

PUBLIC EDUCATION CAPITAL OUTLAY ACT AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

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This act modifies provisions related to the State System of Public Education to address issues in the capital outlay foundation program. The act deletes provisions regarding an emergency building needs program that terminates on June 30, 2001. It increases the state appropriation for the capital outlay foundation program from \$28,358,000 to \$38,358,000. This act takes effect July 1, 2001.

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

AMENDS:

53A-21-102, as repealed and reenacted by Chapter 326, Laws of Utah 1996

53A-21-103, as last amended by Chapter 129, Laws of Utah 1999

53A-21-105, as last amended by Chapter 264, Laws of Utah 2000

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

Section 1. Section **53A-21-102** is amended to read:

53A-21-102. Capital outlay foundation program -- Loan Program.

(1) There is established a capital outlay foundation program[~~, which shall include an emergency school building needs program through June 30, 2001,~~] to provide revenues to school districts for the purposes of capital outlay bonding, construction, and renovation.

(2) There is established a capital outlay loan program to provide short-term help to school districts to meet district needs for school building construction and renovation.

(3) School districts shall use the monies provided to them under the foundation and loan programs solely for school district capital outlay and debt service purposes.

Section 2. Section **53A-21-103** is amended to read:

53A-21-103. Qualifications for participation in the foundation program -- Distribution of monies -- Distribution formulas.

(1) In order for a school district to qualify for monies under the capital outlay foundation program established in Subsection 53A-21-102(1), a local school board must levy a tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service.

(2) (a) The State Board of Education shall adopt a rule in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, that allows a school district levying less than the full .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district.

(b) The rules may include hold harmless provisions for up to two years.

~~[(3) (a) Through June 30, 2001, 20% of the monies in the capital outlay foundation program shall be used in an emergency school building needs program.]~~

~~[(b) Beginning July 1, 2001, the emergency school building needs program shall be terminated and the monies otherwise spent in that program shall be used for the general purposes of the capital outlay foundation program.]~~

~~[(4) (3) The State Board of Education shall distribute monies in the capital outlay foundation program [and the emergency school building needs program] in accordance with [formulas] a formula developed by the state superintendent of public instruction[.-(a) The board shall distribute capital outlay foundation monies on the basis of] based on a minimum guarantee per average daily membership as computed by the state superintendent [of public instruction] using:~~

~~[(i) (a) available monies; and~~

~~[(ii) (b) the assessed valuation per average daily membership in each school district.~~

~~[(b) The formula for the emergency school building needs distribution shall include the following components:]~~

~~[(i) a school district's ability to raise money for school building needs as related to the assessed valuation per student for real property within the school district;]~~

~~[(ii) need as reflected by:]~~

~~[(A) the current number of students in the school district who are in alternative housing; and]~~

~~[(B) growth, both within the district and compared to the state as a whole; and]~~

~~[(iii) the school district's effort to raise money based on:]~~

~~[(A) the district's total tax rate; and]~~

~~[(B) the district's bond and bond interest payments compared to its ability to raise revenue.]~~

Section 3. Section **53A-21-105** is amended to read:

53A-21-105. State contribution to capital outlay programs.

The state contribution toward the cost of the programs established under Section 53A-21-102 for the fiscal year beginning July 1, ~~[2000]~~ 2001, shall consist of an appropriation totaling ~~[\$28,358,000]~~ \$38,358,000 to the State Board of Education from the Uniform School Fund.

Section 4. **Effective date.**

This act takes effect on July 1, 2001.