

Senator Lyle W. Hillyard proposes the following substitute bill:

VOTED LEEWAY AMENDMENTS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Lyle W. Hillyard

This act modifies the State System of Public Education Code and the Property Tax Act to exempt school districts from certain advertisement requirements when budgeting revenue from a voted leeway and levying a voted leeway tax rate. This act makes technical amendments.

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

AMENDS:

53A-17a-133, as last amended by Chapter 279, Laws of Utah 2002

53A-17a-134, as last amended by Chapters 335 and 336, Laws of Utah 2001

53A-19-102, as last amended by Chapter 79, Laws of Utah 1996

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

Section 1. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted leeway program authorized -- Election requirements -- State guarantee -- Reconsideration of the program.

(1) An election to consider adoption or modification of a voted leeway program is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.

(2) (a) (i) To establish a voted leeway program, a majority of the electors of a district voting at an election in the manner set forth in Section 53A-16-110 must vote in favor of a special tax.

(ii) The tax rate may not exceed .002 per dollar of taxable value.

(b) The district may maintain a school program which exceeds the cost of the program



referred to in Section 53A-17a-145 with this voted leeway.

(c) In order to receive state support as provided in Subsection (3) the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.

~~[(d) The additional program is the state-supported voted leeway program of the district.]~~

(3) (a) Under the voted leeway program, the state shall contribute an amount sufficient to guarantee \$17.14 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (3)(a) shall apply to the board-approved leeway authorized in Section 53A-17a-134, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.

(c) (i) Beginning July 1, 2003, the \$17.14 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of the prior year's weighted pupil unit.

~~[(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.]~~

~~[(ii) Subsection (3)(d)(i) applies for a period of two years following any such change in the certified tax rate.]~~

(4) (a) An election to modify an existing voted leeway program is not a reconsideration of the existing program unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the district of authority to continue an existing program.

(c) If adoption of a leeway program is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or

discontinuing the program prior to a subsequent increase in other levies that would increase the total local school board levy.

(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue an existing voted leeway program previously authorized by the voters.

(5) Notwithstanding Section 59-2-918, a school district may budget an increased amount of ad valorem tax revenue derived from a voted leeway imposed under this section, in addition to revenue from new growth, without having to comply with the advertisement requirements of Section 59-2-918.

(6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this section in excess of the certified tax rate without having to comply with the advertisement requirement of Section 59-2-919.

Section 2. Section **53A-17a-134** is amended to read:

53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.

(1) Each local school board may levy a tax rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of the basic school program as follows:

(a) a local school board shall use the monies generated by the tax for class size reduction within the school district;

(b) if a local school board determines that the average class size in the school district is not excessive, it may use the monies for other school purposes but only if the board has declared the use for other school purposes in a public meeting prior to levying the tax rate; and

(c) a district may not use the monies for other school purposes under Subsection (1)(b) until it has certified in writing that its class size needs are already being met and has identified the other school purposes for which the monies will be used to the State Board of Education and the state board has approved their use for other school purposes.

(2) (a) The state shall contribute an amount sufficient to guarantee \$17.14 per weighted pupil unit for each .0001 per dollar of taxable value.

(b) The guarantee shall increase in the same manner as provided for the voted leeway guarantee in Subsections 53A-17a-133(3)(c)(i) and (ii).

(c) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under Subsections (2)(a) and (2)(b) may not be reduced for the sole reason that

the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (3)(c)(i) applies for a period of two years following any such change in the certified tax rate.

(3) The levy authorized under this section is not in addition to the maximum rate of .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax rate under that section.

(4) As an exception to Section 53A-17a-133, the board-authorized levy does not require voter approval, but the board may require voter approval if requested by a majority of the board.

(5) An election to consider disapproval of the board-authorized levy is required, if within 60 days after the levy is established by the board, referendum petitions signed by the number of legal voters required in Section 20A-7-301, who reside within the school district, are filed with the school district.

(6) (a) A local school board shall establish its board-approved levy by April 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an election is required under this section, the levy applies to the fiscal year beginning July 1 of the next calendar year.

(b) The approval and disapproval votes authorized in Subsections (4) and (5) shall occur at a general election in even-numbered years, except that a vote required under this section in odd-numbered years shall occur at a special election held on a day in odd-numbered years that corresponds to the general election date. The school district shall pay for the cost of a special election.

(7) (a) Modification or termination of a voter-approved leeway rate authorized under this section is governed by Section 53A-17a-133.

(b) A board-authorized leeway rate may be modified or terminated by a majority vote of the board subject to disapproval procedures specified in this section.

(8) A board levy election does not require publication of a voter information pamphlet.

Section 3. Section **53A-19-102** is amended to read:

53A-19-102. Local school boards budget procedures.

(1) Prior to June 22 of each year, each local school board shall adopt a budget and

119 make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the
120 certified tax rate defined in Subsection 59-2-924 (2), the board shall comply with [~~the Tax~~
121 ~~Increase Disclosure Act~~] Sections 59-2-918 and 59-2-919 in adopting the budget, except as
122 provided by Section 53A-17a-133.

123 (2) Prior to the adoption of a budget containing a tax rate which does not exceed the
124 certified tax rate, the board shall hold a public hearing on the proposed budget. In addition to
125 complying with Title 52, Chapter 4, Open and Public Meetings, in regards to the hearing, the
126 board shall do the following:

127 (a) publish the required newspaper notice at least one week prior to the hearing; and
128 (b) file a copy of the proposed budget with the board's business administrator for public
129 inspection at least ten days prior to the hearing.

130 (3) The board shall file a copy of the adopted budget with the state auditor and the
131 State Board of Education.