

**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 that contains at least one high school and the secondary and elementary schools that feed into the high school, 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:



26 (a) must be submitted to the county clerk and the current school board by May 1 in the year  
27 of a general election; and

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

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

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

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

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

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

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

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

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

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

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

53 (d) The new board shall assume and be liable for its share of the former district's debt as  
54 calculated by the percentage of the former district's tax base now included in the new district's  
55 boundaries.

56 (e) The intangible property of the existing school district shall be prorated between it and

57 the new district on the same basis used to determine the amount of bonded indebtedness to be  
58 assumed by the new district.

59 (2) (a) The individuals referred to in Subsection (1) shall determine the portion of bonded  
60 indebtedness and other indebtedness of the transferor board for which the transferred property  
61 remains subject to the levy of taxes to pay a proportionate share of the outstanding indebtedness  
62 of the transferor board.

63 (b) This is done by:

64 (i) determining the amount of the outstanding bonded indebtedness and other indebtedness  
65 of the transferor board of education;

66 (ii) determining the total taxable value of the property of the transferor district and the  
67 taxable value of the property to be transferred; and

68 (iii) calculating the portion of the indebtedness of the transferor board for which the  
69 transferred portion retains liability.

70 (3) (a) The agreement reflecting these determinations takes effect upon being filed with  
71 the State Board of Education.

72 (b) The transferred property remains subject to the levy of taxes to pay a proportionate  
73 share of the outstanding indebtedness of the transferor school board.

74 (c) The transferee school board shall:

75 (i) assume the obligation to pay the proportionate share of the transferor school board's  
76 indebtedness that has been determined under Subsection (2) to be the obligation of the transferred  
77 portion;

78 (ii) levy a tax on the transferred territory sufficient to pay the proportionate share of the  
79 indebtedness determined under this section; and

80 (iii) turn over the proceeds of the tax to the business administrator of the transferor board.

81 (4) (a) The school boards of districts affected by this section shall, within 45 days of the  
82 creation of the new school district, file a written notice of the action with the State Tax  
83 Commission.

84 (b) The notice shall include:

85 (i) a copy of the petition or resolution referred to in Section 53A-2-102.5 requesting the  
86 creation of a new school district;

87 (ii) a certification that all necessary legal requirements relating to the creation of the new

88 school district have been completed; and

89 (iii) a map or plat that delineates a metes and bounds description of the area affected and  
90 evidence that the information has been recorded by the county recorder.

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

92 **53A-2-102.9. School board membership -- Elections -- Terms.**

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

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

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

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

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

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

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

107 Section 4. **Effective date.**

108 This act takes effect on July 1, 2001.