

Representative John Dougall proposes the following substitute bill:

REPEAL OF BOARD LEEWAY FOR READING

IMPROVEMENT

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the funding of the K-3 Reading Improvement Program.

Highlighted Provisions:

This bill:

- ▶ consolidates the Base Level Program and the Guarantee Program;
- ▶ provides state funding for the K-3 Reading Improvement Program;
- ▶ modifies the distribution of program monies;
- ▶ repeals the local school board leeway to fund part of a school district's K-3 Reading Improvement Program; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

This bill appropriates as an ongoing appropriation subject to future budget constraints, \$20,000,000 from the Uniform School Fund for fiscal year 2008-09 to the State Board of Education.

Other Special Clauses:

This bill provides effective dates and provides for retrospective operation.

Utah Code Sections Affected:



26 AMENDS:

- 27 **17-34-3**, as last amended by Laws of Utah 2005, First Special Session, Chapter 9
- 28 **17C-1-408**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 29 **53A-16-106**, as last amended by Laws of Utah 1994, Chapter 12
- 30 **53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26
- 31 **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
- 32 **53A-19-102**, as last amended by Laws of Utah 2007, Chapter 92
- 33 **53A-19-105**, as last amended by Laws of Utah 2003, Chapter 122
- 34 **59-2-908**, as last amended by Laws of Utah 1995, Chapter 278
- 35 **59-2-913**, as last amended by Laws of Utah 2007, Chapter 107
- 36 **59-2-914**, as last amended by Laws of Utah 1995, Chapter 278
- 37 **59-2-918**, as last amended by Laws of Utah 2006, Chapters 26 and 104
- 38 **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329
- 39 **59-2-1330**, as last amended by Laws of Utah 2002, Chapters 196 and 240

40 ENACTS:

- 41 **59-2-924.2**, Utah Code Annotated 1953

42 REPEALS:

- 43 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305



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

46 Section 1. Section **17-34-3** is amended to read:

47 **17-34-3. Taxes or service charges.**

48 (1) (a) If a county furnishes the municipal-type services and functions described in
 49 Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the
 50 entire cost of the services or functions so furnished shall be defrayed from funds that the county
 51 has derived from:

52 (i) taxes that the county may lawfully levy or impose outside the limits of incorporated
 53 towns or cities;

54 (ii) service charges or fees the county may impose upon the persons benefited in any
 55 way by the services or functions; or

56 (iii) a combination of these sources.

57 (b) As the taxes or service charges or fees are levied and collected, they shall be placed
 58 in a special revenue fund of the county and shall be disbursed only for the rendering of the
 59 services or functions established in Section 17-34-1 within the unincorporated areas of the
 60 county or as provided in Subsection 10-2-121(2).

61 (2) For the purpose of levying taxes, service charges, or fees provided in this section,
 62 the county legislative body may establish a district or districts in the unincorporated areas of
 63 the county.

64 (3) Nothing contained in this chapter may be construed to authorize counties to impose
 65 or levy taxes not otherwise allowed by law.

66 ~~[(4) (a) A county required under Subsection 17-34-1(4) to provide advanced life
 67 support and paramedic services to the unincorporated area of the county and that previously
 68 paid for those services through a countywide levy may increase its levy under Subsection
 69 (1)(a)(i) to generate in the unincorporated area of the county the same amount of revenue as the
 70 county loses from that area due to the required decrease in the countywide certified tax rate
 71 under Subsection 59-2-924(2)(k)(i).]~~

72 ~~[(b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and
 73 hearing requirements of Sections 59-2-918 and 59-2-919.]~~

74 ~~[(5)]~~ (4) Notwithstanding any other provision of this chapter, a county providing fire,
 75 paramedic, and police protection services in a designated recreational area, as provided in
 76 Subsection 17-34-1(5), may fund those services from the county general fund with revenues
 77 derived from both inside and outside the limits of cities and towns, and the funding of those
 78 services is not limited to unincorporated area revenues.

79 Section 2. Section **17C-1-408** is amended to read:

80 **17C-1-408. Base taxable value to be adjusted to reflect other changes.**

81 (1) (a) (i) As used in this Subsection (1), "qualifying decrease" means:

82 (A) a decrease of more than 20% from the previous tax year's levy; or

83 (B) a cumulative decrease over a consecutive five-year period of more than 100% from
 84 the levy in effect at the beginning of the five-year period.

85 (ii) The year in which a qualifying decrease under Subsection (1)(a)(i)(B) occurs is the
 86 fifth year of the five-year period.

87 (b) If there is a qualifying decrease in the minimum basic school levy under Section

88 59-2-902 that would result in a reduction of the amount of tax increment to be paid to an
89 agency:

90 (i) the base taxable value of taxable property within the project area shall be reduced in
91 the year of the qualifying decrease to the extent necessary, even if below zero, to provide the
92 agency with approximately the same amount of tax increment that would have been paid to the
93 agency each year had the qualifying decrease not occurred; and

94 (ii) the amount of tax increment paid to the agency each year for the payment of bonds
95 and indebtedness may not be less than what would have been paid to the agency if there had
96 been no qualifying decrease.

97 (2) (a) The amount of the base taxable value to be used in determining tax increment
98 shall be:

99 (i) increased or decreased by the amount of an increase or decrease that results from:

100 (A) a statute enacted by the Legislature or by the people through an initiative;

101 (B) a judicial decision;

102 (C) an order from the State Tax Commission to a county to adjust or factor its
103 assessment rate under Subsection 59-2-704(2);

104 (D) a change in exemption provided in Utah Constitution Article XIII, Section 2, or
105 Section 59-2-103; or

106 (E) an increase or decrease in the percentage of fair market value, as defined under
107 Section 59-2-102; and

108 (ii) reduced for any year to the extent necessary, even if below zero, to provide an
109 agency with approximately the same amount of money the agency would have received without
110 a reduction in the county's certified tax rate if:

111 (A) in that year there is a decrease in the county's certified tax rate under Subsection
112 ~~[59-2-924(2)(c) or (d)(i)]~~ 59-2-924.2(2) or (3)(a);

113 (B) the amount of the decrease is more than 20% of the county's certified tax rate of the
114 previous year; and

115 (C) the decrease would result in a reduction of the amount of tax increment to be paid
116 to the agency.

117 (b) Notwithstanding an increase or decrease under Subsection (2)(a), the amount of tax
118 increment paid to an agency each year for payment of bonds or other indebtedness may not be

119 less than would have been paid to the agency each year if there had been no increase or
120 decrease under Subsection (2)(a).

121 Section 3. Section **53A-16-106** is amended to read:

122 **53A-16-106. Annual certification of tax rate proposed by local school board --**
123 **Inclusion of school district budget -- Modified filing date.**

124 (1) Prior to June 22 of each year, each local school board shall certify to the county
125 legislative body in which the district is located, on forms prescribed by the State Tax
126 Commission, the proposed tax rate approved by the local school board.

127 (2) A copy of the district's budget, including items under Section 53A-19-101, and a
128 certified copy of the local school board's resolution which approved the budget and set the tax
129 rate for the subsequent school year beginning July 1 shall accompany the tax rate.

130 (3) If the tax rate approved by the board is in excess of the "certified tax rate" as
131 defined under Subsection 59-2-924[(2)](3)(a), the date for filing the tax rate and budget
132 adopted by the board shall be that established under Section 59-2-919.

133 Section 4. Section **53A-17a-133** is amended to read:

134 **53A-17a-133. State-supported voted leeway program authorized -- Election**
135 **requirements -- State guarantee -- Reconsideration of the program.**

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

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

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

143 (b) The district may maintain a school program which exceeds the cost of the program
144 referred to in Section 53A-17a-145 with this voted leeway.

145 (c) In order to receive state support the first year, a district must receive voter approval
146 no later than December 1 of the year prior to implementation.

147 (3) (a) Under the voted leeway program, the state shall contribute an amount sufficient
148 to guarantee \$17.54 per weighted pupil unit for each .0001 of the first .0016 per dollar of
149 taxable value.

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

154 (c) (i) Beginning July 1, 2005, the \$17.54 guarantee under Subsections (3)(a) and (b)
155 shall be indexed each year to the value of the weighted pupil unit by making the value of the
156 guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

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

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

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

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

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

170 (c) If adoption of a leeway program is contingent upon an offset reducing other local
171 school board levies, the board must allow the electors, in an election, to consider modifying or
172 discontinuing the program prior to a subsequent increase in other levies that would increase the
173 total local school board levy.

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

177 (5) Notwithstanding Section 59-2-918, a school district may budget an increased
178 amount of ad valorem property tax revenue derived from a voted leeway imposed under this
179 section in addition to revenue from new growth as defined in Subsection 59-2-924~~(2)~~(4),
180 without having to comply with the advertisement requirements of Section 59-2-918, if the

181 voted leeway is approved:

182 (a) in accordance with Section 53A-16-110 on or after January 1, 2003; and

183 (b) within the four-year period immediately preceding the year in which the school
184 district seeks to budget an increased amount of ad valorem property tax revenue derived from
185 the voted leeway.

186 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
187 section that exceeds the certified tax rate without having to comply with the advertisement
188 requirements of Section 59-2-919 if:

189 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
190 increased amount of ad valorem property tax revenue derived from a voted leeway imposed
191 under this section; and

192 (b) if the voted leeway was approved:

193 (i) in accordance with Section 53A-16-110 on or after January 1, 2003; and

194 (ii) within the four-year period immediately preceding the year in which the school
195 district seeks to budget an increased amount of ad valorem property tax revenue derived from
196 the voted leeway.

197 Section 5. Section **53A-17a-150** is amended to read:

198 **53A-17a-150. K-3 Reading Improvement Program.**

199 (1) As used in this section:

200 (a) "program" means the K-3 Reading Improvement Program; and

201 (b) "program monies" means [~~(i) school district revenue from the levy authorized~~
202 ~~under Section 53A-17a-151;~~(ii) ~~school district revenue allocated to the program from other~~
203 ~~monies available to the school district, except monies provided by the state, for the purpose of~~
204 ~~receiving state funds under this section; and (iii)] monies appropriated by the Legislature to the
205 program.~~

206 (2) The K-3 Reading Improvement Program consists of program monies and is created
207 to achieve the state's goal of having third graders reading at or above grade level.

208 (3) Subject to future budget constraints, the Legislature may annually appropriate
209 money to the K-3 Reading Improvement Program.

210 (4) (a) Prior to using program monies, a school district or charter school shall submit a
211 plan to the State Board of Education for reading proficiency improvement that incorporates the

212 following components:

- 213 (i) assessment;
- 214 (ii) intervention strategies;
- 215 (iii) professional development;
- 216 (iv) reading performance standards; and
- 217 (v) specific measurable goals that are based upon gain scores.

218 (b) The State Board of Education shall provide model plans which a school district or
219 charter school may use, or the district or school may develop its own plan.

220 (c) Plans developed by a school district or charter school shall be approved by the State
221 Board of Education.

222 (5) There is created within the K-3 Reading Achievement Program ~~[three]~~ two funding
223 programs:

- 224 (a) the ~~[Base Level]~~ K-3 Student Program; and
- 225 ~~[(b) the Guarantee Program; and]~~
- 226 ~~[(c)]~~ (b) the ~~[Low Income]~~ At Risk Students Program.

227 (6) Monies appropriated to the State Board of Education for the K-3 Reading
228 Improvement Program shall be allocated to the ~~[three]~~ two funding programs as follows:

- 229 (a) ~~[8%]~~ 50% to the ~~[Base Level]~~ K-3 Student Program; and
- 230 ~~[(b) 46% to the Guarantee Program; and]~~
- 231 ~~[(c)]~~ (b) ~~[46%]~~ 50% to the ~~[Low Income]~~ At Risk Students Program.

232 (7) (a) To participate in the ~~[Base Level]~~ K-3 Reading Achievement Program, a school
233 district or charter school shall submit a reading proficiency improvement plan to the State
234 Board of Education as provided in Subsection (4) and ~~[must]~~ shall receive approval of the plan
235 from the board.

236 (b) ~~[(i) Each]~~ A school district qualifying for ~~[Base Level]~~ K-3 Reading Achievement
237 Program funds and the qualifying elementary charter schools combined shall receive ~~[a base~~
238 ~~amount]~~ the allocations provided in Subsections (8) and (9).

239 ~~[(ii) The base amount for the qualifying elementary charter schools combined shall be~~
240 ~~allocated among each school in an amount proportionate to:]~~

241 ~~[(A)]~~ (8) ~~[each existing charter school's prior]~~ The State Board of Education shall
242 distribute K-3 Student Program funds to:

243 (a) provide qualifying school districts that have necessarily existent small schools, as
244 defined in Section 53A-17a-109, a base amount; and

245 (b) allocate the remaining funds in an amount proportionate to the current year fall
246 enrollment in grades kindergarten through grade 3[; and] in each qualifying school district or
247 charter school.

248 ~~[(B) each new charter school's estimated fall enrollment in grades kindergarten through~~
249 ~~grade 3.]~~

250 ~~[(8) (a) A school district that applies for program monies in excess of the Base Level~~
251 ~~Program funds shall choose to first participate in either the Guarantee Program or the Low~~
252 ~~Income Students Program.]~~

253 ~~[(b) A school district must fully participate in either the Guarantee Program or the Low~~
254 ~~Income Students Program before it may elect to either fully or partially participate in the other~~
255 ~~program.]~~

256 ~~[(c) To fully participate in the Guarantee Program, a school district shall:]~~

257 ~~[(i) levy a tax rate of .000056 under Section 53A-17a-151;]~~

258 ~~[(ii) allocate to the program other monies available to the school district, except monies~~
259 ~~provided by the state, equal to the amount of revenue that would be generated by a tax rate of~~
260 ~~.000056; or]~~

261 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
262 ~~available to the school district, except monies provided by the state, so that the total revenue~~
263 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
264 ~~tax rate of .000056.]~~

265 ~~[(d) To fully participate in the Low Income Students Program, a school district shall:]~~

266 ~~[(i) levy a tax rate of .000065 under Section 53A-17a-151;]~~

267 ~~[(ii) allocate to the program other monies available to the school district, except monies~~
268 ~~provided by the state, equal to the amount of revenue that would be generated by a tax rate of~~
269 ~~.000065; or]~~

270 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
271 ~~available to the school district, except monies provided by the state, so that the total revenue~~
272 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
273 ~~tax rate of .000065.]~~

274 ~~[(9) (a) A school district that fully participates in the Guarantee Program shall receive~~
275 ~~state funds in an amount that is:]~~

276 ~~[(i) equal to the difference between \$21 times the district's total WPUs and the revenue~~
277 ~~the school district is required to generate or allocate under Subsection (8)(c) to fully participate~~
278 ~~in the Guarantee Program; and]~~

279 ~~[(ii) not less than \$0.]~~

280 ~~[(b) An elementary charter school shall receive under the Guarantee Program an~~
281 ~~amount equal to \$21 times the school's total WPUs.]~~

282 ~~[(10)] (9) The State Board of Education shall distribute [~~Low Income~~] At Risk~~
283 ~~Students Program funds in an amount proportionate to the number of students in kindergarten~~
284 ~~through grade 3 in each qualifying school district or charter school who qualify for free or~~
285 ~~reduced price school lunch [~~multiplied by two~~].~~

286 ~~[(11) A school district that partially participates in the Guarantee Program or Low~~
287 ~~Income Students Program shall receive program funds based on the amount of district revenue~~
288 ~~generated for or allocated to the program as a percentage of the amount of revenue that could~~
289 ~~have been generated or allocated if the district had fully participated in the program.]~~

290 ~~[(12)] (10) (a) Each school district and charter school shall use program monies for~~
291 ~~reading proficiency improvement in grades kindergarten through grade three.~~

292 (b) Program monies may not be used to supplant funds for existing programs, but may
293 be used to augment existing programs.

294 ~~[(13)] (11) (a) Each school district and charter school shall annually submit a report to~~
295 ~~the State Board of Education accounting for the expenditure of program monies in accordance~~
296 ~~with its plan for reading proficiency improvement.~~

297 (b) If a school district or charter school uses program monies in a manner that is
298 inconsistent with Subsection ~~[(12)] (10)~~, the school district or charter school is liable for
299 reimbursing the State Board of Education for the amount of program monies improperly used,
300 up to the amount of program monies received from the State Board of Education.

301 ~~[(14)] (12) (a) The State Board of Education shall make rules to implement the~~
302 ~~program.~~

303 (b) (i) The rules under Subsection ~~[(14)] (12)~~(a) shall require each school district or
304 charter school to annually report progress in meeting goals stated in the district's or charter

305 school's plan for student reading proficiency as measured by gain scores.

306 (ii) (A) If a school district or charter school does not meet or exceed the goals, the
307 school district or charter school shall prepare a new plan which corrects deficiencies.

308 (B) The new plan must be approved by the State Board of Education before the school
309 district or charter school receives an allocation for the next year.

310 ~~[(15) If after 36 months of program operation, a school district fails to meet goals~~
311 ~~stated in the district's plan for student reading proficiency as measured by gain scores, the~~
312 ~~school district shall terminate any levy imposed under Section 53A-17a-151.]~~

313 Section 6. Section **53A-19-102** is amended to read:

314 **53A-19-102. Local school boards budget procedures.**

315 (1) Prior to June 22 of each year, each local school board shall adopt a budget and
316 make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the
317 certified tax rate defined in ~~[Subsection]~~ Section 59-2-924~~[(2)]~~, the board shall comply with
318 Sections 59-2-918 and 59-2-919 in adopting the budget, except as provided by Section
319 53A-17a-133.

320 (2) Prior to the adoption of a budget containing a tax rate which does not exceed the
321 certified tax rate, the board shall hold a public hearing, as defined in Section 10-9a-103, on the
322 proposed budget. In addition to complying with Title 52, Chapter 4, Open and Public Meetings
323 Act, in regards to the hearing, the board shall do the following:

- 324 (a) publish the required newspaper notice at least ten days prior to the hearing; and
- 325 (b) file a copy of the proposed budget with the board's business administrator for public
326 inspection at least ten days prior to the hearing.

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

329 Section 7. Section **53A-19-105** is amended to read:

330 **53A-19-105. School district interfund transfers.**

331 (1) A school district shall spend revenues only within the fund for which they were
332 originally authorized, levied, collected, or appropriated.

333 (2) Except as otherwise provided in this section, school district interfund transfers of
334 residual equity are prohibited.

335 (3) The State Board of Education may authorize school district interfund transfers of

336 residual equity when a district states its intent to create a new fund or expand, contract, or
337 liquidate an existing fund.

338 (4) The State Board of Education may also authorize school district interfund transfers
339 of residual equity for a financially distressed district if the board determines the following:

340 (a) the district has a significant deficit in its maintenance and operations fund caused
341 by circumstances not subject to the administrative decisions of the district;

342 (b) the deficit cannot be reasonably reduced under Section 53A-19-104; and

343 (c) without the transfer, the school district will not be capable of meeting statewide
344 educational standards adopted by the State Board of Education.

345 (5) The board shall develop standards for defining and aiding financially distressed
346 school districts under this section in accordance with Title 63, Chapter 46a, Utah
347 Administrative Rulemaking Act.

348 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded
349 and reported in the debt service fund.

350 (b) Debt service levies under Subsection 59-2-924~~[(2)(a)(v)(C)](3)(e)(iii)~~ that are not
351 subject to the certified tax rate hearing requirements of Sections 59-2-918 and 59-2-919 may
352 not be used for any purpose other than retiring general obligation debt.

353 (c) Amounts from these levies remaining in the debt service fund at the end of a fiscal
354 year shall be used in subsequent years for general obligation debt retirement.

355 (d) Any amounts left in the debt service fund after all general obligation debt has been
356 retired may be transferred to the capital projects fund upon completion of the budgetary hearing
357 process required under Section 53A-19-102.

358 Section 8. Section **59-2-908** is amended to read:

359 **59-2-908. Single aggregate limitation -- Maximum levy.**

360 (1) Except as provided in Subsection (2), each county shall have a single aggregate
361 limitation on the property tax levied for all purposes by the county. Except as provided in
362 Section 59-2-911, this limitation may not exceed the maximum set forth in this section. The
363 maximum is:

364 (a) .0032 per dollar of taxable value in all counties with a total taxable value of more
365 than \$100,000,000; and

366 (b) .0036 per dollar of taxable value in all counties with a total taxable value of less

367 than \$100,000,000.

368 (2) (a) Beginning January 1, 1995, a county may impose a tax rate in excess of the
369 limitation provided in Subsection (1) if the rate established under Subsection (1)(a) or (b)
370 generates revenues for the county in an amount that is less than the revenues that would be
371 generated by the county under the certified tax rate established in [~~Subsection~~] Section
372 59-2-924[(2)].

373 (b) A county meeting the requirements of Subsection (2)(a) may impose a tax rate that
374 does not exceed the certified tax rate established in [~~Subsection~~] Section 59-2-924[(2)].

375 Section 9. Section **59-2-913** is amended to read:

376 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**
377 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**
378 **establishing tax levies -- Format of statement.**

379 (1) As used in this section, "budgeted property tax revenues" does not include property
380 tax revenue received by a taxing entity from personal property that is:

- 381 (a) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 382 (b) semiconductor manufacturing equipment.

383 (2) (a) The legislative body of each taxing entity shall file a statement as provided in
384 this section with the county auditor of the county in which the taxing entity is located.

385 (b) The auditor shall annually transmit the statement to the commission:

- 386 (i) before June 22; or
- 387 (ii) with the approval of the commission, on a subsequent date prior to the date
388 established under Section 59-2-1317 for mailing tax notices.

389 (c) The statement shall contain the amount and purpose of each levy fixed by the
390 legislative body of the taxing entity.

391 (3) For purposes of establishing the levy set for each of a taxing entity's applicable
392 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing
393 the budgeted property tax revenues, specified in a budget which has been adopted and
394 approved prior to setting the levy, by the amount calculated under Subsections
395 59-2-924[(2)(a)(iii)(B)(i)](3)(c)(ii)(A) through [~~(H)]~~ (C).

396 (4) The format of the statement under this section shall:

- 397 (a) be determined by the commission; and

398 (b) cite any applicable statutory provisions that:

399 (i) require a specific levy; or

400 (ii) limit the property tax levy for any taxing entity.

401 (5) The commission may require certification that the information submitted on a
402 statement under this section is true and correct.

403 Section 10. Section **59-2-914** is amended to read:

404 **59-2-914. Excess levies -- Commission to recalculate levy -- Notice to implement**
405 **adjusted levies to county auditor.**

406 (1) If the commission determines that a levy established for a taxing entity set under
407 Section 59-2-913 is in excess of the maximum levy permitted by law, the commission shall:

408 (a) lower the levy so that it is set at the maximum level permitted by law;

409 (b) notify the taxing entity which set the excessive rate that the rate has been lowered;

410 and

411 (c) notify the county auditor of the county or counties in which the taxing entity is
412 located to implement the rate established by the commission.

413 (2) A levy set for a taxing entity by the commission under this section shall be the
414 official levy for that taxing entity unless:

415 (a) the taxing entity lowers the levy established by the commission; or

416 (b) the levy is subsequently modified by a court order.

417 (3) (a) Subject to the provisions of Subsections (1) and (2), beginning January 1, 1995,
418 a taxing entity may impose a tax rate in excess of the maximum levy permitted by law if the
419 rate established by the taxing entity for the current year generates revenues for the taxing entity
420 in an amount that is less than the revenues that would be generated by the taxing entity under
421 the certified tax rate established in ~~Subsection~~ Section 59-2-924~~(2)~~.

422 (b) A taxing entity meeting the requirements of Subsection (3)(a) may impose a tax
423 rate that does not exceed the certified rate established in ~~Subsection~~ Section 59-2-924~~(2)~~.

424 Section 11. Section **59-2-918** is amended to read:

425 **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

426 (1) (a) Except as provided in Subsection (1)(b), a taxing entity may not budget an
427 increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined
428 in Subsection 59-2-924~~(2)~~(4) unless it advertises its intention to do so at the same time that it

429 advertises its intention to fix its budget for the forthcoming fiscal year.

430 (b) (i) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the
431 advertisement or hearing requirements of this section if:

432 (A) the taxing entity:

433 (I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year;

434 or

435 (II) is expressly exempted by law from complying with the requirements of this
436 section; or

437 (B) the increased amount of ad valorem tax revenue results from a tax rate increase that
438 is exempted under Subsection 59-2-919(1)(a)(ii)(B) from the advertisement and hearing
439 requirements of Section 59-2-919.

440 (ii) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the
441 advertisement requirements of this section if Section 53A-17a-133 allows the taxing entity to
442 budget an increased amount of ad valorem property tax revenue without having to comply with
443 the advertisement requirements of this section.

444 (2) (a) For taxing entities operating under a July 1 through June 30 fiscal year, the
445 advertisement required by this section may be combined with the advertisement required by
446 Section 59-2-919.

447 (b) For taxing entities operating under a January 1 through December 31 fiscal year,
448 the advertisement required by this section shall meet the size, type, placement, and frequency
449 requirements established under Section 59-2-919.

450 (3) The form of the advertisement required by this section shall meet the size, type,
451 placement, and frequency requirements established under Section 59-2-919 and shall be
452 substantially as follows:

453 "NOTICE OF PROPOSED TAX INCREASE

454 (NAME OF TAXING ENTITY)

455 The (name of the taxing entity) is proposing to increase its property tax revenue.

456 ● If the proposed budget is approved, this would be an increase of ____% above
457 the (name of the taxing entity) property tax budgeted revenue for the prior year.

458 ● The (name of the taxing entity) tax on a (insert the average value of a residence
459 in the taxing entity rounded to the nearest thousand dollars) residence would

460 increase from \$_____ to \$_____, which is \$_____ per year.

461 • The (name of the taxing entity) tax on a (insert the value of a business having
462 the same value as the average value of a residence in the taxing entity) business
463 would increase from \$_____ to \$_____, which is \$_____ per year.

464 All concerned citizens are invited to a public hearing on the tax increase.

465 PUBLIC HEARING

466 Date/Time: (date) (time)

467 Location: (name of meeting place and address of meeting place)

468 To obtain more information regarding the tax increase, citizens may contact the (name
469 of the taxing entity) at (phone number of taxing entity)."

470 (4) If a final decision regarding the budgeting of an increased amount of ad valorem tax
471 revenue is not made at the public hearing described in Subsection (3), the taxing entity shall
472 announce at the public hearing the scheduled time and place for consideration and adoption of
473 the proposed budget increase.

474 (5) (a) Each taxing entity operating under the January 1 through December 31 fiscal
475 year shall by March 1 notify the county of the date, time, and place of the public hearing at
476 which the budget for the following fiscal year will be considered.

477 (b) The county shall include the information described in Subsection (5)(a) with the tax
478 notice.

479 (6) A taxing entity shall hold a public hearing under this section beginning at or after 6
480 p.m.

481 Section 12. Section **59-2-924** is amended to read:

482 **59-2-924. Report of valuation of property to county auditor and commission --**

483 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
484 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

485 (1) [~~(a)~~] Before June 1 of each year, the county assessor of each county shall deliver to
486 the county auditor and the commission the following statements:

487 [~~(i)~~] (a) a statement containing the aggregate valuation of all taxable property in each
488 taxing entity; and

489 [~~(ii)~~] (b) a statement containing the taxable value of any additional personal property
490 estimated by the county assessor to be subject to taxation in the current year.

491 ~~(b)~~ (2) The county auditor shall, on or before June 8, transmit to the governing body
 492 of each taxing entity:

493 ~~(i)~~ (a) the statements described in Subsections (1)(a)~~(i)~~ and ~~(ii)~~ (b);

494 ~~(ii)~~ (b) an estimate of the revenue from personal property;

495 ~~(iii)~~ (c) the certified tax rate; and

496 ~~(iv)~~ (d) all forms necessary to submit a tax levy request.

497 ~~(2)~~ (3) (a) ~~(i)~~ The "certified tax rate" means a tax rate that will provide the same ad
 498 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the
 499 prior year.

500 ~~(ii)~~ (b) For purposes of this Subsection ~~(2)~~ (3), "ad valorem property tax revenues"
 501 do not include:

502 ~~(A)~~ (i) collections from redemptions;

503 ~~(B)~~ (ii) interest;

504 ~~(C)~~ (iii) penalties; and

505 ~~(D)~~ (iv) revenue received by a taxing entity from personal property that is:

506 ~~(F)~~ (A) assessed by a county assessor in accordance with Part 3, County Assessment;

507 and

508 ~~(H)~~ (B) semiconductor manufacturing equipment.

509 ~~(iii)(A)~~ (c)(i) Except as otherwise provided in this section, the certified tax rate shall
 510 be calculated by dividing the ad valorem property tax revenues budgeted for the prior year by
 511 the taxing entity by the amount calculated under Subsection ~~(2)(a)(iii)(B)~~ (3)(c)(ii).

512 ~~(B)~~ (ii) For purposes of Subsection ~~(2)(a)(iii)(A)~~ (3)(c)(i), the legislative body of a
 513 taxing entity shall calculate an amount as follows:

514 ~~(F)~~ (A) calculate for the taxing entity the difference between:

515 ~~(Aa)~~ (I) the aggregate taxable value of all property taxed; and

516 ~~(Bb)~~ (II) any redevelopment adjustments for the current calendar year;

517 ~~(H)~~ (B) after making the calculation required by Subsection ~~(2)(a)(iii)(B)(F)~~

518 (3)(c)(ii)(A), calculate an amount determined by increasing or decreasing the amount

519 calculated under Subsection ~~(2)(a)(iii)(B)(F)~~ (3)(c)(ii)(A) by the average of the percentage net
 520 change in the value of taxable property for the equalization period for the three calendar years

521 immediately preceding the current calendar year;

522 ~~[(H)]~~ (C) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~
523 (3)(c)(ii)(B), calculate the product of:

524 ~~[(Aa)]~~ (I) the amount calculated under Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B); and
525 ~~[(Bb)]~~ (II) the percentage of property taxes collected for the five calendar years

526 immediately preceding the current calendar year; and

527 ~~[(IV)]~~ (D) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~
528 (3)(c)(ii)(C), calculate an amount determined by subtracting from the amount calculated under
529 Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(C) any new growth as defined in this section:

530 ~~[(Aa)]~~ (I) within the taxing entity; and

531 ~~[(Bb)]~~ (II) for the current calendar year.

532 ~~[(C)]~~ (iii) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(A), the aggregate
533 taxable value of all property taxed:

534 ~~[(F)]~~ (A) except as provided in Subsection ~~[(2)(a)(iii)(C)(H)]~~ (3)(c)(iii)(B), includes the
535 total taxable value of the real and personal property contained on the tax rolls of the taxing
536 entity; and

537 ~~[(H)]~~ (B) does not include the total taxable value of personal property contained on the
538 tax rolls of the taxing entity that is:

539 ~~[(Aa)]~~ (I) assessed by a county assessor in accordance with Part 3, County Assessment;
540 and

541 ~~[(Bb)]~~ (II) semiconductor manufacturing equipment.

542 ~~[(D)]~~ (iv) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B), for calendar years
543 beginning on or after January 1, 2007, the value of taxable property does not include the value
544 of personal property that is:

545 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part
546 3, County Assessment; and

547 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

548 ~~[(E)]~~ (v) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)(Bb)]~~ (3)(c)(ii)(C)(II), for
549 calendar years beginning on or after January 1, 2007, the percentage of property taxes collected
550 does not include property taxes collected from personal property that is:

551 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part
552 3, County Assessment; and

553 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

554 ~~[(F)]~~ (vi) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
555 Act, the commission may prescribe rules for calculating redevelopment adjustments for a
556 calendar year.

557 ~~[(iv)-(A)]~~ (d) (i) In accordance with Title 63, Chapter 46a, Utah Administrative
558 Rulemaking Act, the commission shall make rules determining the calculation of ad valorem
559 property tax revenues budgeted by a taxing entity.

560 ~~[(B)]~~ (ii) For purposes of Subsection ~~[(2)(a)(iv)-(A)]~~ (3)(d)(i), ad valorem property tax
561 revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted
562 property tax revenues are calculated for purposes of Section 59-2-913.

563 ~~[(v)]~~ (e) The certified tax rates for the taxing entities described in this Subsection
564 ~~[(2)(a)(v)]~~ (3)(e) shall be calculated as follows:

565 ~~[(A)]~~ (i) except as provided in Subsection ~~[(2)(a)(v)-(B)]~~ (3)(e)(ii), for new taxing
566 entities the certified tax rate is zero;

567 ~~[(B)]~~ (ii) for each municipality incorporated on or after July 1, 1996, the certified tax
568 rate is:

569 ~~[(H)]~~ (A) in a county of the first, second, or third class, the levy imposed for
570 municipal-type services under Sections 17-34-1 and 17-36-9; and

571 ~~[(H)]~~ (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general
572 county purposes and such other levies imposed solely for the municipal-type services identified
573 in Section 17-34-1 and Subsection 17-36-3(22); and

574 ~~[(E)]~~ (iii) for debt service voted on by the public, the certified tax rate shall be the
575 actual levy imposed by that section, except that the certified tax rates for the following levies
576 shall be calculated in accordance with Section 59-2-913 and this section:

577 ~~[(H)]~~ (A) school leeways provided for under Sections 11-2-7, 53A-16-110,
578 ~~[53A-17a-125;]~~ 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145;
579 ~~and 53A-21-103~~; and

580 ~~[(H)]~~ (B) levies to pay for the costs of state legislative mandates or judicial or
581 administrative orders under Section 59-2-906.3.

582 ~~[(vi)-(A)]~~ (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall
583 be established at that rate which is sufficient to generate only the revenue required to satisfy

584 one or more eligible judgments, as defined in Section 59-2-102.

585 ~~[(B)]~~ (ii) The ad valorem property tax revenue generated by the judgment levy shall not
586 be considered in establishing the taxing entity's aggregate certified tax rate.

587 ~~[(b)(i)]~~ (4)(a) For the purpose of calculating the certified tax rate, the county auditor
588 shall use the taxable value of property on the assessment roll.

589 ~~[(ii)]~~ (b) For purposes of Subsection ~~[(2)(b)(i)]~~ (4)(a)(i), the taxable value of real
590 property on the assessment roll does not include:

591 ~~[(A)]~~ (i) new growth as defined in Subsection ~~[(2)(b)(iii); or]~~ (4)(c); or

592 ~~[(B)]~~ (ii) the total taxable value of personal property contained on the tax rolls of the
593 taxing entity that is:

594 ~~[(F)]~~ (A) assessed by a county assessor in accordance with Part 3, County Assessment;
595 and

596 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

597 ~~[(iii)]~~ (c) "New growth" means:

598 ~~[(A)]~~ (i) the difference between the increase in taxable value of the taxing entity from
599 the previous calendar year to the current year; minus

600 ~~[(B)]~~ (ii) the amount of an increase in taxable value described in Subsection ~~[(2)(b)(v)]~~
601 (4)(e).

602 ~~[(iv)]~~ (d) For purposes of Subsection ~~[(2)(b)(iii)]~~ (4)(c)(ii), the taxable value of the
603 taxing entity does not include the taxable value of personal property that is:

604 ~~[(A)]~~ (i) contained on the tax rolls of the taxing entity if that property is assessed by a
605 county assessor in accordance with Part 3, County Assessment; and

606 ~~[(B)]~~ (ii) semiconductor manufacturing equipment.

607 ~~[(v)]~~ (e) Subsection ~~[(2)(b)(iii)(B)]~~ (4)(c)(ii) applies to the following increases in
608 taxable value:

609 ~~[(A)]~~ (i) the amount of increase to locally assessed real property taxable values
610 resulting from factoring, reappraisal, or any other adjustments; or

611 ~~[(B)]~~ (ii) the amount of an increase in the taxable value of property assessed by the
612 commission under Section 59-2-201 resulting from a change in the method of apportioning the
613 taxable value prescribed by:

614 ~~[(F)]~~ (A) the Legislature;

615 ~~[(H)]~~ (B) a court;

616 ~~[(HH)]~~ (C) the commission in an administrative rule; or

617 ~~[(IV)]~~ (D) the commission in an administrative order.

618 ~~[(c) Beginning January 1, 1997, if a taxing entity receives increased revenues from~~
619 ~~uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~
620 ~~59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter~~
621 ~~12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax~~
622 ~~rate to offset the increased revenues.]~~

623 ~~[(d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under~~
624 ~~Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:]~~

625 ~~[(A) decreased on a one-time basis by the amount of the estimated sales and use tax~~
626 ~~revenue to be distributed to the county under Subsection 59-12-1102(3); and]~~

627 ~~[(B) increased by the amount necessary to offset the county's reduction in revenue~~
628 ~~from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~
629 ~~59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection~~
630 ~~(2)(d)(i)(A).]~~

631 ~~[(ii) The commission shall determine estimates of sales and use tax distributions for~~
632 ~~purposes of Subsection (2)(d)(i).]~~

633 ~~[(e) Beginning January 1, 1998, if a municipality has imposed an additional resort~~
634 ~~communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be~~
635 ~~decreased on a one-time basis by the amount necessary to offset the first 12 months of~~
636 ~~estimated revenue from the additional resort communities sales and use tax imposed under~~
637 ~~Section 59-12-402.]~~

638 ~~[(f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under~~
639 ~~Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the~~
640 ~~unincorporated area of the county shall be decreased by the amount necessary to reduce~~
641 ~~revenues in that fiscal year by an amount equal to the difference between the amount the county~~
642 ~~budgeted in its 2000 fiscal year budget for advanced life support and paramedic services~~
643 ~~countywide and the amount the county spent during fiscal year 2000 for those services,~~
644 ~~excluding amounts spent from a municipal services fund for those services.]~~

645 ~~[(B) For fiscal year 2001, the certified tax rate of each county to which Subsection~~

646 ~~(2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal~~
647 ~~year by the amount that the county spent during fiscal year 2000 for advanced life support and~~
648 ~~paramedic services countywide, excluding amounts spent from a municipal services fund for~~
649 ~~those services.]~~

650 ~~[(ii) (A) A city or town located within a county of the first class to which Subsection~~
651 ~~(2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within~~
652 ~~the city or town the same amount of revenues as the county would collect from that city or~~
653 ~~town if the decrease under Subsection (2)(f)(i) did not occur.]~~

654 ~~[(B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal~~
655 ~~year or spread over multiple fiscal years, is not subject to the notice and hearing requirements~~
656 ~~of Sections 59-2-918 and 59-2-919.]~~

657 ~~[(g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to~~
658 ~~provide detective investigative services to the unincorporated area of the county shall be~~
659 ~~decreased:]~~

660 ~~[(A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year~~
661 ~~by at least \$4,400,000; and]~~

662 ~~[(B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year~~
663 ~~by an amount equal to the difference between \$9,258,412 and the amount of the reduction in~~
664 ~~revenues under Subsection (2)(g)(i)(A).]~~

665 ~~[(ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a~~
666 ~~county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate~~
667 ~~within the city or town the same amount of revenue as the county would have collected during~~
668 ~~county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).]~~

669 ~~[(H) Beginning with municipal fiscal year 2003, a city or town located within a county~~
670 ~~to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the~~
671 ~~city or town the same amount of revenue as the county would have collected during county~~
672 ~~fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).]~~

673 ~~[(B) (I) Except as provided in Subsection (2)(g)(ii)(B)(H), an increase in the city or~~
674 ~~town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year~~
675 ~~or spread over multiple fiscal years, is subject to the notice and hearing requirements of~~
676 ~~Sections 59-2-918 and 59-2-919.]~~

677 ~~[(H) For an increase under this Subsection (2)(g)(ii) that generates revenue that does~~
678 ~~not exceed the same amount of revenue as the county would have collected except for~~
679 ~~Subsection (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the~~
680 ~~city or town:]~~

681 ~~[(Aa) publishes a notice that meets the size, type, placement, and frequency~~
682 ~~requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed~~
683 ~~by the county to one imposed by the city or town, and explains how the revenues from the tax~~
684 ~~increase will be used; and]~~

685 ~~[(Bb) holds a public hearing on the tax shift that may be held in conjunction with the~~
686 ~~city or town's regular budget hearing.]~~

687 ~~[(h) (i) This Subsection (2)(h) applies to each county that:]~~

688 ~~[(A) establishes a countywide special service district under Title 17A, Chapter 2, Part~~
689 ~~13, Utah Special Service District Act, to provide jail service, as provided in Subsection~~
690 ~~17A-2-1304(1)(a)(x); and]~~

691 ~~[(B) levies a property tax on behalf of the special service district under Section~~
692 ~~17A-2-1322.]~~

693 ~~[(ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies~~
694 ~~shall be decreased by the amount necessary to reduce county revenues by the same amount of~~
695 ~~revenues that will be generated by the property tax imposed on behalf of the special service~~
696 ~~district.]~~

697 ~~[(B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with~~
698 ~~the levy on behalf of the special service district under Section 17A-2-1322.]~~

699 ~~[(i) (i) As used in this Subsection (2)(i):]~~

700 ~~[(A) "Annexing county" means a county whose unincorporated area is included within~~
701 ~~a fire district by annexation.]~~

702 ~~[(B) "Annexing municipality" means a municipality whose area is included within a~~
703 ~~fire district by annexation.]~~

704 ~~[(C) "Equalized fire protection tax rate" means the tax rate that results from:]~~

705 ~~[(f) calculating, for each participating county and each participating municipality, the~~
706 ~~property tax revenue necessary to cover all of the costs associated with providing fire~~
707 ~~protection, paramedic, and emergency services:]~~

708 ~~[(Aa) for a participating county, in the unincorporated area of the county; and]~~
709 ~~[(Bb) for a participating municipality, in the municipality; and]~~
710 ~~[(H) adding all the amounts calculated under Subsection (2)(i)(i)(C)(I) for all~~
711 ~~participating counties and all participating municipalities and then dividing that sum by the~~
712 ~~aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:]~~
713 ~~[(Aa) for participating counties, in the unincorporated area of all participating counties;~~
714 ~~and]~~
715 ~~[(Bb) for participating municipalities, in all the participating municipalities:]~~
716 ~~[(D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service~~
717 ~~Area Act, in the creation of which an election was not required under Subsection~~
718 ~~17B-1-214(3)(c).]~~
719 ~~[(E) "Fire protection tax rate" means:]~~
720 ~~[(F) for an annexing county, the property tax rate that, when applied to taxable property~~
721 ~~in the unincorporated area of the county, generates enough property tax revenue to cover all the~~
722 ~~costs associated with providing fire protection, paramedic, and emergency services in the~~
723 ~~unincorporated area of the county; and]~~
724 ~~[(H) for an annexing municipality, the property tax rate that generates enough property~~
725 ~~tax revenue in the municipality to cover all the costs associated with providing fire protection,~~
726 ~~paramedic, and emergency services in the municipality:]~~
727 ~~[(F) "Participating county" means a county whose unincorporated area is included~~
728 ~~within a fire district at the time of the creation of the fire district.]~~
729 ~~[(G) "Participating municipality" means a municipality whose area is included within a~~
730 ~~fire district at the time of the creation of the fire district.]~~
731 ~~[(ii) In the first year following creation of a fire district, the certified tax rate of each~~
732 ~~participating county and each participating municipality shall be decreased by the amount of~~
733 ~~the equalized fire protection tax rate:]~~
734 ~~[(iii) In the first year following annexation to a fire district, the certified tax rate of each~~
735 ~~annexing county and each annexing municipality shall be decreased by the fire protection tax~~
736 ~~rate:]~~
737 ~~[(iv) Each tax levied under this section by a fire district shall be considered to be levied~~
738 ~~by:]~~

739 ~~[(A) each participating county and each annexing county for purposes of the county's~~
740 ~~tax limitation under Section 59-2-908; and]~~

741 ~~[(B) each participating municipality and each annexing municipality for purposes of~~
742 ~~the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a~~
743 ~~city.]~~

744 ~~[(j) For the calendar year beginning on January 1, 2007, the calculation of a taxing~~
745 ~~entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the~~
746 ~~certified tax rate that may result from excluding the following from the certified tax rate under~~
747 ~~Subsection (2)(a) enacted by the Legislature during the 2007 General Session:]~~

748 ~~[(i) personal property tax revenue:]~~

749 ~~[(A) received by a taxing entity;]~~

750 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

751 ~~[(C) for personal property that is semiconductor manufacturing equipment; or]~~

752 ~~[(ii) the taxable value of personal property:]~~

753 ~~[(A) contained on the tax rolls of a taxing entity;]~~

754 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

755 ~~[(C) that is semiconductor manufacturing equipment.]~~

756 ~~[(3)]~~ (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative
757 budget.

758 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
759 auditor of:

760 (i) its intent to exceed the certified tax rate; and

761 (ii) the amount by which it proposes to exceed the certified tax rate.

762 (c) The county auditor shall notify all property owners of any intent to exceed the
763 certified tax rate in accordance with Subsection 59-2-919~~[(2)]~~(3).

764 ~~[(4)(a) The taxable value for the base year under Subsection 17C-1-102(6) shall be~~
765 ~~reduced for any year to the extent necessary to provide a community development and renewal~~
766 ~~agency established under Title 17C, Limited Purpose Local Government Entities - Community~~
767 ~~Development and Renewal Agencies, with approximately the same amount of money the~~
768 ~~agency would have received without a reduction in the county's certified tax rate if:]~~

769 ~~[(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or~~

770 ~~(2)(d)(i);]~~

771 ~~[(ii) the amount of the decrease is more than 20% of the county's certified tax rate of~~
772 ~~the previous year; and]~~

773 ~~[(iii) the decrease results in a reduction of the amount to be paid to the agency under~~
774 ~~Section 17C-1-403 or 17C-1-404.]~~

775 ~~[(b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any~~
776 ~~year to the extent necessary to provide a community development and renewal agency with~~
777 ~~approximately the same amount of money as the agency would have received without an~~
778 ~~increase in the certified tax rate that year if:]~~

779 ~~[(i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to~~
780 ~~a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and]~~

781 ~~[(ii) The certified tax rate of a city, school district, local district, or special service~~
782 ~~district increases independent of the adjustment to the taxable value of the base year.]~~

783 ~~[(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or~~
784 ~~(2)(d)(i), the amount of money allocated and, when collected, paid each year to a community~~
785 ~~development and renewal agency established under Title 17C, Limited Purpose Local~~
786 ~~Government Entities - Community Development and Renewal Agencies, for the payment of~~
787 ~~bonds or other contract indebtedness, but not for administrative costs, may not be less than that~~
788 ~~amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or~~
789 ~~(2)(d)(i).]~~

790 Section 13. Section **59-2-924.2** is enacted to read:

791 **59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.**

792 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated
793 in accordance with Section 59-2-924.

794 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from
795 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
796 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
797 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
798 rate to offset the increased revenues.

799 (3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under
800 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

801 (i) decreased on a one-time basis by the amount of the estimated sales and use tax
802 revenue to be distributed to the county under Subsection 59-12-1102(3); and

803 (ii) increased by the amount necessary to offset the county's reduction in revenue from
804 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
805 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
806 (3)(a)(i).

807 (b) The commission shall determine estimates of sales and use tax distributions for
808 purposes of Subsection (3)(a).

809 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort
810 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
811 decreased on a one-time basis by the amount necessary to offset the first 12 months of
812 estimated revenue from the additional resort communities sales and use tax imposed under
813 Section 59-12-402.

814 (5) (a) This Subsection (5) applies to each county that:

815 (i) establishes a countywide special service district under Title 17A, Chapter 2, Part 13,
816 Utah Special Service District Act, to provide jail service, as provided in Subsection
817 17A-2-1304(1)(a)(x); and

818 (ii) levies a property tax on behalf of the special service district under Section
819 17A-2-1322.

820 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be
821 decreased by the amount necessary to reduce county revenues by the same amount of revenues
822 that will be generated by the property tax imposed on behalf of the special service district.

823 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the
824 levy on behalf of the special service district under Section 17A-2-1322.

825 (6) (a) As used in this Subsection (6):

826 (i) "Annexing county" means a county whose unincorporated area is included within a
827 fire district by annexation.

828 (ii) "Annexing municipality" means a municipality whose area is included within a fire
829 district by annexation.

830 (iii) "Equalized fire protection tax rate" means the tax rate that results from:

831 (A) calculating, for each participating county and each participating municipality, the

832 property tax revenue necessary to cover all of the costs associated with providing fire
833 protection, paramedic, and emergency services:

834 (I) for a participating county, in the unincorporated area of the county; and
835 (II) for a participating municipality, in the municipality; and
836 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all
837 participating counties and all participating municipalities and then dividing that sum by the
838 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

839 (I) for participating counties, in the unincorporated area of all participating counties;
840 and
841 (II) for participating municipalities, in all the participating municipalities.
842 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
843 Area Act, in the creation of which an election was not required under Subsection
844 17B-1-214(3)(c).

845 (v) "Fire protection tax rate" means:

846 (A) for an annexing county, the property tax rate that, when applied to taxable property
847 in the unincorporated area of the county, generates enough property tax revenue to cover all the
848 costs associated with providing fire protection, paramedic, and emergency services in the
849 unincorporated area of the county; and

850 (B) for an annexing municipality, the property tax rate that generates enough property
851 tax revenue in the municipality to cover all the costs associated with providing fire protection,
852 paramedic, and emergency services in the municipality.

853 (vi) "Participating county" means a county whose unincorporated area is included
854 within a fire district at the time of the creation of the fire district.

855 (vii) "Participating municipality" means a municipality whose area is included within a
856 fire district at the time of the creation of the fire district.

857 (b) In the first year following creation of a fire district, the certified tax rate of each
858 participating county and each participating municipality shall be decreased by the amount of
859 the equalized fire protection tax rate.

860 (c) In the first year following annexation to a fire district, the certified tax rate of each
861 annexing county and each annexing municipality shall be decreased by the fire protection tax
862 rate.

863 (d) Each tax levied under this section by a fire district shall be considered to be levied
864 by:

865 (i) each participating county and each annexing county for purposes of the county's tax
866 limitation under Section 59-2-908; and

867 (ii) each participating municipality and each annexing municipality for purposes of the
868 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a
869 city.

870 (7) For the calendar year beginning on January 1, 2007, the calculation of a taxing
871 entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by
872 the amount necessary to offset any change in the certified tax rate that may result from
873 excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the
874 Legislature during the 2007 General Session:

875 (a) personal property tax revenue:

876 (i) received by a taxing entity;

877 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

878 (iii) for personal property that is semiconductor manufacturing equipment; or

879 (b) the taxable value of personal property:

880 (i) contained on the tax rolls of a taxing entity;

881 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

882 (iii) that is semiconductor manufacturing equipment.

883 (8) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
884 reduced for any year to the extent necessary to provide a community development and renewal
885 agency established under Title 17C, Limited Purpose Local Government Entities - Community
886 Development and Renewal Agencies, with approximately the same amount of money the
887 agency would have received without a reduction in the county's certified tax rate, calculated in
888 accordance with Section 59-2-924, if:

889 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

890 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
891 previous year; and

892 (iii) the decrease results in a reduction of the amount to be paid to the agency under
893 Section 17C-1-403 or 17C-1-404.

894 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any
895 year to the extent necessary to provide a community development and renewal agency with
896 approximately the same amount of money as the agency would have received without an
897 increase in the certified tax rate that year if:

898 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to
899 a decrease in the certified tax rate under Subsection (2) or (3)(a); and

900 (ii) the certified tax rate of a city, school district, local district, or special service
901 district increases independent of the adjustment to the taxable value of the base year.

902 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),
903 the amount of money allocated and, when collected, paid each year to a community
904 development and renewal agency established under Title 17C, Limited Purpose Local
905 Government Entities - Community Development and Renewal Agencies, for the payment of
906 bonds or other contract indebtedness, but not for administrative costs, may not be less than that
907 amount would have been without a decrease in the certified tax rate under Subsection (2) or
908 (3)(a).

909 (9) For the calendar year beginning on January 1, 2008, a school district's certified tax
910 rate calculated in accordance with Section 59-2-924, shall be reduced by an amount equal to
911 the amount of revenue generated within the school district:

912 (a) from the board leeway for reading improvement:

913 (i) previously authorized under Section 53A-17a-151; and

914 (ii) repealed by the Legislature during the 2008 General Session; and

915 (b) during the calendar year beginning on January 1, 2007.

916 Section 14. Section **59-2-1330** is amended to read:

917 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
918 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
919 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
920 **commission -- Time periods for making payments to taxpayer.**

921 (1) Unless otherwise specifically provided by statute, property taxes shall be paid
922 directly to the county assessor or the county treasurer:

923 (a) on the date that the property taxes are due; and

924 (b) as provided in this chapter.

925 (2) A taxpayer shall receive payment as provided in this section if a reduction in the
926 amount of any tax levied against any property for which the taxpayer paid a tax or any portion
927 of a tax under this chapter for a calendar year is required by a final and unappealable judgment
928 or order described in Subsection (3) issued by:

- 929 (a) a county board of equalization;
- 930 (b) the commission; or
- 931 (c) a court of competent jurisdiction.

932 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
933 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
934 shall pay the taxpayer if:

935 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
936 authorized officer of the:

- 937 (A) county; or
- 938 (B) state;

939 (ii) the taxpayer obtains a final and unappealable judgment or order:

940 (A) from:

- 941 (I) a county board of equalization;
- 942 (II) the commission; or
- 943 (III) a court of competent jurisdiction;

944 (B) against:

- 945 (I) the taxing entity or an authorized officer of the taxing entity; or
- 946 (II) the state or an authorized officer of the state; and

947 (C) ordering a reduction in the amount of any tax levied against any property for which
948 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

949 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
950 in accordance with Subsections (4) through (7).

951 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer
952 is equal to the sum of:

953 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
954 between:

- 955 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and

956 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
957 amount of tax levied against the property in accordance with the final and unappealable
958 judgment or order described in Subsection (3);

959 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
960 between:

961 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;
962 and

963 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with
964 Section 59-2-1331 after the reduction in the amount of tax levied against the property in
965 accordance with the final and unappealable judgment or order described in Subsection (3);

966 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
967 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and

968 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

969 (i) Subsection (4)(a);

970 (ii) Subsection (4)(b); and

971 (iii) Subsection (4)(c).

972 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
973 taxpayer is equal to the sum of:

974 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
975 between:

976 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and

977 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
978 the amount of tax levied against the property in accordance with the final and unappealable
979 judgment or order described in Subsection (3);

980 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
981 between:

982 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
983 59-2-1331; and

984 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
985 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the
986 property in accordance with the final and unappealable judgment or order described in

987 Subsection (3); and

988 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
989 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and

990 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

991 (i) Subsection (5)(a);

992 (ii) Subsection (5)(b); and

993 (iii) Subsection (5)(c).

994 (6) Except as provided in Subsection (7):

995 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
996 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
997 with Section 59-2-1331; and

998 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
999 (5)(d):

1000 (i) beginning on the later of:

1001 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or

1002 (B) January 1 of the calendar year immediately following the calendar year for which
1003 the tax was due;

1004 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
1005 amount required by Subsection (4) or (5); and

1006 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
1007 state treasurer in accordance with Section 51-7-5.

1008 (7) Notwithstanding Subsection (6):

1009 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
1010 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
1011 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and

1012 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
1013 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
1014 levied by the taxing entity for that calendar year as stated on the notice required by Section
1015 59-2-1317.

1016 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
1017 judgment or order described in Subsection (3) if:

1018 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
1019 the date the levy is set under Subsection 59-2-924~~(2)~~(3)(a);

1020 (ii) the amount of the judgment levy is included on the notice under Section 59-2-919;
1021 and

1022 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
1023 Section 59-2-102.

1024 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
1025 levy established for the taxing entity.

1026 (9) (a) A taxpayer that objects to the assessment of property assessed by the
1027 commission shall pay, on or before the date of delinquency established under Subsection
1028 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by
1029 Section 59-2-1317 if:

1030 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
1031 59-2-1007 on the objection to the assessment; and

1032 (ii) the commission has not issued a written decision on the objection to the assessment
1033 in accordance with Section 59-2-1007.

1034 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not
1035 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

1036 (i) a final and unappealable judgment or order establishing that the property described
1037 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section
1038 59-2-1317 is issued by:

1039 (A) the commission; or

1040 (B) a court of competent jurisdiction; and

1041 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
1042 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
1043 the county bills the taxpayer for the additional tax liability.

1044 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this
1045 section shall be paid to a taxpayer:

1046 (i) within 60 days after the day on which the final and unappealable judgment or order
1047 is issued in accordance with Subsection (3); or

1048 (ii) if a judgment levy is imposed in accordance with Subsection (8):

1049 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later
1050 than December 31 of the year in which the judgment levy is imposed; and

1051 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
1052 60 days after the date the final and unappealable judgment or order is issued in accordance with
1053 Subsection (3).

1054 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

1055 (i) that establishes a time period other than a time period described in Subsection
1056 (10)(a) for making a payment to the taxpayer that is required by this section; and

1057 (ii) with:

1058 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

1059 (B) an authorized officer of the state for a tax imposed by the state.

1060 **Section 15. Repealer.**

1061 This bill repeals:

1062 **Section 53A-17a-151, Board leeway for reading improvement.**

1063 **Section 16. Appropriation.**

1064 As an ongoing appropriation subject to future budget constraints, there is appropriated
1065 from the Uniform School Fund for fiscal year 2008-09, \$20,000,000 to the State Board of
1066 Education for the K-3 Reading Improvement Program.

1067 **Section 17. Effective date -- Retrospective operation.**

1068 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2008.

1069 (2) Sections 53A-17a-151, 59-2-924, and 59-2-924.2 take effect on May 5, 2008, and
1070 have retrospective operation for taxable years beginning on or after January 1, 2008.

H.B. 69 1st Sub. (Buff) - Repeal of Board Leeway for Reading Improvement

Fiscal Note

2008 General Session

State of Utah

State Impact

This bill appropriates \$20,000,000 in ongoing money from the Uniform School Fund to the State Board of Education for the K-3 Reading Improvement Program.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Uniform School Fund	\$0	\$20,000,000	\$20,000,000	\$0	\$0	\$0
Local Revenue	\$0	(\$12,956,000)	(\$12,956,000)	\$0	(\$12,956,000)	(\$12,956,000)
Total	\$0	\$7,044,000	\$7,044,000	\$0	(\$12,956,000)	(\$12,956,000)

Individual, Business and/or Local Impact

This bill repeals authorization for a local school district property tax levy of up to .000121 per dollar of taxable value for funding each district's K-3 Reading Improvement Program. The bill replaces local property tax collections of \$12,956,000 with state funds and eliminates the required local match. The bill also increases the overall amount of funding from \$31,674,600 (\$15,000,000 state funds plus \$12,956,000 property tax plus \$3,718,600 other local funds) to \$35,000,000 (all state funds). Local matching funds from sources other than the property tax levy can be kept in the Reading Improvement Program or reallocated to other district priorities. Under this bill's revised allocation formula, most school districts and charter schools will receive more state funds than before, however some will receive less.

Residents of school districts where this local property tax is levied will no longer be charged the tax.