

CREATION OF NEW SCHOOL DISTRICT

AMENDMENTS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Carlene M. Walker

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to the creation of a new school district.

Highlighted Provisions:

This bill:

- ▶ adds a vote to elect school district board members resulting from the creation of a new school district to the list of special elections that a local political subdivision may call;
- ▶ adds a definition relating to the creation of a new school district;
- ▶ provides a process for certifying the creation of a new school district and establishes the date that the new district is created;
- ▶ clarifies the duties of a new district and the district from which the new district was created with respect to providing educational services;
- ▶ makes exceptions to requirements applicable to a proposal by interlocal agreement participants to create a new school district where the proposal would otherwise geographically isolate an area within a municipality that is served by a separate school district entirely within the municipality's boundaries;
- ▶ provides for the election of school district board members of a new school district and of the school district from which the new district was created, and provides for the terms of those members;



- 28 ▶ establishes a process for allocating the property of an existing school district
- 29 between a newly created district and the school district from which it was created,
- 30 including:
- 31 • transition teams to represent the new district and the district from which the new
- 32 district was created; and
- 33 • a requirement that disputes about the allocation of property be decided by
- 34 binding arbitration;
- 35 ▶ shifts from the board of a new school district to the board of the district from which
- 36 the new district was created the responsibility to continue to levy a tax on property
- 37 in the new district to pay the new district's proportionate share of bonds issued
- 38 before the new district was created;
- 39 ▶ prohibits a school district board from issuing bonds approved but not issued before
- 40 the creation of a new district under certain circumstances; and
- 41 ▶ makes technical, conforming, and clarifying changes.

42 Monies Appropriated in this Bill:

43 None

44 Other Special Clauses:

45 None

46 Utah Code Sections Affected:

47 AMENDS:

- 48 **20A-1-203**, as last amended by Chapter 211, Laws of Utah 2005
- 49 **53A-2-104**, as last amended by Chapter 183, Laws of Utah 2006
- 50 **53A-2-105**, as last amended by Chapter 183, Laws of Utah 2006
- 51 **53A-2-117**, as enacted by Chapter 234, Laws of Utah 2003
- 52 **53A-2-118**, as last amended by Chapter 183, Laws of Utah 2006
- 53 **53A-2-118.1**, as enacted by Chapter 183, Laws of Utah 2006
- 54 **53A-2-119**, as enacted by Chapter 234, Laws of Utah 2003
- 55 **53A-2-120**, as enacted by Chapter 234, Laws of Utah 2003
- 56 **53A-2-121**, as enacted by Chapter 234, Laws of Utah 2003



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

59 Section 1. Section **20A-1-203** is amended to read:

60 **20A-1-203. Calling and purpose of special elections.**

61 (1) Statewide and local special elections may be held for any purpose authorized by
62 law.

63 (2) (a) Statewide special elections shall be conducted using the procedure for regular
64 general elections.

65 (b) Except as otherwise provided in this title, local special elections shall be conducted
66 using the procedures for regular municipal elections.

67 (3) The governor may call a statewide special election by issuing an executive order
68 that designates:

69 (a) the date for the statewide special election; and

70 (b) the purpose for the statewide special election.

71 (4) The Legislature may call a statewide special election by passing a joint or
72 concurrent resolution that designates:

73 (a) the date for the statewide special election; and

74 (b) the purpose for the statewide special election.

75 (5) (a) The legislative body of a local political subdivision may call a local special
76 election only for:

77 (i) a vote on a bond or debt issue;

78 (ii) a vote on a voted leeway program authorized by Section 53A-17a-133 or
79 53A-17a-134;

80 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - Procedure;

81 (iv) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;

82 (v) if required or authorized by federal law, a vote to determine whether or not Utah's
83 legal boundaries should be changed; [~~or~~]

84 (vi) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act[-]; or

85 (vii) a vote to elect members to school district boards for a new school district and a
86 remaining school district, as defined in Section 53A-2-117, following the creation of a new
87 school district under Section 53A-2-118.1.

88 (b) The legislative body of a local political subdivision may call a local special election
89 by adopting an ordinance or resolution that designates:

- 90 (i) the date for the local special election; and
- 91 (ii) the purpose for the local special election.

92 Section 2. Section **53A-2-104** is amended to read:

93 **53A-2-104. Transfer of a portion of a school district -- Board resolution -- Board**
94 **petition -- Elector petition -- Transfer election.**

95 (1) Part of a school district may be transferred to another district in one of the
96 following ways:

97 (a) presentation to the county legislative body of each of the affected counties of a
98 resolution requesting the transfer, approved by at least four-fifths of the members of the local
99 board of education of each affected school district;

100 (b) presentation to the county legislative body of each affected county of a petition
101 requesting that the electors vote on the transfer, signed by a majority of the members of the
102 local school board of each affected school district; or

103 (c) presentation to the county legislative body of each affected county of a petition
104 requesting that the electors vote on the transfer, signed by 15% of the qualified electors in each
105 of the affected school districts within that county[; ~~or~~].

106 [~~(d) voter approval of a proposal pursuant to Section 53A-2-118.1.]~~

107 (2) (a) If an annexation of property by a city would result in its residents being served
108 by more than one school district, then the presidents of the affected local school boards shall
109 meet within 60 days prior to the effective date of the annexation to determine whether it would
110 be advisable to adjust school district boundaries to permit all residents of the expanded city to
111 be served by a single school district.

112 (b) Upon conclusion of the meeting, the local school board presidents shall prepare a
113 recommendation for presentation to their respective boards as soon as reasonably possible.

114 (c) The boards may then initiate realignment proceedings under Subsection (1)(a) or
115 (b).

116 (d) If a local board rejects realignment under Subsection (1)(a) or (b), the other board
117 may initiate the following procedures by majority vote within 60 days of the vote rejecting
118 realignment:

119 (i) (A) within 30 days after a vote to initiate these procedures, each local board shall
120 appoint one member to a boundary review committee; or

121 (B) if the local board becomes deadlocked in selecting the appointee under Subsection
122 (2)(d)(i)(A), the board's chair shall make the appointment or serve as the appointee to the
123 review committee.

124 (ii) The two local board-appointed members of the committee shall meet and appoint a
125 third member of the committee.

126 (iii) If the two local board-appointed members are unable to agree on the appointment
127 of a third member within 30 days after both are appointed, the State Superintendent of Public
128 Instruction shall appoint the third member.

129 (iv) The committee shall meet as necessary to prepare recommendations concerning
130 resolution of the realignment issue, and shall submit the recommendations to the affected local
131 boards within six months after the appointment of the third member of the committee.

132 (v) If a majority of the members of each local board accepts the recommendation of the
133 committee, or accepts the recommendation after amendment by the boards, then the accepted
134 recommendation shall be implemented.

135 (vi) If the committee fails to submit its recommendation within the time allotted, or if
136 one local board rejects the recommendation, the affected boards may agree to extend the time
137 for the committee to prepare an acceptable recommendation or either board may request the
138 State Board of Education to resolve the question.

139 (vii) If the committee has submitted a recommendation which the state board finds to
140 be reasonably supported by the evidence, the state board shall adopt the committee's
141 recommendation.

142 (viii) The decision of the state board is final.

143 (3) (a) The electors of each affected district shall vote on the transfer requested under
144 Subsection (1)(b) or (c) at an election called for that purpose, which may be the next general
145 election.

146 (b) The election shall be conducted and the returns canvassed as provided by election
147 law.

148 (c) A transfer is effected only if a majority of votes cast by the electors in both the
149 proposed transferor district and in the proposed transferee district are in favor of the transfer.

150 Section 3. Section **53A-2-105** is amended to read:

151 **53A-2-105. Transfer of school property -- Indebtedness on transferred property.**

152 (1) If a transfer of a portion of one school district to another school district is approved
153 under Section 53A-2-104 [~~or 53A-2-118.1~~], the state superintendent and the superintendents
154 and presidents of the boards of education of each of the affected school districts shall determine
155 the basis for a transfer of all school property reasonably and fairly allocable to that portion
156 being transferred.

157 (2) (a) Title to property transferred vests in the transferee board of education.

158 (b) The transfer of a school building that is in operation at the time of determination
159 shall be made at the close of a fiscal year.

160 (c) The transfer of all other school property shall be made five days after approval of
161 the transfer of territory under Section 53A-2-104.

162 (3) (a) The individuals referred to in Subsection (1) shall determine the portion of
163 bonded indebtedness and other indebtedness of the transferor board for which the transferred
164 property remains subject to the levy of taxes to pay a proportionate share of the outstanding
165 indebtedness of the transferor board.

166 (b) This is done by:

167 (i) determining the amount of the outstanding bonded indebtedness and other
168 indebtedness of the transferor board of education;

169 (ii) determining the total taxable value of the property of the transferor district and the
170 taxable value of the property to be transferred; and

171 (iii) calculating the portion of the indebtedness of the transferor board for which the
172 transferred portion retains liability.

173 (4) (a) The agreement reflecting these determinations takes effect upon being filed with
174 the State Board of Education.

175 (b) The transferred property remains subject to the levy of taxes to pay a proportionate
176 share of the outstanding indebtedness of the transferor school board.

177 (c) The transferee school board may assume the obligation to pay the proportionate
178 share of the transferor school board's indebtedness that has been determined under Subsection
179 (3) to be the obligation of the transferred portion by the approval of a resolution by a majority
180 of the qualified electors of the transferee school district at an election called and held for that
181 purpose under Title 11, Chapter 14, Local Government Bonding Act.

182 (5) If the transferee school district assumes the obligation to pay this proportionate

183 share of the transferor school board's indebtedness, the transferee school board shall levy a tax
 184 in the whole of the transferee district, including the transferred portion, sufficient to pay the
 185 assumed indebtedness, and shall turn over the proceeds of the tax to the business administrator
 186 of the transferor board.

187 (6) If the transferee school board does not assume this obligation, the transferee school
 188 board shall levy a tax on the transferred territory sufficient to pay the proportionate share of the
 189 indebtedness determined under this section, and shall turn over the proceeds of the tax to the
 190 business administrator of the transferor board.

191 (7) For the purposes of school districts affected by repealed laws governing the
 192 annexation of an unincorporated area of a school district by a city which included what was
 193 formerly known as a city school district, transitions of unincorporated areas and property from
 194 the transferor district to the transferee district in progress on the effective date of this act shall
 195 revert to the boundaries and ownership prior to the initiation of annexation and may then
 196 proceed under this section and Section 53A-2-104.

197 Section 4. Section **53A-2-117** is amended to read:

198 **53A-2-117. Definitions.**

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

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

202 (2) "New district" or "new school district" means a school district created under
 203 Section 53A-2-118[:] or 53A-2-118.1.

204 (3) "Remaining district" means an existing district after the creation of a new district.

205 Section 5. Section **53A-2-118** is amended to read:

206 **53A-2-118. Creation of new school district by county legislative body -- Initiation**
 207 **of process -- Procedures to be followed.**

208 (1) A county legislative body may create a new school district from an existing school
 209 district, as provided in this section, if the area of the new school district is within or, under
 210 Subsection 53A-2-118.1(2)(b)(ii), considered to be within the geographical boundaries of the
 211 county.

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

213 (i) through a citizens' initiative petition;

214 (ii) at the request of the board of the existing district or districts to be affected by the
215 creation of the new district; or

216 (iii) at the request of a city within the boundaries of the school district or at the request
217 of interlocal agreement participants, pursuant to Section 53A-2-118.1.

218 (b) (i) A petition submitted under Subsection (2)(a)(i) must be signed by qualified
219 electors residing within the geographical boundaries of the proposed new school district equal
220 in number to at least 15% of the number of electors in the area who voted for the office of
221 governor at the last regular general election.

222 (ii) A request or petition submitted under Subsection (2)(a) shall:

223 (A) be filed with the county clerk;

224 (B) indicate the typed or printed name and current residence address of each governing
225 board member making a request, or registered voter signing a petition, as the case may be;

226 (C) describe the proposed new school district boundaries; and

227 (D) designate up to five signers of the petition or request as sponsors, one of whom
228 shall be designated as the contact sponsor, with the mailing address and telephone number of
229 each.

230 (c) A signer of a petition under Subsection (2)(a)(i) may withdraw or, once withdrawn,
231 reinstate the signer's signature at any time before the filing of the petition by filing a written
232 withdrawal or reinstatement with the county clerk.

233 (d) The process under Subsection (2)(a)(i) may only be initiated once during any
234 four-year period.

235 (e) A new district may not be formed pursuant to Subsection (2)(a) if the student
236 population of the proposed new district is less than 3,000 or the existing district's student
237 population would be less than 3,000 because of the creation of the new school district.

238 (f) Within 45 days after the filing of a request or petition under Subsection (2)(a), the
239 county clerk shall:

240 (i) determine whether the request or petition complies with Subsections (2)(a), (b), (d),
241 and (e), as applicable; and

242 (ii) (A) if the county clerk determines that the request or petition complies with the
243 applicable requirements:

244 (I) certify the request or petition and deliver the certified request or petition to the

245 county legislative body; and

246 (II) mail or deliver written notification of the certification to the contact sponsor; or

247 (B) if the county clerk determines that the request or petition fails to comply with any

248 of the applicable requirements, reject the request or petition and notify the contact sponsor in

249 writing of the rejection and reasons for the rejection.

250 (g) If the county clerk fails to certify or reject a request or petition within 45 days after

251 its filing, the request or petition shall be considered to be certified.

252 (h) (i) If the county clerk rejects a request or petition, the request or petition may be

253 amended to correct the deficiencies for which it was rejected and then refiled.

254 (ii) Subsection (2)(d) does not apply to a request or petition that is amended and refiled

255 after having been rejected by a county clerk.

256 (i) If a county legislative body receives a request from a school board under Subsection

257 (2)(a)(ii) or a petition under Subsection (2)(a)(i) which is certified by the county clerk on or

258 before December 1:

259 (i) the county legislative body shall appoint an ad hoc advisory committee, as provided

260 by Subsection (3), on or before January 1;

261 (ii) the ad hoc advisory committee shall submit its report and recommendations to the

262 county legislative body, as provided by Subsection (3), on or before July 1; and

263 (iii) if the county legislative body approves a proposal to create a new district, the

264 proposal shall be submitted to the county clerk to be voted on by the electors of the existing

265 district at the regular general or municipal general election held in November.

266 (3) (a) The county legislative body shall appoint an ad hoc advisory committee to

267 review and make recommendations on a request for the creation of a new school district

268 submitted under Subsection (2)(a)(i) or (ii).

269 (b) The advisory committee shall:

270 (i) seek input from:

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

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

273 (C) those citizens residing within the geographical boundaries of the existing school

274 district;

275 (D) the State Board of Education; and

276 (E) other interested parties;
277 (ii) review data and gather information on at least:
278 (A) the financial viability of the proposed new school district;
279 (B) the proposal's financial impact on the existing school district;
280 (C) the exact placement of school district boundaries; and
281 (D) the positive and negative effects of creating a new school district and whether the
282 positive effects outweigh the negative if a new school district were to be created; and
283 (iii) make a report to the county legislative body in a public meeting on the committee's
284 activities, together with a recommendation on whether to create a new school district.
285 (4) For a request or petition submitted under Subsection (2)(a)(i) or (2)(a)(ii):
286 (a) The county legislative body shall provide for a 45-day public comment period on
287 the report and recommendation to begin on the day the report is given under Subsection
288 (3)(b)(iii).
289 (b) Within 14 days after the end of the comment period, the county legislative body
290 shall vote on the creation of the proposed new school district.
291 (c) The proposal is approved if a majority of the members of the county legislative
292 body votes in favor of the proposal.
293 (d) If the proposal is approved, the county legislative body shall submit the proposal to
294 the county clerk to be voted on:
295 (i) by the legal voters of the existing school district;
296 (ii) in accordance with Title 20A, Election Code; and
297 (iii) at the next regular general election or municipal general election, whichever is
298 first.
299 (e) Creation of the new school district shall occur if a majority of the electors within
300 both the proposed school district and the remaining school district voting on the proposal vote
301 in favor of the creation of the new district.
302 (f) The county legislative body shall provide notice of the action as required in Section
303 53A-2-101.5.
304 (g) If a proposal submitted under Subsection (2)(a)(i) or (ii) to create a new district is
305 approved by the electors, the existing district's documented costs to study and implement the
306 proposal shall be reimbursed by the new district.

307 (5) (a) If a proposal submitted under Subsection (2)(a)(iii) is certified under Subsection
 308 (2)(f) or (g), the county legislative body shall submit the proposal to the county clerk to be
 309 voted on:

310 (i) by the legal voters residing within the proposed new school district boundaries;
 311 (ii) in accordance with Title 20A, Election Code; and
 312 (iii) at the next regular general election or municipal general election, whichever is
 313 first.

314 (b) ~~(i) [Creation of the new school district shall occur if]~~ If a majority of the legal
 315 voters within the proposed new school district boundaries voting on the proposal at an election
 316 under Subsection (5)(a) vote in favor of the creation of the new district[-]:

317 (A) the county legislative body shall, within 30 days after the canvass of the election,
 318 file with the lieutenant governor the written notice required under Section 53A-2-101.5; and

319 (B) upon the lieutenant governor's issuance of the certificate under Section 67-1a-6.5,
 320 the new district is created.

321 (ii) Notwithstanding the creation of a new district as provided in Subsection
 322 (5)(b)(i)(B):

323 (A) a new school district may not begin to provide educational services until July 1 of
 324 the second calendar year following the election at which voters approve creation of the new
 325 school district; and

326 (B) the remaining district shall continue, until the time specified in Subsection
 327 (5)(b)(ii)(A), to provide educational services within the entire area covered by the existing
 328 district as though the new district had not been created.

329 Section 6. Section **53A-2-118.1** is amended to read:

330 **53A-2-118.1. Option for school district creation.**

331 (1) After conducting a feasibility study, a city of the first or second class, as defined
 332 under Section 10-2-301, may by majority vote of the legislative body, submit for voter approval
 333 a measure to create a new school district with boundaries contiguous with that city's
 334 boundaries, in accordance with Section 53A-2-118.

335 (2) (a) By majority vote of the legislative body, a city of any class, a town, or a county,
 336 may, together with one or more other cities, towns, or the county enter into an interlocal
 337 agreement, in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, for the purpose

338 of submitting for voter approval a measure to create a new school district.

339 (b) (i) In accordance with Section 53A-2-118, interlocal agreement participants under
340 Subsection (2)(a) may submit a proposal for voter approval if:

341 [~~(i)~~] (A) the interlocal agreement participants conduct a feasibility study prior to
342 submitting the proposal to the county;

343 [~~(ii)~~] (B) the combined population within the proposed new school district boundaries
344 meets the minimum population threshold for a city of the second class; and

345 [~~(iii)~~] (C) the new school district boundaries:

346 [~~(A)~~] (I) are contiguous;

347 [~~(B)~~] (II) do not completely surround or otherwise completely geographically isolate a
348 portion of an existing school district that is not part of the proposed new school district from
349 the remaining part of the existing school district, except as provided in Subsection (2)(e);

350 [~~(C)~~] (III) include the entire boundaries of [~~any~~] each participant city or town, except as
351 provided in Subsection (2)(d); and

352 [~~(D)~~] (IV) subject to Subsection (2)(b)(ii), do not cross county lines.

353 (ii) For purposes of Subsection (2)(b)(i)(C)(IV) and Subsection 53A-2-118(1), a
354 municipality located in more than one county is considered to be entirely within the same
355 county as other participants in an interlocal agreement under Subsection (2)(a) if more of the
356 municipality's land area and population is located in that same county than outside the county.

357 (c) (i) A county may only participate in an interlocal agreement under this Subsection
358 (2) for the unincorporated areas of the county.

359 (ii) Boundaries of a new school district created under this section may include a portion
360 of the unincorporated area of the county, including a portion of a township.

361 (d) Notwithstanding Subsection (2)(b)(i)(C)(III), a municipality may be a participant in
362 an interlocal agreement under Subsection (2)(a) with respect to some but not all of the area
363 within the municipality's boundaries if the portion of the municipality proposed to be included
364 in the new school district:

365 (i) would, if not included, be completely geographically isolated by the creation of the
366 new district;

367 (ii) is part of the existing school district from which the new school district is proposed
368 to be created; and

369 (iii) is the only portion of the municipality that is not included within a separate school
370 district that is entirely within the boundaries of the municipality.

371 (e) (i) As used in this Subsection (2)(e), "municipal school district" means a school
372 district that:

373 (A) is entirely included within the boundaries of a municipality; and

374 (B) would include the entire municipality if it also contained the area described in
375 Subsection (2)(e)(ii)(A).

376 (ii) Notwithstanding Subsection (2)(b)(i)(C)(II), a proposal to create a new school
377 district may be submitted for voter approval pursuant to an interlocal agreement under
378 Subsection (2)(a), even though the new school district boundaries would completely
379 geographically isolate a portion of the existing school district that is not part of the proposed
380 new school district from the remaining part of the existing school district, if:

381 (A) the portion of the existing school district that will be completely geographically
382 isolated is:

383 (I) entirely within the boundaries of a municipality; and

384 (II) the only part of the municipality that is not included within a municipal school
385 district; and

386 (B) the municipality fails to enter into an interlocal agreement under Subsection (2)(a)
387 with other interlocal agreement participants within 90 days after the other participants submit a
388 written request to the municipality to enter into an interlocal agreement that proposes to submit
389 for voter approval a measure to create a new school district that includes the area described in
390 Subsection (2)(e)(ii)(A).

391 (iii) If a new school district is created under this section that, because of application of
392 Subsection (2)(e)(ii), results in a portion of the existing district being completely
393 geographically isolated from the rest of the remaining district:

394 (A) that portion shall, on July 1 of the year immediately following the election at which
395 voters approve the creation of a new school district, become part of the municipal school
396 district;

397 (B) unless that portion is the only remaining part of the existing district, the process
398 described in Subsection (4) shall be modified to:

399 (I) include a third transition team, appointed by the school district board of the

400 municipal school district, to represent the municipal school district;

401 (II) require allocation of the existing district's property among the new district, the
402 remaining district, and the municipal school district;

403 (III) require each of the three transition teams to appoint one member to the
404 three-member arbitration panel, if an arbitration panel is established; and

405 (IV) require the municipal school district to bear 1/3 of the costs of arbitration; and

406 (C) the remaining district shall continue to provide educational services to the isolated
407 area until July 1 of the year immediately following the election at which voters approve the
408 creation of a new school district.

409 (3) (a) If a proposal under this section is approved by voters:

410 (i) an election shall be held on the June special election date, as provided in Section
411 20A-1-204, in the year following the election at which voters approved the creation of a new
412 school district, to elect all members to the board of the new school district;

413 (ii) the term of each member of the school district board of the existing district
414 terminates on July 15 of the second year after the election at which the creation of the new
415 district was approved by voters, regardless of when the term would otherwise have terminated;

416 (iii) an election shall be held on the June special election date, as provided in Section
417 20A-1-204, of the second year after the election at which voters approved the creation of the
418 new district, to elect all members to the board of the remaining district;

419 ~~[(a) transfer of]~~ (iv) school district property [and indebtedness to a newly created]
420 shall be divided between the existing school district and the new school district [shall be
421 handled in accordance with Sections 53A-2-120 and 53A-2-121] as provided in Subsection (4);

422 ~~[(b)]~~ (v) transferred employees shall be treated in accordance with Sections 53A-2-116
423 and 53A-2-122; and

424 ~~[(c)]~~ (vi) within one year after [creation of] the new district begins providing
425 educational services, the superintendent of [the previously existing] each remaining district [or
426 districts] affected and the superintendent of the new district shall meet, together with the
427 Superintendent of Public Instruction, to determine if further boundary changes should be
428 proposed in accordance with Section 53A-2-104 or Subsection 53A-2-118(2).

429 (b) Each member elected to a school district board at an election under Subsection
430 (3)(a)(i) or (iii) shall take office on July 15 immediately following the election.

431 (c) (i) Subject to Subsection (3)(c)(ii), the terms of the initial members of the school
432 district board of the remaining district who are elected at an election under Subsection
433 (3)(a)(iii) and the terms of the initial members of the school district board of the new district
434 who are elected at an election under Subsection (3)(a)(i) shall be staggered and adjusted by the
435 county legislative body so that:

436 (A) the school district board members' successors are elected at a future regular general
437 election; and

438 (B) the terms of their successors coincide with the schedule of terms for school district
439 board members established in Section 20A-14-202.

440 (ii) (A) The term of a member elected to a school district board at an election under
441 Subsection (3)(a)(ii) or (iii) may not be less than 17 months.

442 (B) In order to comply with the requirements of Subsection (3)(c)(i), the term of a
443 member elected to a school district board at an election under Subsection (3)(a)(ii) or (iii) held
444 in an even-numbered year may exceed four years but may not exceed five years.

445 (4) (a) Within 30 days after the canvass of an election at which voters approve the
446 creation of a new school district under this section:

447 (i) a transition team to represent the remaining district shall be appointed by the
448 members of the existing district board who reside within the area of the remaining district, in
449 consultation with:

450 (A) the legislative bodies of all municipalities in the area of the remaining district; and

451 (B) the legislative body of the county in which the remaining district is located, if the
452 remaining district includes one or more unincorporated areas of the county; and

453 (ii) another transition team to represent the new district shall be appointed by:

454 (A) for a new district located entirely within the boundaries of a single city, the
455 legislative body of that city; or

456 (B) for each other new district, the legislative bodies of all interlocal agreement
457 participants.

458 (b) (i) (A) The transition teams appointed under Subsection (4)(a) shall, subject to
459 Subsection (4)(b)(iii), determine the allocation of the existing district's property between the
460 remaining district and the new district in accordance with Subsection (4)(b)(ii).

461 (B) The transition teams shall determine the allocation under Subsection (4)(b)(i)(A)

462 before July 1 of the year following the election at which voters approve the creation of a new
463 district, unless that deadline is extended by the mutual agreement of:

464 (I) the school district board of the remaining district; and

465 (II) (Aa) the legislative body of the city in which the new district is located, for a new
466 district located entirely within a single city; or

467 (Bb) the legislative bodies of all interlocal agreement participants, for each other new
468 district.

469 (ii) All property of the existing district, both tangible and intangible, real and personal,
470 shall be allocated between the existing district and the new district in a way that is fair and
471 equitable to both the existing district and the new district, taking into account:

472 (A) the relative student populations between the existing district and new district;

473 (B) the relative assessed value of taxable property between the existing district and the
474 new district;

475 (C) the historical amount of property used to deliver educational services to students in
476 the existing district and the new district; and

477 (D) any other factors that the transition teams consider relevant in dividing the property
478 in a fair and equitable manner.

479 (iii) Nothing in this Subsection (4)(b) may be construed to limit the ability of the
480 transition teams to provide that an existing district's property be shared by a remaining district
481 and new district or from providing for any other arrangement with respect to existing district
482 property that is beneficial to and in the best interests of the remaining district and new district.

483 (c) (i) Each disagreement between the transition teams about the proper allocation of
484 property between the districts shall be resolved by binding arbitration to a three-member
485 arbitration panel.

486 (ii) Each transition team shall appoint one member to an arbitration panel under this
487 Subsection (4)(c), and those two members shall appoint a third member.

488 (iii) The costs of arbitration shall initially be borne entirely by the existing district, but
489 the new district shall reimburse the existing district half of those costs within one year after the
490 new district begins providing educational services.

491 (d) Each decision of the transition teams and of the arbitration panel resolving a
492 disagreement between the transition teams is final and binding on the boards of the existing

493 district and new district.

494 (e) All costs and expenses of a transition team shall be borne by:

495 (i) for a transition team that represents a remaining district, the remaining district; and

496 (ii) for a transition team that represents a new district:

497 (A) the city whose legislative body appoints the transition team, if the transition team
498 is appointed by the legislative body of a single city; or

499 (B) the interlocal agreement participants, if the transition team is appointed by the
500 legislative bodies of interlocal agreement participants.

501 Section 7. Section **53A-2-119** is amended to read:

502 **53A-2-119. Reapportionment -- Local school board membership.**

503 (1) Upon the creation of a new school district, the county legislative body shall
504 reapportion the affected school districts pursuant to Section 20A-14-201.

505 (2) [~~(a)~~] Except as provided in [~~Subsection (2)(b)~~] Subsections (3) and
506 53A-2-118.1(3)(c), school board membership in the affected school districts shall be
507 determined under Title 20A, Chapter 14, Part 2, Nomination and Election of Members of Local
508 Boards of Education.

509 (3) (a) Subsection (3)(b) does not apply to a new school district created under Section
510 53A-2-118.1.

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

517 (ii) (A) The initial term of office of a board member elected under Subsection [~~(2)~~]
518 (3)(b)(i) shall be three years, except as provided in Subsection [~~(2)~~] (3)(b)(ii)(B).

519 (B) If more than one position on a local school board needs to be filled pursuant to
520 Subsection [~~(2)~~] (3)(b)(i), the initial term of the board members elected shall be staggered. The
521 county legislative body shall determine by lot which of the reapportioned local school board
522 districts will elect members to three-year terms and which will elect members to one-year
523 terms.

524 Section 8. Section **53A-2-120** is amended to read:

525 **53A-2-120. Transfer of school property to new school district.**

526 (1) (a) On [~~the~~] July 1 of the year following the school board elections for the new and
527 existing districts as provided in Section 53A-1-119, the board of the existing district shall
528 convey and deliver to the board of the new district all school property which the new district is
529 entitled to receive.

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

532 (ii) Subsection (1)(b)(i) does not apply to disagreements between transition teams
533 about the proper allocation of property under Subsection 53A-2-118.1(4).

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

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

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

542 (b) Subsection (4)(a) does not apply to the allocation of intangible property between a
543 remaining district and a new district created under Section 53A-2-118.1.

544 Section 9. Section **53A-2-121** is amended to read:

545 **53A-2-121. Indebtedness on property within new school district.**

546 (1) (a) The boards of the [~~existing~~] remaining and new districts shall determine the
547 portion of the existing district's bonded indebtedness and other indebtedness for which the
548 property within the new district remains subject to the levy of taxes to pay a proportionate
549 share of the existing district's outstanding indebtedness.

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

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

557 (2) The board of the [~~new~~] remaining district shall continue to levy a tax on property
558 within the new district sufficient to pay the new district's proportionate share of the
559 indebtedness determined under this section, and shall [~~turn-over~~] annually report the amount of
560 the proceeds of the tax to the business administrator of the [~~existing~~] new district.

561 (3) (a) The boards of the [~~existing~~] remaining and new districts shall determine by
562 mutual agreement the disposition of bonds approved but not issued by the existing district
563 before the creation of the new district based primarily on the representation made to the voters
564 at the time of the bond election.

565 (b) Before a determination is made under Subsection (3)(a), a remaining district may
566 not issue bonds approved but not issued before the creation of the new district if property in the
567 new district would be subject to the levy of a tax to pay the bonds.

Legislative Review Note
as of 12-6-06 11:25 AM

Office of Legislative Research and General Counsel

Interim Committee Note
as of 12-14-06 9:36 AM

The Political Subdivisions Interim Committee recommended this bill.

S.B. 30 - Creation of New School District Amendments

Fiscal Note

2007 General Session
State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill may result in some impact to existing and new school districts due to costs associated with transition teams and/or arbitration panels as outlined in the bill.

1/16/2007, 8:58:41 AM, Lead Analyst: Leishman, B.

Office of the Legislative Fiscal Analyst