuance of notes, in an amount not more than the amount necessary to pay principal of and accrued but unpaid interest on any refunded notes plus all costs of issuance, sale, and delivery of the refunding notes, rounded up to the nearest natural multiple of \$5,000.
 - (e) Each series of refunding notes may not mature later than 18 months from the date the refunding notes are issued.
- (3)
 - (a) Before issuing or selling any general obligation note to other than a state fund or account, the state treasurer shall:
 - (i) prepare a written plan of financing; and
 - (ii) file it with the governor.
 - (b) The plan of financing shall provide for:
 - (i) the terms and conditions under which the notes will be issued, sold, and delivered;
 - (ii) the taxes or revenues to be anticipated;
 - (iii) the maximum amount of notes that may be outstanding at any one time under the plan of financing;
 - (iv) the sources of payment of the notes;
 - (v) the rate or rates of interest, if any, on the notes or a method, formula, or index under which the interest rate or rates on the notes may be determined during the time the notes are outstanding; and
 - (vi) all other details relating to the issuance, sale, and delivery of the notes.
 - (c) In identifying the taxes or revenues to be anticipated and the sources of payment of the notes in the financing plan, the state treasurer may include:
 - (i) the taxes authorized by Section 53G-4-808;
 - (ii) the intercepted revenues authorized by Section 53G-4-806;
 - (iii) the proceeds of refunding notes; or

- (iv) any combination of Subsections (3)(c)(i), (ii), and (iii).
- (d) The state treasurer may include in the plan of financing the terms and conditions of arrangements entered into by the state treasurer on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements, and remarketing, indexing, and tender agent agreements to secure the notes, including payment from any legally available source of fees, charges, or other amounts coming due under the agreements entered into by the state treasurer.
- (e) When issuing the notes, the state treasurer shall issue an order setting forth the interest, form, manner of execution, payment, manner of sale, prices at, above, or below face value, and all details of issuance of the notes.
- (f) The order and the details set forth in the order shall conform with any applicable plan of financing and with this part.
- (g)
 - (i) Each note shall recite that it is a valid obligation of the state and that the full faith, credit, and resources of the state are pledged for the payment of the principal of and interest on the note from the taxes or revenues identified in accordance with its terms and the constitution and laws of Utah.
 - (ii) These general obligation notes do not constitute debt of the state for the purposes of the 1.5% debt limitation of the Utah Constitution, Article XIV, Section 1.
- (h) Immediately upon the completion of any sale of notes, the state treasurer shall:
 - (i) make a verified return of the sale to the state auditor, specifying the amount of notes sold, the persons to whom the notes were sold, and the price, terms, and conditions of the sale; and
 - (ii) credit the proceeds of sale, other than accrued interest and amounts required to pay costs of issuance of the notes, to the General Fund to be applied to the purpose for which the notes were issued.

Amended by Chapter 293, 2019 General Session

53G-4-808 Unlimited ad valorem tax as pledge of full faith and credit -- State Tax Commission duties -- Property tax abated.

- (1)
 - (a) In each year after the issuance of general obligation notes under this part and until all outstanding notes are retired, there is levied a direct annual tax on all real and personal property within the state subject to state taxation, sufficient to pay all principal of and interest on the general obligation notes as they become due.
 - (b) If money expected to be intercepted under Section 53G-4-806 is expected to be insufficient to reimburse the state for its payments of school districts' scheduled debt service payments or if it is necessary for the state treasurer to borrow as provided in Section 53G-4-807 and amounts to be intercepted under Section 53G-4-806 are expected to be insufficient to timely pay the general obligation notes issued or other borrowing undertaken under that section, the state treasurer shall certify to and give notice to the state tax commission of the amount of the deficiency.
 - (c) After receipt of that certified notice from the state treasurer, the state tax commission shall:
 - (i) immediately fix the tax rate necessary and levy direct ad valorem property tax on all real and personal property in the state subject to state taxation sufficient to provide money in the amount of the deficiency stated in the notice; and

- (ii) require that the tax be collected and remitted as soon as may be in the ordinary course of ad valorem tax levy and collection.
- (2) To the extent that other legally available revenues and funds of the state are sufficient to meet the certified deficiency, the property tax for this purpose is abated.

Renumbered and Amended by Chapter 3, 2018 General Session

Part 9

Surplus School District Land

53G-4-901 Definitions.

As used in this part:

- (1) "Eligible entity" means:
 - (a) a city or town with a population density of 3,000 or more people per square mile; or
 - (b) a county whose unincorporated area includes a qualifying planning advisory area.
- (2) "Purchase price" means the greater of:
 - (a) an amount that is the average of:
 - (i) the appraised value of the surplus property, based on the predominant zone in the surrounding area, as indicated in an appraisal obtained by the eligible entity; and
 - (ii) the appraised value of the surplus property, based on the predominant zone in the surrounding area, as indicated in an appraisal obtained by the school district; and
 - (b) the amount the school district paid to acquire the surplus property.
- (3) "Qualifying planning advisory area" means a planning advisory area under Section 17-27a-306 that has a population density of 3,000 or more people per square mile within the boundaries of the planning advisory area.
- (4) "Surplus property" means land owned by a school district that:
 - (a) was purchased with taxpayer money;
 - (b) is located within a city or town that is an eligible entity or within a qualifying planning advisory area;
 - (c) consists of one contiguous tract at least three acres in size; and
 - (d) has been declared by the school district to be surplus.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-902 Purchase of surplus property.

- (1) An eligible entity may purchase, and each school district shall sell, surplus property as provided in this section.
- (2)
 - (a) Upon declaring land to be surplus property, each school district shall give written notice to each eligible entity in which the surplus property is located.
 - (b) Each notice under Subsection (2)(a) shall:
 - (i) state that the school district has declared the land to be surplus property; and
 - (ii) describe the surplus property.
- (3) Subject to Subsection (4), an eligible entity may purchase the surplus property by paying the school district the purchase price.
- (4)

- (a) The legislative body of each eligible entity desiring to purchase surplus property under this section shall:
 - (i) within 90 days after the eligible entity receives notice under Subsection (2), adopt a resolution declaring the intent to purchase the surplus property and deliver a copy of the resolution to the school district; and
 - (ii) within 90 days after delivering a copy of the resolution under Subsection (4)(a)(i) to the school district, deliver to the school district an earnest money offer to purchase the surplus property at the purchase price.
 - (b) If an eligible entity fails to comply with either of the requirements under Subsection (4)(a) within the applicable time period, the eligible entity forfeits the right to purchase the surplus property.
- (5)
- (a) An eligible entity may waive its right to purchase surplus property under this part by submitting a written waiver to the school district.
 - (b) If an eligible entity submits a waiver under Subsection (5)(a), the school district has no further obligation under this part to sell the surplus property to the eligible entity.
- (6) Surplus property acquired by an eligible entity may not be used for any purpose other than:
- (a) a county, city, or town hall;
 - (b) a park or other open space;
 - (c) a cultural center or community center;
 - (d) a facility for the promotion, creation, or retention of public or private jobs within the state through planning, design, development, construction, rehabilitation, business relocation, or any combination of these, within a county, city, or town;
 - (e) office, industrial, manufacturing, warehousing, distribution, parking, or other public or private facilities, or other improvements that benefit the state or a county, city, or town; or
 - (f) a facility for a charter school under Chapter 5, Charter Schools.
- (7)
- (a) A school district that sells surplus property under this part may use proceeds from the sale only for bond debt reduction or school district capital facilities.
 - (b) Each school district that sells surplus property under this part shall place all proceeds from the sale that are not used for bond debt reduction in a capital facilities fund of the school district for use for school district capital facilities.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-903 Resale of surplus property.

- (1) If an eligible entity that has acquired surplus property under Section 53G-4-902 afterwards declares that property to be surplus, the school district from which the eligible entity acquired the property may purchase, and the eligible entity shall sell, the property as provided in Section 53G-4-902, except that the price at which the school district shall be entitled to reacquire the property shall be the price that the eligible entity paid for the property, plus the cost of any existing improvements that the eligible entity made to the property after it purchased the property.
- (2) If the school district does not reacquire the surplus property under Subsection (1) and the eligible entity sells the surplus property to another buyer, the eligible entity and the school district shall equally share any proceeds of that sale that exceed the amount the eligible entity paid for the property plus the cost of any existing improvements the eligible entity made to the property after it purchased the property.

Renumbered and Amended by Chapter 3, 2018 General Session

Part 10
School Construction Due to New Industrial Plants

53G-4-1001 Definitions.

Reserved

Enacted by Chapter 3, 2018 General Session

53G-4-1002 New industrial plants in school district -- Duty of school district.

A school district confronted with actual or anticipated large increases in enrollment because of the construction of a new industrial plant or plants to a degree that new buildings or additions to existing buildings are required shall make the following efforts to raise funds to meet those building needs:

- (1) bond to its maximum capacity and maintain maximum bonding by rebonding at least once every other year until building needs are met;
- (2) maintain an annual property tax levy for capital outlay and debt service combined of not less than .0036 per dollar of taxable value; and
- (3) initiate any action necessary to qualify for any state, federal, or other funds for capital outlay for which the district may be eligible.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-1003 Funds raised -- Highest priority projects.

- (1) Funds raised by the school district in accordance with this part shall be used on the highest priority projects established by the district's five-year comprehensive capital outlay plan, which shall be approved by the state board.
- (2) The plan must include appropriate priorities for the construction of minimal facilities for new students.
- (3) If priority use of the funds raised by the district in accordance with this part does not provide minimal facilities as defined by the state board for students in any new and remote community established in the district, or for students in existing communities because of the location of new or expanded industries in the area, the district may enter into lease-purchase agreements or lease with option to purchase agreements with private builders to furnish the minimal facilities required by the district and approved by the state board.
- (4) The district may make payments on these agreements from any of its otherwise uncommitted capital outlay funds.

Amended by Chapter 293, 2019 General Session

53G-4-1004 Minimal school facilities -- Lease-purchase or lease with option to purchase agreement authorized.

- (1) If a school district is unable to find any private builder who is capable of furnishing minimal school facilities in new or existing communities, on terms acceptable to the district and to the

state board, the developers of the industrial plant, or plants, may agree to provide minimal school facilities under a lease-purchase agreement or lease with option to purchase agreement with the district.

- (2) The district shall pay the developers according to the terms of the agreement from sources listed for such payments in this part.

Amended by Chapter 293, 2019 General Session

53G-4-1005 Remote industrial plant requiring new school building -- Construction permit requirements.

A state officer or local governmental official may not issue a construction permit or other authorization for the construction of a remote industrial plant requiring the provision of a new community, including new public elementary and secondary school buildings, until the local school board of the district in which the plant will be located has certified to the state office or local official, in writing, that the district has obtained the funds, or a firm commitment that funds will be made available as necessary, to build the required minimal school facilities.

Renumbered and Amended by Chapter 3, 2018 General Session

53G-4-1006 Rules and regulations authorized.

The state board shall adopt all standards and rules necessary for the administration and enforcement of this part.

Amended by Chapter 293, 2019 General Session