

Representative David N. Cox proposes to substitute the following bill:

CREATION OF SCHOOL DISTRICTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: David N. Cox

This act modifies provisions related to the State System of Public Education by providing a mechanism for the creation of new school districts. The act provides for the transfer of property to and the assumption of indebtedness by the new school district and for the election of school board members. The act takes effect July 1, 2001.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

53A-2-102.5, Utah Code Annotated 1953

53A-2-102.7, Utah Code Annotated 1953

53A-2-102.9, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53A-2-102.5** is enacted to read:

53A-2-102.5. Creation of new school district -- Resolution by school board members -- Petition by electors -- Election.

(1) Whenever the qualified electors of a portion of a school district desire to create a new school district, they may petition the county legislative body of the county in which they reside for that purpose.

(2) The petition must be signed by qualified electors residing within the geographical boundaries of the proposed new school district equal in number to at least 25% of the number of electors in the area who voted for the office of governor at the last regular general election.

(3) The petition:

(a) must be submitted to the county clerk and the current school board by May 1 in the year

26 of a general election; and

27 (b) shall propose the name and general boundaries of the new school district.

28 (4) (a) The school board shall review the petition and general boundaries, making any
29 technical changes that may be needed to clarify the petition.

30 (b) The board shall submit its review of the petition to the electors by August 1 of the same
31 year.

32 (5) The county clerk shall certify the petition and the issue shall be voted on in accordance
33 with Title 20A, Election Code at the general election, beginning with the general election held in
34 the year 2002.

35 (6) Creation of a new district may also be initiated by a resolution adopted by at least a
36 majority of the members of the existing local school board and voted on by the electors of the
37 district in accordance with Title 20A, Election Code.

38 (7) Creation of a new school district shall occur if a majority of the electors within the
39 existing school district voting on question favor the creation of the new district.

40 Section 2. Section **53A-2-102.7** is enacted to read:

41 **53A-2-102.7. Transfer of property to new school district -- Rights and obligations**
42 **of new school board -- Outstanding indebtedness.**

43 (1) (a) Following the approval of the creation of a new school district under Section
44 53A-2-102.5, the local school board of the district from which the new district was created shall
45 convey and deliver to the school board of the new district all school property which the new
46 district is entitled to receive.

47 (b) Title vests in the new school board, including all rights, claims, and causes of action
48 to or for the property, for the use or the income from the property, for conversion, disposition, or
49 withholding of the property, or for any damage or injury to the property.

50 (c) The new board may bring and maintain actions to recover, protect, and preserve the
51 property and rights of the district's schools and to enforce contracts.

52 (d) The new board shall assume and be liable for all outstanding debts and obligations that
53 attach to the transferred property.

54 (e) The intangible property of the existing school district shall be prorated between it and
55 the new district on the same basis used to determine the amount of bonded indebtedness to be
56 assumed by the new district.

57 (2) (a) If the existing school district has outstanding bonded indebtedness for the payment
58 of principal and interest on the indebtedness at the time the new district is established, the
59 indebtedness shall be prorated between the existing district and the new district in the same
60 proportion as the assessed valuation of taxable property in the existing district bears to the assessed
61 valuation of taxable property in the new district.

62 (b) The valuation shall be determined according to the assessment rolls of the county in
63 which the existing school district is located as they exist at the time of the establishment of the new
64 district.

65 (c) The new district shall levy a tax on the property within the new district for the payment
66 of its portion of the principal and interest on the indebtedness.

67 (d) Voter approval of the creation of the new district constitutes an approval of the
68 assumption of indebtedness under this section.

69 Section 3. Section **53A-2-102.9** is enacted to read:

70 **53A-2-102.9. School board membership -- Elections -- Terms.**

71 (1) Upon the creation of a new school district under this chapter, the county legislative
72 body, or municipal legislative body in a city district, shall reapportion the affected school districts
73 pursuant to Section 20A-14-201.

74 (2) (a) Except as otherwise provided in this section, board membership in the affected
75 school districts is determined under Sections 20A-1-511, 20A-14-201, and 20A-14-202.

76 (b) (i) Current school board members who reside in either the existing or newly created
77 school district shall serve out the remainder of their terms.

78 (ii) The county or municipal legislative body shall call a special election for the purpose
79 of electing additional members to the school board.

80 (c) (i) Three members of a five-member board and four members of a seven-member board
81 in the affected districts shall serve initial terms of four years.

82 (ii) Two members of a five-member board and three members of a seven-member board
83 in the affected districts shall serve initial terms of two years.

84 (iii) All subsequent terms are for four years.

85 Section 4. **Effective date.**

86 This act takes effect on July 1, 2001.