

**NEW SCHOOL DISTRICT PROPERTY TAX AMENDMENTS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Bradley M. Daw**

Senate Sponsor: Carlene M. Walker

Cosponsor: Stephen E. Sandstrom

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**LONG TITLE**

**General Description:**

This bill amends the Property Tax Act and the State System of Public Education Code related to property tax revenues when a new school district is created.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ prohibits certain new school districts from levying a property tax prior to the year in which the district assumes responsibility for student instruction;
- ▶ allows the existing district to impose a property tax on the new district during the period it provides instruction to the new district's students;
- ▶ allows the new district, after taking over student instruction, to continue imposing certain property tax levies previously approved by a vote of the predecessor district electorate and places limitations on the levies;
- ▶ requires the new school district and the remaining district to publish certain advertisements and hold certain hearings before levying a property tax in the first year the new district takes over student instruction; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

30 Utah Code Sections Affected:

31 AMENDS:

32 53A-2-117, as enacted by Chapter 234, Laws of Utah 2003

33 ENACTS:

34 53A-2-118.2, Utah Code Annotated 1953

35 59-2-918.6, Utah Code Annotated 1953



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

38 Section 1. Section 53A-2-117 is amended to read:

39 **53A-2-117. Definitions.**

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

41 (1) "Existing district" or "existing school district" means a school district from which a  
42 new district is created.

43 (2) "New district" or "new school district" means a school district created under  
44 Section 53A-2-118 or 53A-2-118.1.

45 (3) "Remaining district" or "remaining school district" means an existing district after  
46 creation of a new district.

47 Section 2. Section 53A-2-118.2 is enacted to read:

48 **53A-2-118.2. New school district property tax -- Limitations.**

49 (1) (a) A new school district created under Section 53A-2-118.1 may not impose a  
50 property tax prior to the fiscal year in which the new school district assumes responsibility for  
51 providing student instruction.

52 (b) The remaining school district retains authority to impose property taxes on the  
53 existing school district, including the territory of the new school district, until the fiscal year in  
54 which the new school district assumes responsibility for providing student instruction.

55 (2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1  
56 assumes responsibility for student instruction any portion of the territory within the new school  
57 district was subject to a levy pursuant to Section 53A-16-110 or 53A-17a-133, the new school

58 district's board may:

59 (i) discontinue the levy for the new school district;

60 (ii) impose a levy on the new school district as provided in Section 53A-16-110 or

61 53A-17a-133; or

62 (iii) impose the levy on the new school district, subject to Subsection (2)(b).

63 (b) If the new school district's board applies a levy to the new school district pursuant

64 to Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by

65 the voters of the existing district or districts at the time of the vote to create the new school

66 district.

67 Section 3. Section **59-2-918.6** is enacted to read:

68 **59-2-918.6. New and remaining school district budgets -- Advertisement -- Public**

69 **hearing.**

70 (1) As used in this section, "existing school district," "new school district," and

71 "remaining school district" are as defined in Section 53A-2-117.

72 (2) For the first fiscal year in which a new school district created under Section

73 53A-2-118.1 assumes responsibility for providing student instruction, the new school district

74 and the remaining school district or districts may not impose a property tax unless the district

75 imposing the tax:

76 (a) advertises its intention to do so in accordance with Subsection (3); and

77 (b) holds a public hearing in accordance with Subsection (4).

78 (3) The advertisement required by this section:

79 (a) may be combined with the advertisement required by either Section 59-2-918 or

80 59-2-919;

81 (b) shall be at least 1/4 of a page in size and shall meet the type, placement, and

82 frequency requirements established under Section 59-2-919; and

83 (c) shall specify the date, time, and location of the public hearing at which the levy will

84 be considered and shall set forth the total amount of the district's proposed property tax levy

85 and the tax impact on an average residential and business property located within the taxing

86 entity compared to the property tax levy imposed in the prior year by the existing school  
87 district.

88 (4) (a) The date, time, and place of public hearings required by this section shall be  
89 included on the notice mailed to property owners pursuant to Subsection 59-2-919(4).

90 (b) If a final decision regarding the property tax levy is not made at the public hearing,  
91 the school district shall announce at the public hearing the scheduled time and place for  
92 consideration and adoption of the budget and property tax levies.