

1 **PROCESS FOR CREATION OF NEW SCHOOL**
2 **DISTRICTS**

3 2003 GENERAL SESSION
4 STATE OF UTAH

5 **Sponsor: David N. Cox**

6 **This act modifies provisions related to school districts to provide a process for creating**
7 **new school districts. The act provides for the transfer of school property to the new**
8 **school district, a tax on property within the new school district to pay for the new**
9 **district's proportionate share of the existing district's debt, and for the election of new**
10 **school board members. The act takes effect July 1, 2003.**

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

12 ENACTS:

13 **53A-2-117**, Utah Code Annotated 1953

14 **53A-2-118**, Utah Code Annotated 1953

15 **53A-2-119**, Utah Code Annotated 1953

16 **53A-2-120**, Utah Code Annotated 1953

17 **53A-2-121**, Utah Code Annotated 1953

18 **53A-2-122**, Utah Code Annotated 1953

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

20 Section 1. Section **53A-2-117** is enacted to read:

21 **53A-2-117. Definitions.**

22 As used in Sections 53A-2-117 through 53A-2-121:

23 (1) "Existing district" means a school district from which a new district is created.

24 (2) "New district" means a school district created under Section 53A-2-118.

25 Section 2. Section **53A-2-118** is enacted to read:

26 **53A-2-118. Creation of new school district by county legislative body -- Initiation**
27 **of process -- Procedures to be followed.**



28 (1) A county legislative body may create a new school district from an existing school
29 district within the geographical boundaries of the county.

30 (2) (a) The process may be initiated:

31 (i) at the request of the county legislative body;

32 (ii) through a citizens' initiative petition;

33 (iii) at the request of the State Board of Education;

34 (iv) at the request of the Legislature or the governor; or

35 (v) at the request of the board of the existing district or districts to be affected by the
36 creation of the new district.

37 (b) A petition submitted under Subsection (2)(a)(ii) must be signed by qualified
38 electors residing within the geographical boundaries of the proposed new school district equal
39 in number to at least 25% of the number of electors in the area who voted for the office of
40 governor at the last regular general election.

41 (c) The process may only be initiated once for each of the procedures referred to in
42 Subsection (2)(a) during any four-year period.

43 (d) A new district may not be formed if the student population of the proposed new
44 district is less than 1,000 or the existing district's student population would be less than 1,000
45 because of the creation of the new school district.

46 (3) (a) The county legislative body shall appoint an ad hoc advisory committee to
47 review and make recommendations on a request for the creation of a new school district
48 submitted under Subsection (2)(a).

49 (b) The advisory committee shall:

50 (i) seek input from:

51 (A) those requesting the creation of the new school district;

52 (B) the school board and school personnel of the existing school district;

53 (C) those citizens residing within the geographical boundaries of the existing school
54 district;

55 (D) the State Board of Education; and

56 (E) other interested parties;

57 (ii) review data and gather information on at least:

58 (A) the financial viability of the proposed new school district;

- 59 (B) the proposal's financial impact on the existing school district;
60 (C) the exact placement of school district boundaries; and
61 (D) the positive and negative effects of creating a new school district and whether the
62 positive effects outweigh the negative if a new school district were to be created; and
63 (iii) make a report to the county legislative body in a public meeting on the committee's
64 activities, together with a recommendation on whether to create a new school district.
65 (4) (a) The county legislative body shall provide for a 45-day public comment period
66 on the report and recommendation to begin on the day the report is given under Subsection
67 (3)(b)(iii).
68 (b) Within 14 days after the end of the comment period, the county legislative body
69 shall vote on the creation of the proposed new school district.
70 (c) The proposal is approved if a majority of the members of the county legislative
71 body votes in favor of the proposal.
72 (d) If the proposal is approved, the county legislative body shall submit the proposal to
73 the county clerk to be voted on:
74 (i) by the electors of the existing school district;
75 (ii) in accordance with Title 20A, Election Code; and
76 (iii) at the next regular general election or municipal general election, whichever is
77 first.
78 (e) Creation of the new school district shall occur if a majority of the electors within
79 the existing school district voting on the proposal vote in favor of the creation of the new
80 district.
81 (f) (i) The county legislative body shall, within 45 days of the creation of the new
82 school district, file a written notice of the action with the State Tax Commission.
83 (ii) The notice shall be accompanied by a map showing the boundaries of the affected
84 school districts, prepared and certified by a local surveyor.
85 Section 3. Section **53A-2-119** is enacted to read:
86 **53A-2-119. Reapportionment -- Local school board membership.**
87 (1) Upon the creation of a new school district, the county legislative body shall
88 reapportion the affected school districts pursuant to Section 20A-14-201.
89 (2) (a) Except as provided in Subsection (2)(b), school board membership in the

90 affected school districts shall be determined under Title 20A, Chapter 14, Part 2, Nomination
91 and Election of Members of Local Boards of Education.

92 (b) (i) If, as a result of a reapportionment conducted following the creation of a new
93 school district, a local school board district is created in which no board member whose term
94 extends beyond reapportionment resides, the first board member for the local school board
95 district shall be elected at the next regular general election or municipal general election,
96 whichever occurs first, after the election at which the creation of the new school district is
97 approved.

98 (ii) (A) The initial term of office of a board member elected under Subsection (2)(b)(i)
99 shall be three years, except as provided in Subsection (2)(b)(ii)(B).

100 (B) If more than one position on a local school board needs to be filled pursuant to
101 Subsection (2)(b)(i), the initial term of the board members elected shall be staggered. The
102 county legislative body shall determine by lot which of the reapportioned local school board
103 districts will elect members to three-year terms and which will elect members to one-year
104 terms.

105 Section 4. Section **53A-2-120** is enacted to read:

106 **53A-2-120. Transfer of school property to new school district.**

107 (1) (a) Following the creation of a new school district, the boards of the existing and
108 new districts shall work together to convey and deliver to the board of the new district all
109 school property which the new district is entitled to receive.

110 (b) Any disagreements as to the disposition of school property shall be resolved by the
111 county legislative body.

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

115 (3) The new school board may bring and maintain actions to recover, protect, and
116 preserve the property and rights of the district's schools and to enforce contracts.

117 (4) The intangible property of the existing school district shall be prorated between it
118 and the new district on the same basis used to determine the new district's proportionate share
119 of the existing district's indebtedness under Section 53A-2-121.

120 Section 5. Section **53A-2-121** is enacted to read:

121 **53A-2-121. Indebtedness on property within new school district.**

122 (1) (a) The boards of the existing and new districts shall determine the portion of the
123 existing district's bonded indebtedness and other indebtedness for which the property within the
124 new district remains subject to the levy of taxes to pay a proportionate share of the existing
125 district's outstanding indebtedness.

126 (b) The proportionate share of the existing district's outstanding indebtedness for which
127 property within the new district remains subject to the levy of taxes shall be calculated by
128 determining the proportion that the total assessed valuation of the property within the new
129 district bears to the total assessed valuation of the existing district in the year immediately
130 preceding the date the new district was created.

131 (c) The agreement reflecting the determinations made under this Subsection (1) shall
132 take effect upon being filed with the county legislative body and the State Board of Education.

133 (2) The board of the new district shall levy a tax on property within the new district
134 sufficient to pay the proportionate share of the indebtedness determined under this section, and
135 shall turn over the proceeds of the tax to the business administrator of the existing district.

136 (3) The boards of the existing and new districts shall determine by mutual agreement
137 the disposition of bonds approved but not issued by the existing district before the creation of
138 the new district based primarily on the representation made to the voters at the time of the bond
139 election.

140 Section 6. Section **53A-2-122** is enacted to read:

141 **53A-2-122. Rights of employees transferring to a new district.**

142 An employee of a school district from which a new district is created who becomes an
143 employee of the new district shall receive the same considerations as are provided to
144 transferred employees by Section 53A-2-116.

145 Section 7. **Effective date.**

146 This act takes effect on July 1, 2003.

Legislative Review Note
as of 11-12-02 8:43 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note

Process for Creation of New School Districts

20-Jan-03

Bill Number HB016912:39 PM

State Impact

Implementation of HB 169 itself has no fiscal impact to the state. However, should additional school districts be created under provisions of this bill, both local governments and the State will be impacted.

Under U.C.A. 53A-17a-108, depending on the size of a new school district the State must provide between 16 and 53 Weighted Pupil Units (WPU) (at current WPU value of \$2,132 per WPU, equaling, \$34,112 - \$112,996) for district administration, and the State must provide 20 to 25 WPU (\$46,64 - \$53,300) for Applied Technology Education in each new district.

On the local level, new school districts may generate additional administrative costs.

Individual and Business Impact

Should new districts be created under the process established by H.B. 169, local property tax rates in newly created districts may change.

Office of the Legislative Fiscal Analyst

