

Representative Michael R. Styler proposes the following substitute bill:

PROPERTY TAX LEVY FOR EDUCATION

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael R. Styler

This act modifies the State System of Public Education Code and the Property Tax Act by setting the minimum basic tax rate. This act takes effect on July 1, 2003.

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

AMENDS:

53A-17a-135, as last amended by Chapter 279, Laws of Utah 2002

59-2-926, as enacted by Chapter 271, Laws of Utah 1995

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

Section 1. Section **53A-17a-135** is amended to read:

53A-17a-135. Minimum basic tax rate.

(1) (a) In order to qualify for receipt of the state contribution toward the basic program and as its contribution toward its costs of the basic program, each school district shall impose a minimum basic tax rate of .001813 per dollar of taxable value [~~that generates \$206,690,578 in revenues statewide~~].

~~[(b) The preliminary estimate for the 2002-03 tax rate is .001813.]~~

~~[(c) The State Tax Commission shall certify on or before June 22 the rate that generates \$206,690,578 in revenues statewide.]~~

~~[(d)]~~ (b) If the minimum basic tax rate exceeds the certified revenue levy as defined in Section ~~[59-2-102]~~ 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.

(2) (a) The state shall contribute to each district toward the cost of the basic program in the district that portion which exceeds the proceeds of the levy authorized under Subsection



(1).

(b) In accord with the state strategic plan for public education and to fulfill its responsibility for the development and implementation of that plan, the Legislature instructs the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each of the coming five years to develop budgets that will fully fund student enrollment growth.

(3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the cost of the basic program in a school district, no state contribution shall be made to the basic program.

(b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of the basic program shall be paid into the Uniform School Fund as provided by law.

Section 2. Section **59-2-926** is amended to read:

59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.

(1) (a) If the state authorizes a levy pursuant to Section [~~53A-17a-135~~ or] 59-2-906.1 that exceeds the certified revenue levy, the state shall publish a notice no later than ten days after the last day of the annual legislative general session that meets the [~~following~~] requirements[~~;~~] of Subsections (2) and (3).

(b) If the minimum basic tax rate provided by Section 53A-17a-135 exceeds the certified revenue levy, the state shall publish a notice no later than ten days before the first day of the annual legislative general session that meets the requirements of Subsections (2) and (3).

~~[(1)]~~ (2) The Office of the Legislative Fiscal Analyst shall advertise that the state authorized a levy that generates revenue in excess of the previous year's ad valorem tax revenue, plus new growth, but exclusive of revenue from collections from redemptions, interest, and penalties in a newspaper of general circulation in the state. The advertisement shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border. The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement shall be run once.

~~[(2)]~~ (3) The form and content of the notice shall be substantially as follows:
"NOTICE OF TAX INCREASE

The state has budgeted an increase in its property tax revenue from \$_____ to \$_____ or ____%. The increase in property tax revenues will come from the following

57 sources (include all of the following provisions):

58 (a) \$_____ of the increase will come from (provide an explanation of the cause
59 of adjustment or increased revenues, such as reappraisals or factoring orders);

60 (b) \$_____ of the increase will come from natural increases in the value of the
61 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

62 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for
63 the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or
64 both) paid \$_____ in property taxes would pay the following:

65 (i) \$_____ if the state of Utah did not budget an increase in property tax revenue
66 exclusive of new growth; and

67 (ii) \$_____ under the increased property tax revenues exclusive of new growth
68 budgeted by the state of Utah."

69 Section 3. **Effective date.**

70 This act takes effect on July 1, 2003.