

Representative Aaron Tilton proposes the following substitute bill:

STATEWIDE CAPITAL OUTLAY

EQUALIZATION

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Aaron Tilton

Senate Sponsor: _____

LONG TITLE

General Description:

This bill makes changes to school capital outlay funding.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires certain divided school districts to impose a capital outlay levy at a specified rate and allocates the revenue generated under the capital outlay levy to school districts located within the qualifying divided school district;
- ▶ changes the allocation methodology for the Capital Outlay Foundation Program;
- ▶ appropriates additional ongoing funding to the State Board of Education for the Capital Outlay Foundation Program and the Capital Outlay Enrollment Growth Program;
- ▶ adjusts school district property tax certified tax rates to offset state capital outlay funding changes;
- ▶ requires each school district in a county of the first class to levy a capital outlay property tax at a specified rate and allocates the revenue generated under the capital outlay levy to school districts located in a county of the first class;



- 26 ▶ amends truth in taxation notice and hearing requirements for school districts
- 27 imposing the mandatory portion of the capital outlay levy;
- 28 ▶ amends the calculation of the certified tax rate with respect to the capital outlay
- 29 levy; and
- 30 ▶ makes technical corrections.

31 Monies Appropriated in this Bill:

- 32 This bill appropriates:
- 33 ▶ as an ongoing appropriation subject to future budget constraints, \$56,000,000 from
- 34 the Uniform School Fund for fiscal year 2008-09 to the State Board of Education.

35 Other Special Clauses:

- 36 This bill provides effective dates and provides for retrospective operation.
- 37 This bill coordinates with H.B. 1, Minimum School Program Base Budget
- 38 Amendments, by providing superseding amendments.

39 Utah Code Sections Affected:

40 AMENDS:

- 41 **11-13-302**, as last amended by Laws of Utah 2007, Chapter 108
- 42 **17-34-3**, as last amended by Laws of Utah 2005, First Special Session, Chapter 9
- 43 **17C-1-408**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 44 **53A-2-103**, as last amended by Laws of Utah 2002, Chapter 301
- 45 **53A-2-114**, as last amended by Laws of Utah 1996, Chapter 326
- 46 **53A-2-115**, as last amended by Laws of Utah 1996, Chapter 326
- 47 **53A-2-117**, as last amended by Laws of Utah 2007, Chapters 215 and 297
- 48 **53A-16-106**, as last amended by Laws of Utah 1994, Chapter 12
- 49 **53A-16-107**, as last amended by Laws of Utah 1999, Chapter 332
- 50 **53A-16-110**, as last amended by Laws of Utah 2004, Chapter 371
- 51 **53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26
- 52 **53A-19-102**, as last amended by Laws of Utah 2007, Chapter 92
- 53 **53A-19-105**, as last amended by Laws of Utah 2003, Chapter 122
- 54 **53A-21-102**, as last amended by Laws of Utah 2003, Chapters 199 and 320
- 55 **59-2-908**, as last amended by Laws of Utah 1995, Chapter 278
- 56 **59-2-913**, as last amended by Laws of Utah 2007, Chapter 107

- 57 **59-2-914**, as last amended by Laws of Utah 1995, Chapter 278
- 58 **59-2-918**, as last amended by Laws of Utah 2006, Chapters 26 and 104
- 59 **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329
- 60 **59-2-1330**, as last amended by Laws of Utah 2002, Chapters 196 and 240

61 ENACTS:

- 62 **53A-2-118.3**, Utah Code Annotated 1953
- 63 **53A-16-107.1**, Utah Code Annotated 1953
- 64 **53A-21-101.5**, Utah Code Annotated 1953
- 65 **53A-21-201**, Utah Code Annotated 1953
- 66 **53A-21-202**, Utah Code Annotated 1953
- 67 **53A-21-301**, Utah Code Annotated 1953
- 68 **53A-21-302**, Utah Code Annotated 1953
- 69 **59-2-924.2**, Utah Code Annotated 1953
- 70 **59-2-924.3**, Utah Code Annotated 1953
- 71 **59-2-924.4**, Utah Code Annotated 1953
- 72 **59-2-924.5**, Utah Code Annotated 1953

73 RENUMBERS AND AMENDS:

- 74 **53A-21-401**, (Renumbered from 53A-21-104, as last amended by Laws of Utah 2007,
- 75 Chapter 344)
- 76 **53A-21-501**, (Renumbered from 53A-21-105, as last amended by Laws of Utah 2007,
- 77 Chapter 2)

78 REPEALS:

- 79 **53A-21-103**, as last amended by Laws of Utah 2003, Chapter 320
- 80 **53A-21-103.5**, as last amended by Laws of Utah 2005, Chapters 171 and 184



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

83 Section 1. Section **11-13-302** is amended to read:

84 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
85 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

86 (1) (a) Each project entity created under this chapter that owns a project and that sells
87 any capacity, service, or other benefit from it to an energy supplier or suppliers whose tangible

88 property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad
89 valorem property tax, shall pay an annual fee in lieu of ad valorem property tax as provided in
90 this section to each taxing jurisdiction within which the project or any part of it is located.

91 (b) For purposes of this section, "annual fee" means the annual fee described in
92 Subsection (1)(a) that is in lieu of ad valorem property tax.

93 (c) The requirement to pay an annual fee shall commence:

94 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
95 impact alleviation payments under contracts or determination orders provided for in Sections
96 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the
97 candidate in which the date of commercial operation of the last generating unit, other than any
98 generating unit providing additional project capacity, of the project occurs, or, in the case of
99 any facilities providing additional project capacity, with the fiscal year of the candidate
100 following the fiscal year of the candidate in which the date of commercial operation of the
101 generating unit providing the additional project capacity occurs; and

102 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in
103 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the
104 project commences, or, in the case of facilities providing additional project capacity, with the
105 fiscal year of the taxing jurisdiction in which construction of those facilities commences.

106 (d) The requirement to pay an annual fee shall continue for the period of the useful life
107 of the project or facilities.

108 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)
109 because the ad valorem property tax imposed by a school district and authorized by the
110 Legislature under Section 53A-17a-135 represents both:

111 (i) a levy mandated by the state for the state minimum school program under Section
112 53A-17a-135; and

113 (ii) local levies for capital outlay, maintenance, transportation, and other purposes
114 under Sections 11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,
115 53A-17a-134, 53A-17a-143, and 53A-17a-145[~~and 53A-21-103~~].

116 (b) The annual fees due a school district shall be as follows:

117 (i) the project entity shall pay to the school district an annual fee for the state minimum
118 school program at the rate imposed by the school district and authorized by the Legislature

119 under Subsection 53A-17a-135(1); and

120 (ii) for all other local property tax levies authorized to be imposed by a school district,
121 the project entity shall pay to the school district either:

122 (A) an annual fee; or

123 (B) impact alleviation payments under contracts or determination orders provided for
124 in Sections 11-13-305 and 11-13-306.

125 (3) (a) An annual fee due a taxing jurisdiction for a particular year shall be calculated
126 by multiplying the tax rate or rates of the jurisdiction for that year by the product obtained by
127 multiplying the fee base or value determined in accordance with Subsection (4) for that year of
128 the portion of the project located within the jurisdiction by the percentage of the project which
129 is used to produce the capacity, service, or other benefit sold to the energy supplier or suppliers.

130 (b) As used in this section, "tax rate," when applied in respect to a school district,
131 includes any assessment to be made by the school district under Subsection (2) or Section
132 63-51-6.

133 (c) There is to be credited against the annual fee due a taxing jurisdiction for each year,
134 an amount equal to the debt service, if any, payable in that year by the project entity on bonds,
135 the proceeds of which were used to provide public facilities and services for impact alleviation
136 in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

137 (d) The tax rate for the taxing jurisdiction for that year shall be computed so as to:

138 (i) take into account the fee base or value of the percentage of the project located
139 within the taxing jurisdiction determined in accordance with Subsection (4) used to produce the
140 capacity, service, or other benefit sold to the supplier or suppliers; and

141 (ii) reflect any credit to be given in that year.

142 (4) (a) Except as otherwise provided in this section, the annual fees required by this
143 section shall be paid, collected, and distributed to the taxing jurisdiction as if:

144 (i) the annual fees were ad valorem property taxes; and

145 (ii) the project were assessed at the same rate and upon the same measure of value as
146 taxable property in the state.

147 (b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by
148 this section, the fee base of a project may be determined in accordance with an agreement
149 among:

150 (A) the project entity; and
151 (B) any county that:
152 (I) is due an annual fee from the project entity; and
153 (II) agrees to have the fee base of the project determined in accordance with the
154 agreement described in this Subsection (4).
155 (ii) The agreement described in Subsection (4)(b)(i):
156 (A) shall specify each year for which the fee base determined by the agreement shall be
157 used for purposes of an annual fee; and
158 (B) may not modify any provision of this chapter except the method by which the fee
159 base of a project is determined for purposes of an annual fee.
160 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
161 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in
162 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
163 jurisdiction.
164 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
165 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
166 portion of the project for which there is not an agreement:
167 (I) for that year; and
168 (II) using the same measure of value as is used for taxable property in the state.
169 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
170 Commission in accordance with rules made by the State Tax Commission.
171 (c) Payments of the annual fees shall be made from:
172 (i) the proceeds of bonds issued for the project; and
173 (ii) revenues derived by the project entity from the project.
174 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
175 other benefits of the project whose tangible property is not exempted by Utah Constitution
176 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
177 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
178 its share, determined in accordance with the terms of the contract, of these fees.
179 (ii) It is the responsibility of the project entity to enforce the obligations of the
180 purchasers.

181 (5) (a) The responsibility of the project entity to make payment of the annual fees is
182 limited to the extent that there is legally available to the project entity, from bond proceeds or
183 revenues, monies to make these payments, and the obligation to make payments of the annual
184 fees is not otherwise a general obligation or liability of the project entity.

185 (b) No tax lien may attach upon any property or money of the project entity by virtue of
186 any failure to pay all or any part of an annual fee.

187 (c) The project entity or any purchaser may contest the validity of an annual fee to the
188 same extent as if the payment was a payment of the ad valorem property tax itself.

189 (d) The payments of an annual fee shall be reduced to the extent that any contest is
190 successful.

191 (6) (a) The annual fee described in Subsection (1):

192 (i) shall be paid by a public agency that:

193 (A) is not a project entity; and

194 (B) owns an interest in a facility providing additional project capacity if the interest is
195 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and

196 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in
197 accordance with Subsection (6)(b).

198 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax
199 rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:

200 (i) the fee base or value of the facility providing additional project capacity located
201 within the jurisdiction;

202 (ii) the percentage of the ownership interest of the public agency in the facility; and

203 (iii) the portion, expressed as a percentage, of the public agency's ownership interest
204 that is attributable to the capacity, service, or other benefit from the facility that is sold by the
205 public agency to an energy supplier or suppliers whose tangible property is not exempted by
206 Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.

207 (c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the
208 obligations, credits, rights, and protections set forth in Subsections (1) through (5) with respect
209 to its ownership interest as though it were a project entity.

210 Section 2. Section **17-34-3** is amended to read:

211 **17-34-3. Taxes or service charges.**

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

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

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

220 (iii) a combination of these sources.

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

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

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

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

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

238 ~~[(5)]~~ (4) Notwithstanding any other provision of this chapter, a county providing fire,
239 paramedic, and police protection services in a designated recreational area, as provided in
240 Subsection 17-34-1(5), may fund those services from the county general fund with revenues
241 derived from both inside and outside the limits of cities and towns, and the funding of those
242 services is not limited to unincorporated area revenues.

243 Section 3. Section 17C-1-408 is amended to read:

244 **17C-1-408. Base taxable value to be adjusted to reflect other changes.**

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

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

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

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

251 (b) If there is a qualifying decrease in the minimum basic school levy under Section
252 59-2-902 that would result in a reduction of the amount of tax increment to be paid to an
253 agency:

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

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

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

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

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

265 (B) a judicial decision;

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

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

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

272 (ii) reduced for any year to the extent necessary, even if below zero, to provide an
273 agency with approximately the same amount of money the agency would have received without

274 a reduction in the county's certified tax rate if:

275 (A) in that year there is a decrease in the county's certified tax rate under Subsection
276 [~~59-2-924(2)(c) or (d)(i)~~] 59-2-924.2(2) or (3)(a);

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

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

281 (b) Notwithstanding an increase or decrease under Subsection (2)(a), the amount of tax
282 increment paid to an agency each year for payment of bonds or other indebtedness may not be
283 less than would have been paid to the agency each year if there had been no increase or
284 decrease under Subsection (2)(a).

285 Section 4. Section **53A-2-103** is amended to read:

286 **53A-2-103. Transfer of property to new school district -- Rights and obligations**
287 **of new school board -- Outstanding indebtedness -- Special tax.**

288 (1) On July 1 following the approval of the creation of a new school district under
289 Section 53A-2-102, the local school boards of the former districts shall convey and deliver all
290 school property to the local school board of the new district. Title vests in the new board. All
291 rights, claims, and causes of action to or for the property, for the use or the income from the
292 property, for conversion, disposition, or withholding of the property, or for any damage or
293 injury to the property vest at once in the new board.

294 (2) The new board may bring and maintain actions to recover, protect, and preserve the
295 property and rights of the district schools and to enforce contracts.

296 (3) The new board shall assume and be liable for all outstanding debts and obligations
297 of each of the former school districts.

298 (4) All of the bonded indebtedness, outstanding debts, and obligations of a former
299 district, which cannot be reasonably paid from the assets of the former district, shall be paid by
300 a special tax levied by the new board as needed. The tax shall be levied upon the property
301 within the former district which was liable for the indebtedness at the time of consolidation. If
302 bonds are approved in the new district under Section 53A-18-102, the special tax shall be
303 discontinued and the bonded indebtedness paid as any other bonded indebtedness of the new
304 district.

305 (5) Bonded indebtedness of a former district which has been refunded shall be paid in
306 the same manner as that which the new district assumes under Section 53A-18-101.

307 (6) State funds received by the new district under Section [~~53A-21-103~~] 53A-21-202
308 may be applied toward the payment of outstanding bonded indebtedness of a former district in
309 the same proportion as the bonded indebtedness of the territory within the former district bears
310 to the total bonded indebtedness of the districts combined.

311 Section 5. Section **53A-2-114** is amended to read:

312 **53A-2-114. Additional levies -- School board options to abolish or continue after**
313 **consolidation.**

314 (1) If a school district which has approved an additional levy under Section
315 53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145[~~, or 53A-21-103~~] is consolidated
316 with a district which does not have such a levy, the board of education of the consolidated
317 district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated
318 district.

319 (2) If the board chooses to apply any part of the levy to the entire district, the levy may
320 continue in force for no more than three years, unless approved by the electors of the
321 consolidated district in the manner set forth in Section 53A-16-110.

322 Section 6. Section **53A-2-115** is amended to read:

323 **53A-2-115. Additional levies in transferred territory -- Transferee board option**
324 **to abolish or continue.**

325 If two or more districts undergo restructuring that results in a district receiving territory
326 that increases the population of the district by at least 25%, and if the transferred territory was,
327 at the time of transfer, subject to an additional levy under Section 53A-16-110, 53A-17a-133,
328 53A-17a-134, or 53A-17a-145[~~, or 53A-21-103~~], the board of education of the transferee
329 district may abolish the levy or apply the levy in whole or in part to the entire restructured
330 district. Any such levy made applicable to the entire district may continue in force for no more
331 than five years, unless approved by the electors of the restructured district in the manner set
332 forth in Section 53A-16-110.

333 Section 7. Section **53A-2-117** is amended to read:

334 **53A-2-117. Definitions.**

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

336 (1) "Divided school district," "existing district," or "existing school district" means a
337 school district from which a new district is created.

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

340 (3) "Remaining district" or "remaining school district" means an existing district after
341 the creation of a new district.

342 Section 8. Section **53A-2-118.3** is enacted to read:

343 **53A-2-118.3. Imposition of the capital outlay levy in qualifying divided school**
344 **districts.**

345 (1) For purposes of this section, "qualifying divided school district" means a divided
346 school district:

347 (a) located within a county of the second through sixth class; and

348 (b) with a new school district created under Section 53A-2-118.1 that begins to provide
349 educational services after July 1, 2008.

350 (2) In order to qualify for receipt of the state contribution toward the minimum school
351 program described in Section 53A-17a-104, a school district within a qualifying divided school
352 district shall impose a capital outlay levy described in Section 53A-16-107 of at least .0006 per
353 dollar of taxable value.

354 (3) The county treasurer of a county with a qualifying divided school district shall
355 distribute revenues generated by the .0006 portion of the capital outlay levy required in
356 Subsection (2) to the school districts located within the boundaries of the qualifying divided
357 school district as follows:

358 (a) 25% of the revenues shall be distributed in proportion to a school district's
359 percentage of the total enrollment growth in all of the school districts within the qualifying
360 divided school district that have an increase in enrollment, calculated on the basis of the
361 average annual enrollment growth over the prior three years in all of the school districts within
362 the qualifying divided school district that have an increase in enrollment over the prior three
363 years, as of the October 1 enrollment counts; and

364 (b) 75% of the revenues shall be distributed in proportion to a school district's
365 percentage of the total current year enrollment in all of the school districts within the qualifying
366 divided school district, as of the October 1 enrollment counts.

367 (4) If a new school district is created or school district boundaries are adjusted, the
 368 enrollment and average annual enrollment growth for each affected school district shall be
 369 calculated on the basis of enrollment in school district schools located within that school
 370 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

371 (5) On or before December 31 of each year, the State Board of Education shall provide
 372 a county treasurer with audited enrollment information from the fall enrollment audit necessary
 373 to distribute revenues as required by this section.

374 (6) On or before March 31 of each year, a county treasurer in a county with a
 375 qualifying divided school district shall distribute, in accordance with Subsection (3), the
 376 revenue generated within the qualifying divided school district during the prior calendar year
 377 from the capital outlay levy required in Subsection (2).

378 Section 9. Section **53A-16-106** is amended to read:

379 **53A-16-106. Annual certification of tax rate proposed by local school board --**
 380 **Inclusion of school district budget -- Modified filing date.**

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

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

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

390 Section 10. Section **53A-16-107** is amended to read:

391 **53A-16-107. Capital outlay levy -- Maintenance of school facilities -- Authority to**
 392 **use proceeds of .0002 tax rate -- Restrictions and procedure.**

393 (1) [(a) A] Subject to Subsection (3), a local school board may annually impose a
 394 capital outlay levy [a tax not to exceed .0024 per dollar of taxable value for debt service and
 395 capital outlay.] not to exceed .0024 per dollar of taxable value to be used for:

396 (a) capital outlay;

397 (b) debt service; and

398 (c) subject to Subsection (2), school facility maintenance.

399 ~~[(b) Each]~~ (2) (a) A local school board may utilize the proceeds of a maximum of
400 .0002 per dollar of taxable value of [its] the local school board's annual capital outlay levy for
401 the maintenance of school [plants] facilities in [its] the school district.

402 ~~[(2)]~~ (b) A local school board that uses the option provided under Subsection [(1)(b)]
403 must do the following] (2)(a) shall:

404 ~~[(a)]~~ (i) maintain the same level of expenditure for maintenance in the current year as it
405 did in the preceding year, plus the annual average percentage increase applied to the
406 maintenance and operation budget for the current year; and

407 ~~[(b)]~~ (ii) identify the expenditure of capital outlay funds for maintenance by a district
408 project number to ensure that the funds [were] are expended in the manner intended.

409 ~~[(3)]~~ (c) The State Board of Education shall establish by rule the expenditure
410 classification for maintenance under this program using a standard classification system.

411 (3) In order to qualify for receipt of the state contribution toward the minimum school
412 program described in Section 53A-17a-104, a local school board in a county of the first class
413 shall impose a capital outlay levy of at least .0006 per dollar of taxable value.

414 (4) (a) The county treasurer of a county of the first class shall distribute revenues
415 generated by the .0006 portion of the capital outlay levy required in Subsection (3) to school
416 districts within the county in accordance with Section 53A-16-107.1.

417 (b) If a school district in a county of the first class imposes a capital outlay levy
418 pursuant to this section which exceeds .0006 per dollar of taxable value, the county treasurer of
419 a county of the first class shall distribute revenues generated by the portion of the capital outlay
420 levy which exceeds .0006 to the school district imposing the levy.

421 Section 11. Section **53A-16-107.1** is enacted to read:

422 **53A-16-107.1. School capital outlay in counties of the first class -- Allocation.**

423 (1) The county treasurer of a county of the first class shall distribute revenues
424 generated by the .0006 portion of the capital outlay levy required in Subsection 53A-16-107(3)
425 to school districts located within the county of the first class as follows:

426 (a) 25% of the revenues shall be distributed in proportion to a school district's
427 percentage of the total enrollment growth in all of the school districts within the county that
428 have an increase in enrollment, calculated on the basis of the average annual enrollment growth

429 over the prior three years in all of the school districts within the county that have an increase in
430 enrollment over the prior three years, as of the October 1 enrollment counts; and

431 (b) 75% of the revenues shall be distributed in proportion to a school district's
432 percentage of the total current year enrollment in all of the school districts within the county, as
433 of the October 1 enrollment counts.

434 (2) If a new school district is created or school district boundaries are adjusted, the
435 enrollment and average annual enrollment growth for each affected school district shall be
436 calculated on the basis of enrollment in school district schools located within that school
437 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

438 (3) On or before December 31 of each year, the State Board of Education shall provide
439 a county treasurer with audited enrollment information from the fall enrollment audit necessary
440 to distribute revenues as required by this section.

441 (4) On or before March 31 of each year, a county treasurer in a county of the first class
442 shall distribute the revenue generated within the county of the first class during the prior
443 calendar year from the capital outlay levy described in Section 53A-16-107.

444 Section 12. Section **53A-16-110** is amended to read:

445 **53A-16-110. Special tax to buy school building sites, build and furnish**
446 **schoolhouses, or improve school property.**

447 (1) (a) A local school board may, by following the process for special elections
448 established in Sections 20A-1-203 and 20A-1-204, call a special election to determine whether
449 a special property tax should be levied for one or more years to buy building sites, build and
450 furnish schoolhouses, or improve the school property under its control.

451 (b) The tax may not exceed .2% of the taxable value of all taxable property in the
452 district in any one year.

453 (2) The board shall give reasonable notice of the election and follow the same
454 procedure used in elections for the issuance of bonds.

455 (3) If a majority of those voting on the proposition vote in favor of the tax, it is levied
456 in addition to [~~those~~] a levy authorized under [Sections] Section 53A-17a-145 [and
457 53A-21-103] and computed on the valuation of the county assessment roll for that year.

458 (4) (a) Within 20 days after the election, the board shall certify the amount of the
459 approved tax to the governing body of the county in which the school district is located.

460 (b) The governing body shall acknowledge receipt of the certification and levy and
461 collect the special tax.

462 (c) It shall then distribute the collected taxes to the business administrator of the school
463 district at the end of each calendar month.

464 (5) The special tax becomes due and delinquent and attaches to and becomes a lien on
465 real and personal property at the same time as state and county taxes.

466 Section 13. Section **53A-17a-133** is amended to read:

467 **53A-17a-133. State-supported voted leeway program authorized -- Election**
468 **requirements -- State guarantee -- Reconsideration of the program.**

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

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

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

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

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

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

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

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

490 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted

491 pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of
492 the prior year's weighted pupil unit.

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

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

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

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

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

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

510 (5) Notwithstanding Section 59-2-918, a school district may budget an increased
511 amount of ad valorem property tax revenue derived from a voted leeway imposed under this
512 section in addition to revenue from new growth as defined in Subsection 59-2-924[~~(2)~~] (4),
513 without having to comply with the advertisement requirements of Section 59-2-918, if the
514 voted leeway is approved:

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

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

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

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

525 (b) if the voted leeway was approved:

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

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

530 Section 14. Section **53A-19-102** is amended to read:

531 **53A-19-102. Local school boards budget procedures.**

532 (1) Prior to June 22 of each year, each local school board shall adopt a budget and
533 make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the
534 certified tax rate defined in [Subsection] Section 59-2-924[(2)], the board shall comply with
535 Sections 59-2-918 and 59-2-919 in adopting the budget, except as provided by Section
536 53A-17a-133.

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

541 (a) publish the required newspaper notice at least ten days prior to the hearing; and

542 (b) file a copy of the proposed budget with the board's business administrator for public
543 inspection at least ten days prior to the hearing.

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

546 Section 15. Section **53A-19-105** is amended to read:

547 **53A-19-105. School district interfund transfers.**

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

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

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

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

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

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

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

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

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

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

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

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

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

575 Section 16. Section **53A-21-101.5** is enacted to read:

576 **Part 1. General Provisions**

577 **53A-21-101.5. Definitions.**

578 As used in this chapter:

579 (1) "Combined capital levy rate" means a rate that includes the sum of the following
580 property tax levies:

581 (a) the capital outlay levy authorized in Section 53A-16-107;

582 (b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
583 budgeted for debt service or capital outlay;

- 584 (c) the debt service levy authorized in Section 11-14-310; and
- 585 (d) the voted capital outlay leeway authorized in Section 53A-16-110.
- 586 (2) "Derived net taxable value" means the quotient of:
- 587 (a) the total current property tax collections from April 1 through the following March
- 588 31 for a school district; divided by
- 589 (b) the school district's total tax rate for the calendar year preceding the March 31
- 590 referenced in Subsection (2)(a).
- 591 (3) "Highest combined capital levy rate" means the highest combined capital levy rate
- 592 imposed by any school district within the state for a fiscal year.
- 593 (4) "Property tax yield per enrolled student" means:
- 594 (a) the product of:
- 595 (i) a school district's derived net taxable value; and
- 596 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced
- 597 in Subsection (2)(a); divided by
- 598 (b) the school district's enrollment for the same fiscal year.

Section 17. Section **53A-21-102** is amended to read:

53A-21-102. Capital outlay programs -- Use of funds.

~~[(1) The Capital Outlay Foundation Program and the Enrollment Growth Program are established to provide revenues to school districts for the purposes of capital outlay bonding, construction, and renovation.]~~

~~[(2) The Capital Outlay Loan Program is established to provide:]~~

~~[(a) short-term help to school districts to meet district needs for school building construction and renovation; and]~~

~~[(b) assistance to charter schools to meet school building construction and renovation needs:]~~

~~[(3) School districts shall]~~ A school district may only use the monies provided [to them] under [the programs established by this section solely] this chapter for school district capital outlay and debt service purposes.

Section 18. Section **53A-21-201** is enacted to read:

Part 2. Capital Outlay Foundation Program

53A-21-201. Capital Outlay Foundation Program -- Creation -- Definitions.

615 (1) There is created the Capital Outlay Foundation Program to provide capital outlay
616 funding to a school district based on a district's local property tax effort and property tax yield
617 per student compared to a foundation guarantee funding level.

618 (2) As used in this part:

619 (a) "Foundation guarantee level per enrolled student" means a minimum revenue
620 amount per enrolled student generated by the highest combined capital levy rate, including the
621 following:

622 (i) the revenue generated locally from a school district's combined capital levy rate; and

623 (ii) the revenue allocated to a school district by the State Board of Education in
624 accordance with Section 53A-21-202.

625 (b) "Qualifying school district" means a school district with a property tax yield per
626 enrolled student less than the foundation guarantee level per enrolled student.

627 Section 19. Section **53A-21-202** is enacted to read:

628 **53A-21-202. Capital Outlay Foundation Program -- Distribution formulas --**

629 **Allocations.**

630 (1) (a) For fiscal years beginning on or after July 1, 2008, the State Board of Education
631 shall determine the foundation guarantee level per enrolled student that fully allocates the funds
632 appropriated to the State Board of Education for distribution under this section.

633 (b) By June 1, the State Board of Education shall notify a qualifying school district of
634 the amount of funding the district will receive under the program in the fiscal year beginning
635 the July 1 immediately following the June 1 described in this subsection.

636 (2) If a qualifying school district imposes the highest combined capital levy rate in the
637 prior year, the State Board of Education shall allocate to the qualifying school district an
638 amount equal to the product of the following:

639 (a) the qualifying school district's prior year enrollment; and

640 (b) an amount equal to the difference between the following:

641 (i) the foundation guarantee level per enrolled student for that fiscal year, as
642 determined in accordance with Subsection (1); and

643 (ii) the qualifying school district's prior year property tax yield per enrolled student.

644 (3) If a qualifying school district imposes a prior year combined capital levy rate less
645 than the highest combined capital levy rate, the State Board of Education shall allocate to the

646 qualifying school district an amount equal to the product of the following:

647 (a) the qualifying school district's prior year enrollment;

648 (b) an amount equal to the difference between the following:

649 (i) the foundation guarantee level per enrolled student for that fiscal year, as

650 determined in accordance with Subsection (1); and

651 (ii) the qualifying school district's prior year property tax yield per enrolled student;

652 and

653 (c) a percentage equal to:

654 (i) the qualifying school district's prior year combined capital levy rate; divided by

655 (ii) the highest combined capital levy rate.

656 Section 20. Section **53A-21-301** is enacted to read:

657 **Part 3. Capital Outlay Enrollment Growth Program**

658 **53A-21-301. Capital Outlay Enrollment Growth Program - Definitions.**

659 (1) There is created the Capital Outlay Enrollment Growth Program to provide capital
660 outlay funding to school districts experiencing net enrollment increases.

661 (2) As used in this part:

662 (a) "Average annual net enrollment increase" means the quotient of:

663 (i) (A) enrollment in the prior year, based on October 1 enrollment counts; minus

664 (B) enrollment in the year three years prior, based on October 1 enrollment counts;

665 divided by

666 (ii) three.

667 (b) "Eligible district" or "eligible school district" means a school district that:

668 (i) has an average annual net enrollment increase; and

669 (ii) a prior year property tax base per student that is less than two times the prior year

670 statewide average property tax base per student.

671 (c) "Property tax base per student" means the quotient of:

672 (i) a school district's derived net taxable value; divided by

673 (ii) the school district's enrollment.

674 (d) "Statewide average property tax base per student" means the quotient of:

675 (i) the sum of all school districts' derived net taxable value; divided by

676 (ii) the sum of total school district enrollment statewide for the same year.

677 Section 21. Section **53A-21-302** is enacted to read:

678 **53A-21-302. Capital Outlay Enrollment Growth Program -- Distribution**

679 **Formulas -- Allocations.**

680 (1) For fiscal years beginning on or after July 1, 2008, the State Board of Education
681 shall annually:

682 (a) allocate appropriated funds to eligible school districts in accordance with
683 Subsection (2); and

684 (b) notify each eligible school district by June 1 of the amount the district will receive
685 under the program in the fiscal year beginning the July 1 immediately following the June 1
686 described in this subsection.

687 (2) The State Board of Education shall allocate to an eligible school district an amount
688 equal to the product of:

689 (a) the quotient of:

690 (i) the eligible school district's average annual net enrollment increase; divided by

691 (ii) the statewide average annual net enrollment increase in all eligible school districts;

692 and

693 (b) the total amount appropriated for the Capital Outlay Enrollment Growth Program in
694 that fiscal year.

695 Section 22. Section **53A-21-401**, which is renumbered from Section 53A-21-104 is
696 renumbered and amended to read:

697 **Part 4. Capital Outlay Loan Program**

698 **~~[53A-21-104].~~ 53A-21-401. Capital Outlay Loan Program -- School**

699 **Building Revolving Account -- Access to the account.**

700 (1) There is created:

701 (a) the "Capital Outlay Loan Program" to provide:

702 (i) short-term help to school districts to meet district needs for school building
703 construction and renovation; and

704 (ii) assistance to charter schools to meet school building construction and renovation
705 needs; and

706 (b) a nonlapsing "School Building Revolving Account" administered within the
707 Uniform School Fund by the state superintendent of public instruction in accordance with rules

708 adopted by the State Board of Education.

709 (2) [~~Monies received by a school district~~] The State Board of Education may not
710 allocate funds from the School Building Revolving Account [~~may not~~] that exceed [~~the~~] a
711 school district's bonding limit minus its outstanding bonds.

712 (3) In order to receive monies from the account, a school district [~~must do the~~
713 ~~following~~] shall:

714 (a) levy a [~~tax of~~] combined capital levy rate of at least .0024 [~~for capital outlay and~~
715 ~~debt service~~];

716 (b) contract with the state superintendent of public instruction to repay the monies,
717 with interest at a rate established by the state superintendent, within five years of [~~their~~] receipt,
718 using future state [~~building monies or~~] capital outlay allocations, local revenues, or both;

719 (c) levy sufficient ad valorem taxes under Section 11-14-310 to guarantee annual loan
720 repayments, unless the state superintendent of public instruction alters the payment schedule to
721 improve a hardship situation; and

722 (d) meet any other condition established by the State Board of Education pertinent to
723 the loan.

724 (4) (a) The state superintendent shall establish a committee, including representatives
725 from state and local education entities, to:

726 (i) review requests by school districts for loans under this section; and

727 (ii) make recommendations regarding approval or disapproval of the loan applications
728 to the state superintendent.

729 (b) If the committee recommends approval of a loan application under Subsection
730 (4)(a)(ii), the committee's recommendation shall include:

731 (i) the recommended amount of the loan;

732 (ii) the payback schedule; and

733 (iii) the interest rate to be charged.

734 (5) (a) There is established within the School Building Revolving Account the Charter
735 School Building Subaccount administered by the State Board of Education, in consultation
736 with the State Charter School Board, in accordance with rules adopted by the State Board of
737 Education.

738 (b) The Charter School Building Subaccount shall consist of:

- 739 (i) money appropriated to the subaccount by the Legislature;
- 740 (ii) money received from the repayment of loans made from the subaccount; and
- 741 (iii) interest earned on monies in the subaccount.
- 742 (c) The state superintendent of public instruction shall make loans to charter schools
- 743 from the Charter School Building Subaccount to pay for the costs of:
- 744 (i) planning expenses;
- 745 (ii) constructing or renovating charter school buildings;
- 746 (iii) equipment and supplies; or
- 747 (iv) other start-up or expansion expenses.
- 748 (d) Loans to new charter schools or charter schools with urgent facility needs may be
- 749 given priority.
- 750 (6) (a) The State Board of Education shall establish a committee, which shall include
- 751 individuals who have expertise or experience in finance, real estate, and charter school
- 752 administration, one of whom shall be nominated by the governor to:
- 753 (i) review requests by charter schools for loans under this section; and
- 754 (ii) make recommendations regarding approval or disapproval of the loan applications
- 755 to the State Charter School Board and the State Board of Education.
- 756 (b) If the committee recommends approval of a loan application under Subsection
- 757 (6)(a)(ii), the committee's recommendation shall include:
- 758 (i) the recommended amount of the loan;
- 759 (ii) the payback schedule; and
- 760 (iii) the interest rate to be charged.
- 761 (c) The committee members may not:
- 762 (i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or
- 763 (ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person
- 764 or entity that contracts with a loan applicant.
- 765 (7) The State Board of Education, in consultation with the State Charter School Board,
- 766 shall approve all loans to a charter [schools] school under this section.
- 767 (8) [~~Loans~~] The term of a loan to a charter [schools] school under this section may not
- 768 exceed [~~a term of~~] five years.
- 769 (9) The State Board of Education may not approve loans to charter schools under this

770 section that exceed a total of \$2,000,000 in any year.

771 Section 23. Section **53A-21-501**, which is renumbered from Section 53A-21-105 is
772 renumbered and amended to read:

773 **Part 5. Fiscal Matters**

774 ~~[53A-21-105].~~ **53A-21-501. State contribution to capital outlay programs.**

775 (1) As an ongoing appropriation subject to future budget constraints, there is
776 appropriated from the Uniform School Fund for fiscal year ~~[2007-08, \$27,288,900]~~ 2008-09,
777 \$56,000,000 to the State Board of Education for the capital outlay programs created in ~~[Section~~
778 ~~53A-21-102]~~ this chapter.

779 (2) Of the monies appropriated in Subsection (1), the State Board of Education shall
780 distribute:

781 (a) ~~[\$24,358,000]~~ \$33,000,000 in accordance with the Capital Outlay Foundation
782 Program ~~[described in Section 53A-21-103]~~ pursuant to Section 53A-21-202; and

783 (b) ~~[\$2,930,900]~~ \$23,000,000 in accordance with the Capital Outlay Enrollment
784 Growth Program [described in Section 53A-21-103.5] pursuant to Section 53A-21-302.

785 Section 24. Section **59-2-908** is amended to read:

786 **59-2-908. Single aggregate limitation -- Maximum levy.**

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

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

793 (b) .0036 per dollar of taxable value in all counties with a total taxable value of less
794 than \$100,000,000.

795 (2) (a) Beginning January 1, 1995, a county may impose a tax rate in excess of the
796 limitation provided in Subsection (1) if the rate established under Subsection (1)(a) or (b)
797 generates revenues for the county in an amount that is less than the revenues that would be
798 generated by the county under the certified tax rate established in ~~[Subsection]~~ Section
799 59-2-924[(2)].

800 (b) A county meeting the requirements of Subsection (2)(a) may impose a tax rate that

801 does not exceed the certified tax rate established in [~~Subsection~~] Section 59-2-924[~~(2)~~].

802 Section 25. Section **59-2-913** is amended to read:

803 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**
804 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**
805 **establishing tax levies -- Format of statement.**

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

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

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

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

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

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

818 (3) For purposes of establishing the levy set for each of a taxing entity's applicable
819 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing
820 the budgeted property tax revenues, specified in a budget which has been adopted and
821 approved prior to setting the levy, by the amount calculated under Subsections
822 ~~59-2-924[(2)(a)(iii)(B)(D) through (H)]~~ (3)(c)(ii)(A) through (C).

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

- 824 (a) be determined by the commission; and
- 825 (b) cite any applicable statutory provisions that:
 - 826 (i) require a specific levy; or
 - 827 (ii) limit the property tax levy for any taxing entity.

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

830 Section 26. Section **59-2-914** is amended to read:

831 **59-2-914. Excess levies -- Commission to recalculate levy -- Notice to implement**

832 **adjusted levies to county auditor.**

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

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

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

837 and

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

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

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

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

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

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

851 Section 27. Section **59-2-918** is amended to read:

852 **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

853 (1) (a) Except as provided in Subsection (1)(b), a taxing entity may not budget an
854 increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined
855 in Subsection 59-2-924[~~(2)~~] (4) unless it advertises its intention to do so at the same time that it
856 advertises its intention to fix its budget for the forthcoming fiscal year.

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

859 (A) the taxing entity:

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

861 or

862 (II) is expressly exempted by law from complying with the requirements of this

863 section; or

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

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

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

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

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

880 "NOTICE OF PROPOSED TAX INCREASE

881 (NAME OF TAXING ENTITY)

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

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

885 ● The (name of the taxing entity) tax on a (insert the average value of a residence
886 in the taxing entity rounded to the nearest thousand dollars) residence would
887 increase from \$_____ to \$_____, which is \$_____ per year.

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

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

892 PUBLIC HEARING

893 Date/Time: (date) (time)

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

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

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

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

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

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

908 Section 28. Section **59-2-924** is amended to read:

909 **59-2-924. Report of valuation of property to county auditor and commission --**
910 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
911 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

912 (1) ~~(a)~~ Before June 1 of each year, the county assessor of each county shall deliver to
913 the county auditor and the commission the following statements:

914 ~~(i)~~ (a) a statement containing the aggregate valuation of all taxable property in each
915 taxing entity; and

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

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

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

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

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

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

924 ~~(2)~~ (3) (a) ~~(i)~~ The "certified tax rate" means a tax rate that will provide the same ad

925 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the
926 prior year.

927 ~~[(ii)]~~ (b) For purposes of this Subsection ~~[(2)]~~(3), "ad valorem property tax revenues"
928 do not include:

929 ~~[(A)]~~ (i) collections from redemptions;

930 ~~[(B)]~~ (ii) interest;

931 ~~[(C)]~~ (iii) penalties; and

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

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

934 and

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

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

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

941 ~~[(F)]~~ (A) calculate for the taxing entity the difference between:

942 ~~[(Aa)]~~ (I) the aggregate taxable value of all property taxed; and

943 ~~[(Bb)]~~ (II) any redevelopment adjustments for the current calendar year;

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

945 (3)(c)(ii)(A), calculate an amount determined by increasing or decreasing the amount
946 calculated under Subsection ~~[(2)(a)(iii)(B)(F)]~~ (3)(c)(ii)(A) by the average of the percentage net
947 change in the value of taxable property for the equalization period for the three calendar years
948 immediately preceding the current calendar year;

949 ~~[(H)]~~ (C) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~

950 (3)(c)(ii)(B), calculate the product of:

951 ~~[(Aa)]~~ (I) the amount calculated under Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B); and

952 ~~[(Bb)]~~ (II) the percentage of property taxes collected for the five calendar years

953 immediately preceding the current calendar year; and

954 ~~[(IV)]~~ (D) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~

955 (3)(c)(ii)(C), calculate an amount determined by subtracting from the amount calculated under

956 Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(C) any new growth as defined in this section:
957 ~~[(Aa)]~~ (I) within the taxing entity; and
958 ~~[(Bb)]~~ (II) for the current calendar year.
959 ~~[(C)]~~ (iii) For purposes of Subsection ~~[(2)(a)(iii)(B)(F)]~~ (3)(c)(ii)(A), the aggregate
960 taxable value of all property taxed:
961 ~~[(F)]~~ (A) except as provided in Subsection ~~[(2)(a)(iii)(C)(H)]~~ (3)(c)(iii)(B), includes the
962 total taxable value of the real and personal property contained on the tax rolls of the taxing
963 entity; and
964 ~~[(H)]~~ (B) does not include the total taxable value of personal property contained on the
965 tax rolls of the taxing entity that is:
966 ~~[(Aa)]~~ (I) assessed by a county assessor in accordance with Part 3, County Assessment;
967 and
968 ~~[(Bb)]~~ (II) semiconductor manufacturing equipment.
969 ~~[(D)]~~ (iv) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B), for calendar years
970 beginning on or after January 1, 2007, the value of taxable property does not include the value
971 of personal property that is:
972 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part
973 3, County Assessment; and
974 ~~[(H)]~~ (B) semiconductor manufacturing equipment.
975 ~~[(E)]~~ (v) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)(Bb)]~~ (3)(c)(ii)(C)(II), for
976 calendar years beginning on or after January 1, 2007, the percentage of property taxes collected
977 does not include property taxes collected from personal property that is:
978 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part
979 3, County Assessment; and
980 ~~[(H)]~~ (B) semiconductor manufacturing equipment.
981 ~~[(F)]~~ (vi) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
982 Act, the commission may prescribe rules for calculating redevelopment adjustments for a
983 calendar year.
984 ~~[(iv)-(A)]~~ (d)(i) In accordance with Title 63, Chapter 46a, Utah Administrative
985 Rulemaking Act, the commission shall make rules determining the calculation of ad valorem
986 property tax revenues budgeted by a taxing entity.

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

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

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

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

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

998 [(H)] (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general
 999 county purposes and such other levies imposed solely for the municipal-type services identified
 1000 in Section 17-34-1 and Subsection 17-36-3(22); and

1001 [(C)] (iii) for debt service voted on by the public, the certified tax rate shall be the
 1002 actual levy imposed by that section, except that the certified tax rates for the following levies
 1003 shall be calculated in accordance with Section 59-2-913 and this section:

1004 [(F)] (A) school leeways provided for under Sections 11-2-7, 53A-16-110,
 1005 [53A-17a-125;] 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145;
 1006 and 53A-21-103]; and

1007 [(H)] (B) levies to pay for the costs of state legislative mandates or judicial or
 1008 administrative orders under Section 59-2-906.3.

1009 [(vi)(A)] (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall
 1010 be established at that rate which is sufficient to generate only the revenue required to satisfy
 1011 one or more eligible judgments, as defined in Section 59-2-102.

1012 [(B)] (ii) The ad valorem property tax revenue generated by the judgment levy shall not
 1013 be considered in establishing the taxing entity's aggregate certified tax rate.

1014 (g) The ad valorem property tax revenue generated by the capital outlay levy described
 1015 in Section 53A-16-107 within a taxing entity in a county of the first class:

1016 (i) may not be considered in establishing the school district's aggregate certified tax
 1017 rate; and

1018 (ii) shall be included by the commission in establishing a certified tax rate for that
 1019 capital outlay levy determined in accordance with the calculation described in Subsection
 1020 59-2-913(3).

1021 ~~[(b)(i)]~~ (4)(a) For the purpose of calculating the certified tax rate, the county auditor
 1022 shall use the taxable value of property on the assessment roll.

1023 ~~[(ii)]~~ (b) For purposes of Subsection ~~[(2)(b)(i)]~~ (4)(a)(i), the taxable value of real
 1024 property on the assessment roll does not include:

1025 ~~[(A)]~~ (i) new growth as defined in Subsection ~~[(2)(b)(iii); or]~~ (4)(c); or

1026 ~~[(B)]~~ (ii) the total taxable value of personal property contained on the tax rolls of the
 1027 taxing entity that is:

1028 ~~[(F)]~~ (A) assessed by a county assessor in accordance with Part 3, County Assessment;
 1029 and

1030 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

1031 ~~[(iii)]~~ (c) "New growth" means:

1032 ~~[(A)]~~ (i) the difference between the increase in taxable value of the taxing entity from
 1033 the previous calendar year to the current year; minus

1034 ~~[(B)]~~ (ii) the amount of an increase in taxable value described in Subsection ~~[(2)(b)(v)]~~
 1035 (4)(e).

1036 ~~[(iv)]~~ (d) For purposes of Subsection ~~[(2)(b)(iii)]~~ (4)(c)(ii), the taxable value of the
 1037 taxing entity does not include the taxable value of personal property that is:

1038 ~~[(A)]~~ (i) contained on the tax rolls of the taxing entity if that property is assessed by a
 1039 county assessor in accordance with Part 3, County Assessment; and

1040 ~~[(B)]~~ (ii) semiconductor manufacturing equipment.

1041 ~~[(v)]~~ (e) Subsection ~~[(2)(b)(iii)(B)]~~ (4)(c)(ii) applies to the following increases in
 1042 taxable value:

1043 ~~[(A)]~~ (i) the amount of increase to locally assessed real property taxable values
 1044 resulting from factoring, reappraisal, or any other adjustments; or

1045 ~~[(B)]~~ (ii) the amount of an increase in the taxable value of property assessed by the
 1046 commission under Section 59-2-201 resulting from a change in the method of apportioning the
 1047 taxable value prescribed by:

1048 ~~[(F)]~~ (A) the Legislature;

1049 ~~[(H)]~~ (B) a court;

1050 ~~[(HH)]~~ (C) the commission in an administrative rule; or

1051 ~~[(IV)]~~ (D) the commission in an administrative order.

1052 ~~[(c) Beginning January 1, 1997, if a taxing entity receives increased revenues from~~
1053 ~~uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~
1054 ~~59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter~~
1055 ~~12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax~~
1056 ~~rate to offset the increased revenues.]~~

1057 ~~[(d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under~~
1058 ~~Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:]~~

1059 ~~[(A) decreased on a one-time basis by the amount of the estimated sales and use tax~~
1060 ~~revenue to be distributed to the county under Subsection 59-12-1102(3); and]~~

1061 ~~[(B) increased by the amount necessary to offset the county's reduction in revenue~~
1062 ~~from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~
1063 ~~59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection~~
1064 ~~(2)(d)(i)(A).]~~

1065 ~~[(ii) The commission shall determine estimates of sales and use tax distributions for~~
1066 ~~purposes of Subsection (2)(d)(i).]~~

1067 ~~[(e) Beginning January 1, 1998, if a municipality has imposed an additional resort~~
1068 ~~communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be~~
1069 ~~decreased on a one-time basis by the amount necessary to offset the first 12 months of~~
1070 ~~estimated revenue from the additional resort communities sales and use tax imposed under~~
1071 ~~Section 59-12-402.]~~

1072 ~~[(f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under~~
1073 ~~Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the~~
1074 ~~unincorporated area of the county shall be decreased by the amount necessary to reduce~~
1075 ~~revenues in that fiscal year by an amount equal to the difference between the amount the county~~
1076 ~~budgeted in its 2000 fiscal year budget for advanced life support and paramedic services~~
1077 ~~countywide and the amount the county spent during fiscal year 2000 for those services,~~
1078 ~~excluding amounts spent from a municipal services fund for those services.]~~

1079 ~~[(B) For fiscal year 2001, the certified tax rate of each county to which Subsection~~

1080 ~~(2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal~~
1081 ~~year by the amount that the county spent during fiscal year 2000 for advanced life support and~~
1082 ~~paramedic services countywide, excluding amounts spent from a municipal services fund for~~
1083 ~~those services.]~~

1084 ~~[(ii) (A) A city or town located within a county of the first class to which Subsection~~
1085 ~~(2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within~~
1086 ~~the city or town the same amount of revenues as the county would collect from that city or~~
1087 ~~town if the decrease under Subsection (2)(f)(i) did not occur.]~~

1088 ~~[(B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal~~
1089 ~~year or spread over multiple fiscal years, is not subject to the notice and hearing requirements~~
1090 ~~of Sections 59-2-918 and 59-2-919.]~~

1091 ~~[(g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to~~
1092 ~~provide detective investigative services to the unincorporated area of the county shall be~~
1093 ~~decreased:]~~

1094 ~~[(A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year~~
1095 ~~by at least \$4,400,000; and]~~

1096 ~~[(B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year~~
1097 ~~by an amount equal to the difference between \$9,258,412 and the amount of the reduction in~~
1098 ~~revenues under Subsection (2)(g)(i)(A).]~~

1099 ~~[(ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a~~
1100 ~~county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate~~
1101 ~~within the city or town the same amount of revenue as the county would have collected during~~
1102 ~~county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).]~~

1103 ~~[(H) Beginning with municipal fiscal year 2003, a city or town located within a county~~
1104 ~~to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the~~
1105 ~~city or town the same amount of revenue as the county would have collected during county~~
1106 ~~fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).]~~

1107 ~~[(B) (I) Except as provided in Subsection (2)(g)(ii)(B)(H), an increase in the city or~~
1108 ~~town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year~~
1109 ~~or spread over multiple fiscal years, is subject to the notice and hearing requirements of~~
1110 ~~Sections 59-2-918 and 59-2-919.]~~

1111 ~~[(H) For an increase under this Subsection (2)(g)(ii) that generates revenue that does~~
1112 ~~not exceed the same amount of revenue as the county would have collected except for~~
1113 ~~Subsection (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the~~
1114 ~~city or town:]~~

1115 ~~[(Aa) publishes a notice that meets the size, type, placement, and frequency~~
1116 ~~requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed~~
1117 ~~by the county to one imposed by the city or town, and explains how the revenues from the tax~~
1118 ~~increase will be used; and]~~

1119 ~~[(Bb) holds a public hearing on the tax shift that may be held in conjunction with the~~
1120 ~~city or town's regular budget hearing.]~~

1121 ~~[(h) (i) This Subsection (2)(h) applies to each county that:]~~

1122 ~~[(A) establishes a countywide special service district under Title 17A, Chapter 2, Part~~
1123 ~~13, Utah Special Service District Act, to provide jail service, as provided in Subsection~~
1124 ~~17A-2-1304(1)(a)(x); and]~~

1125 ~~[(B) levies a property tax on behalf of the special service district under Section~~
1126 ~~17A-2-1322.]~~

1127 ~~[(ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies~~
1128 ~~shall be decreased by the amount necessary to reduce county revenues by the same amount of~~
1129 ~~revenues that will be generated by the property tax imposed on behalf of the special service~~
1130 ~~district.]~~

1131 ~~[(B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with~~
1132 ~~the levy on behalf of the special service district under Section 17A-2-1322.]~~

1133 ~~[(i) (i) As used in this Subsection (2)(i):]~~

1134 ~~[(A) "Annexing county" means a county whose unincorporated area is included within~~
1135 ~~a fire district by annexation.]~~

1136 ~~[(B) "Annexing municipality" means a municipality whose area is included within a~~
1137 ~~fire district by annexation.]~~

1138 ~~[(C) "Equalized fire protection tax rate" means the tax rate that results from:]~~

1139 ~~[(f) calculating, for each participating county and each participating municipality, the~~
1140 ~~property tax revenue necessary to cover all of the costs associated with providing fire~~
1141 ~~protection, paramedic, and emergency services:]~~

1142 ~~[(Aa) for a participating county, in the unincorporated area of the county; and]~~
1143 ~~[(Bb) for a participating municipality, in the municipality; and]~~
1144 ~~[(H) adding all the amounts calculated under Subsection (2)(i)(i)(C)(I) for all~~
1145 ~~participating counties and all participating municipalities and then dividing that sum by the~~
1146 ~~aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:]~~
1147 ~~[(Aa) for participating counties, in the unincorporated area of all participating counties;~~
1148 ~~and]~~
1149 ~~[(Bb) for participating municipalities, in all the participating municipalities.]~~
1150 ~~[(D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service~~
1151 ~~Area Act, in the creation of which an election was not required under Subsection~~
1152 ~~17B-1-214(3)(c).]~~
1153 ~~[(E) "Fire protection tax rate" means:]~~
1154 ~~[(f) for an annexing county, the property tax rate that, when applied to taxable property~~
1155 ~~in the unincorporated area of the county, generates enough property tax revenue to cover all the~~
1156 ~~costs associated with providing fire protection, paramedic, and emergency services in the~~
1157 ~~unincorporated area of the county; and]~~
1158 ~~[(H) for an annexing municipality, the property tax rate that generates enough property~~
1159 ~~tax revenue in the municipality to cover all the costs associated with providing fire protection,~~
1160 ~~paramedic, and emergency services in the municipality.]~~
1161 ~~[(F) "Participating county" means a county whose unincorporated area is included~~
1162 ~~within a fire district at the time of the creation of the fire district.]~~
1163 ~~[(G) "Participating municipality" means a municipality whose area is included within a~~
1164 ~~fire district at the time of the creation of the fire district.]~~
1165 ~~[(ii) In the first year following creation of a fire district, the certified tax rate of each~~
1166 ~~participating county and each participating municipality shall be decreased by the amount of~~
1167 ~~the equalized fire protection tax rate.]~~
1168 ~~[(iii) In the first year following annexation to a fire district, the certified tax rate of each~~
1169 ~~annexing county and each annexing municipality shall be decreased by the fire protection tax~~
1170 ~~rate.]~~
1171 ~~[(iv) Each tax levied under this section by a fire district shall be considered to be levied~~
1172 ~~by:]~~

1173 ~~[(A) each participating county and each annexing county for purposes of the county's~~
 1174 ~~tax limitation under Section 59-2-908; and]~~

1175 ~~[(B) each participating municipality and each annexing municipality for purposes of~~
 1176 ~~the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a~~
 1177 ~~city.]~~

1178 ~~[(j) For the calendar year beginning on January 1, 2007, the calculation of a taxing~~
 1179 ~~entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the~~
 1180 ~~certified tax rate that may result from excluding the following from the certified tax rate under~~
 1181 ~~Subsection (2)(a) enacted by the Legislature during the 2007 General Session:]~~

1182 ~~[(i) personal property tax revenue:]~~

1183 ~~[(A) received by a taxing entity;]~~

1184 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1185 ~~[(C) for personal property that is semiconductor manufacturing equipment; or]~~

1186 ~~[(ii) the taxable value of personal property:]~~

1187 ~~[(A) contained on the tax rolls of a taxing entity;]~~

1188 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1189 ~~[(C) that is semiconductor manufacturing equipment.]~~

1190 ~~[(3)]~~ (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative
 1191 budget.

1192 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
 1193 auditor of:

1194 (i) its intent to exceed the certified tax rate; and

1195 (ii) the amount by which it proposes to exceed the certified tax rate.

1196 (c) The county auditor shall notify all property owners of any intent to exceed the
 1197 certified tax rate in accordance with Subsection 59-2-919~~[(2)]~~ (3).

1198 ~~[(4)(a) The taxable value for the base year under Subsection 17C-1-102(6) shall be~~
 1199 ~~reduced for any year to the extent necessary to provide a community development and renewal~~
 1200 ~~agency established under Title 17C, Limited Purpose Local Government Entities - Community~~
 1201 ~~Development and Renewal Agencies, with approximately the same amount of money the~~
 1202 ~~agency would have received without a reduction in the county's certified tax rate if:]~~

1203 ~~[(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or~~

1204 ~~(2)(d)(i);]~~

1205 ~~[(ii) the amount of the decrease is more than 20% of the county's certified tax rate of~~
1206 ~~the previous year; and]~~

1207 ~~[(iii) the decrease results in a reduction of the amount to be paid to the agency under~~
1208 ~~Section 17C-1-403 or 17C-1-404.]~~

1209 ~~[(b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any~~
1210 ~~year to the extent necessary to provide a community development and renewal agency with~~
1211 ~~approximately the same amount of money as the agency would have received without an~~
1212 ~~increase in the certified tax rate that year if:]~~

1213 ~~[(i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to~~
1214 ~~a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and]~~

1215 ~~[(ii) The certified tax rate of a city, school district, local district, or special service~~
1216 ~~district increases independent of the adjustment to the taxable value of the base year.]~~

1217 ~~[(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or~~
1218 ~~(2)(d)(i), the amount of money allocated and, when collected, paid each year to a community~~
1219 ~~development and renewal agency established under Title 17C, Limited Purpose Local~~
1220 ~~Government Entities - Community Development and Renewal Agencies, for the payment of~~
1221 ~~bonds or other contract indebtedness, but not for administrative costs, may not be less than that~~
1222 ~~amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or~~
1223 ~~(2)(d)(i).]~~

1224 Section 29. Section **59-2-924.2** is enacted to read:

1225 **59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.**

1226 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated
1227 in accordance with Section 59-2-924.

1228 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from
1229 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1230 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
1231 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
1232 rate to offset the increased revenues.

1233 (3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under
1234 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

1235 (i) decreased on a one-time basis by the amount of the estimated sales and use tax
1236 revenue to be distributed to the county under Subsection 59-12-1102(3); and

1237 (ii) increased by the amount necessary to offset the county's reduction in revenue from
1238 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1239 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
1240 (3)(a)(i).

1241 (b) The commission shall determine estimates of sales and use tax distributions for
1242 purposes of Subsection (3)(a).

1243 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort
1244 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
1245 decreased on a one-time basis by the amount necessary to offset the first 12 months of
1246 estimated revenue from the additional resort communities sales and use tax imposed under
1247 Section 59-12-402.

1248 (5) (a) This Subsection (5) applies to each county that:

1249 (i) establishes a countywide special service district under Title 17A, Chapter 2, Part 13,
1250 Utah Special Service District Act, to provide jail service, as provided in Subsection
1251 17A-2-1304(1)(a)(x); and

1252 (ii) levies a property tax on behalf of the special service district under Section
1253 17A-2-1322.

1254 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be
1255 decreased by the amount necessary to reduce county revenues by the same amount of revenues
1256 that will be generated by the property tax imposed on behalf of the special service district.

1257 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the
1258 levy on behalf of the special service district under Section 17A-2-1322.

1259 (6) (a) As used in this Subsection (6):

1260 (i) "Annexing county" means a county whose unincorporated area is included within a
1261 fire district by annexation.

1262 (ii) "Annexing municipality" means a municipality whose area is included within a fire
1263 district by annexation.

1264 (iii) "Equalized fire protection tax rate" means the tax rate that results from:

1265 (A) calculating, for each participating county and each participating municipality, the

1266 property tax revenue necessary to cover all of the costs associated with providing fire
1267 protection, paramedic, and emergency services:

1268 (I) for a participating county, in the unincorporated area of the county; and
1269 (II) for a participating municipality, in the municipality; and
1270 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all
1271 participating counties and all participating municipalities and then dividing that sum by the
1272 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

1273 (I) for participating counties, in the unincorporated area of all participating counties;
1274 and
1275 (II) for participating municipalities, in all the participating municipalities.
1276 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
1277 Area Act, in the creation of which an election was not required under Subsection
1278 17B-1-214(3)(c).

1279 (v) "Fire protection tax rate" means:

1280 (A) for an annexing county, the property tax rate that, when applied to taxable property
1281 in the unincorporated area of the county, generates enough property tax revenue to cover all the
1282 costs associated with providing fire protection, paramedic, and emergency services in the
1283 unincorporated area of the county; and

1284 (B) for an annexing municipality, the property tax rate that generates enough property
1285 tax revenue in the municipality to cover all the costs associated with providing fire protection,
1286 paramedic, and emergency services in the municipality.

1287 (vi) "Participating county" means a county whose unincorporated area is included
1288 within a fire district at the time of the creation of the fire district.

1289 (vii) "Participating municipality" means a municipality whose area is included within a
1290 fire district at the time of the creation of the fire district.

1291 (b) In the first year following creation of a fire district, the certified tax rate of each
1292 participating county and each participating municipality shall be decreased by the amount of
1293 the equalized fire protection tax rate.

1294 (c) In the first year following annexation to a fire district, the certified tax rate of each
1295 annexing county and each annexing municipality shall be decreased by the fire protection tax
1296 rate.

1297 (d) Each tax levied under this section by a fire district shall be considered to be levied
1298 by:

1299 (i) each participating county and each annexing county for purposes of the county's tax
1300 limitation under Section 59-2-908; and

1301 (ii) each participating municipality and each annexing municipality for purposes of the
1302 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a
1303 city.

1304 (7) For the calendar year beginning on January 1, 2007, the calculation of a taxing
1305 entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by
1306 the amount necessary to offset any change in the certified tax rate that may result from
1307 excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the
1308 Legislature during the 2007 General Session:

1309 (a) personal property tax revenue:

1310 (i) received by a taxing entity;

1311 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1312 (iii) for personal property that is semiconductor manufacturing equipment; or

1313 (b) the taxable value of personal property:

1314 (i) contained on the tax rolls of a taxing entity;

1315 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1316 (iii) that is semiconductor manufacturing equipment.

1317 (8) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
1318 reduced for any year to the extent necessary to provide a community development and renewal
1319 agency established under Title 17C, Limited Purpose Local Government Entities - Community
1320 Development and Renewal Agencies, with approximately the same amount of money the
1321 agency would have received without a reduction in the county's certified tax rate, calculated in
1322 accordance with Section 59-2-924, if:

1323 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

1324 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
1325 previous year; and

1326 (iii) the decrease results in a reduction of the amount to be paid to the agency under
1327 Section 17C-1-403 or 17C-1-404.

1328 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any
1329 year to the extent necessary to provide a community development and renewal agency with
1330 approximately the same amount of money as the agency would have received without an
1331 increase in the certified tax rate that year if:

1332 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to
1333 a decrease in the certified tax rate under Subsection (2) or (3)(a); and

1334 (ii) the certified tax rate of a city, school district, local district, or special service
1335 district increases independent of the adjustment to the taxable value of the base year.

1336 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),
1337 the amount of money allocated and, when collected, paid each year to a community
1338 development and renewal agency established under Title 17C, Limited Purpose Local
1339 Government Entities - Community Development and Renewal Agencies, for the payment of
1340 bonds or other contract indebtedness, but not for administrative costs, may not be less than that
1341 amount would have been without a decrease in the certified tax rate under Subsection (2) or
1342 (3)(a).

1343 Section 30. Section **59-2-924.3** is enacted to read:

1344 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
1345 **district imposing a capital outlay levy in a county of the first class.**

1346 (1) As used in this section:

1347 (a) "Capital outlay increment" means the amount of revenue equal to the difference
1348 between:

1349 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1350 within a school district during a fiscal year; and

1351 (ii) the amount of revenue the school district received during the same fiscal year from
1352 the distribution described in Subsection 53A-16-107.1(1).

1353 (b) "Contributing school district" means a school district in a county of the first class
1354 that in a fiscal year receives less revenue from the distribution described in Subsection
1355 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1356 within the school district of .0006 per dollar of taxable value.

1357 (c) "Receiving school district" means a school district in a county of the first class that
1358 in a fiscal year receives more revenue from the distribution described in Subsection

1359 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1360 within the school district of .0006 per dollar of taxable value.

1361 (2) A receiving school district shall decrease its capital outlay certified tax rate under
1362 Subsection 59-2-924(3)(g)(ii) by the amount required to offset the receiving school district's
1363 capital outlay increment for the prior fiscal year.

1364 (3) Beginning with fiscal year 2009-10, a contributing school district is exempt from
1365 the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school
1366 district's capital outlay levy certified tax rate calculated pursuant to Subsection
1367 59-2-924(3)(g)(ii) if:

1368 (a) the contributing school district budgets an increased amount of ad valorem property
1369 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
1370 outlay levy described in Section 53A-16-107; and

1371 (b) the increased amount of ad valorem property tax revenue described in Subsection
1372 (3)(a) is less than or equal to that contributing school district's capital outlay increment for the
1373 prior year.

1374 (4) Beginning with fiscal year 2010-11, a contributing school district is exempt from
1375 the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school
1376 district's capital outlay levy certified tax rate calculated pursuant to Subsection
1377 59-2-924(3)(g)(ii) if:

1378 (a) the contributing school district budgets an increased amount of ad valorem property
1379 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
1380 outlay levy described in Section 53A-16-107; and

1381 (b) the increased amount of ad valorem property tax revenue described in Subsection
1382 (4)(a) is less than or equal to the difference between:

1383 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1384 imposed within the contributing school district during the current taxable year; and

1385 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1386 imposed within the contributing school district during the prior taxable year.

1387 (5) Regardless of the amount a school district receives from the revenue collected from
1388 the .0006 portion of the capital outlay levy required in Subsection 53A-16-107(3), the revenue
1389 generated within the school district from the .0006 portion of the capital outlay levy required in

1390 Subsection 53A-16-107(3) shall be considered to be budgeted ad valorem property tax
1391 revenues of the school district that levies the .0006 portion of the capital outlay levy for
1392 purposes of calculating the school district's certified tax rate in accordance with Subsection
1393 59-2-924(3)(g)(ii).

1394 Section 31. Section **59-2-924.4** is enacted to read:

1395 **59-2-924.4. Adjustment to certified tax rate of school districts receiving funds**
1396 **from state capital outlay programs.**

1397 (1) For purposes of this section:

1398 (a) "New ongoing funding increment" means:

1399 (i) for the taxable year beginning on January 1, 2008, an amount equal to:

1400 (A) allocations to a receiving school district from the ongoing appropriation made in
1401 Section 53A-21-501 only, for fiscal year 2008-09; minus

1402 (B) allocations to a receiving school district from the ongoing appropriation made in
1403 Section 53A-21-105 only, for fiscal year 2007-08; and

1404 (ii) for a taxable year beginning on or after January 1, 2009, an amount equal to:

1405 (A) allocations to a school district from the ongoing appropriation made in Section
1406 53A-21-501 only, for the current fiscal year; and

1407 (B) allocations to a school district from the ongoing appropriation made in Section
1408 53A-21-501 only, for the prior fiscal year.

1409 (b) "Receiving school district" means a school district that receives funding under
1410 Section 53A-21-501.

1411 (2) For each taxable year beginning on or after January 1, 2008:

1412 (a) a receiving school district with a positive new ongoing funding increment shall
1413 decrease its certified tax rate calculated in accordance with Section 59-2-924 by an amount
1414 equal to the receiving school district's new ongoing funding increment; and

1415 (b) a receiving school district with a negative new ongoing funding is exempt from the
1416 public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school
1417 district's certified tax rate calculated in accordance with Section 59-2-924 if:

1418 (i) the receiving school district budgets an increased amount of ad valorem property tax
1419 revenue exclusive of new growth as defined in Subsection 59-2-924(4); and

1420 (ii) the increased amount of ad valorem property tax revenue described in Subsection

1421 (2)(b)(i) is less than or equal to the receiving school district's new ongoing funding increment.

1422 Section 32. Section **59-2-924.5** is enacted to read:

1423 **59-2-924.5. Adjustment of the calculation of the certified tax rate for certain**
1424 **divided school districts.**

1425 (1) As used in this section:

1426 (a) "Capital outlay increment" means the amount of revenue equal to the difference
1427 between:

1428 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1429 within a qualifying divided school district during a fiscal year; and

1430 (ii) the amount of revenue the qualifying divided school district received during the
1431 same fiscal year from the distribution described in Section 53A-2-118.3.

1432 (b) "Contributing divided school district" means a school district located within a
1433 qualifying divided school district that in a fiscal year receives less revenue from the distribution
1434 described in Subsection 53A-16-107.1(1) than it would have received during the same fiscal
1435 year from a levy imposed within the school district of .0006 per dollar of taxable value.

1436 (c) "Divided school district" means a school district from which a new school district is
1437 created.

1438 (d) "New school district" means a school district:

1439 (i) created under Section 53A-2-118.1;

1440 (ii) that begins to provide educational services after July 1, 2008; and

1441 (iii) located in a qualifying divided school district.

1442 (e) "Qualifying divided school district" means a divided school district:

1443 (i) located within a county of the second through sixth class; and

1444 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide
1445 educational services after July 1, 2008.

1446 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins
1447 to provide educational services.

1448 (g) "Receiving divided school district" means a school district located within a
1449 qualifying divided school district that in a fiscal year receives more revenue from the
1450 distribution described in Section 53A-2-118.3 than it would have received during the same
1451 fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

1452 (2) A receiving divided school district shall decrease its certified tax rate calculated in
1453 accordance with Section 59-2-924 by the amount required to offset the receiving divided
1454 school district's capital outlay increment for the prior fiscal year.

1455 (3) Beginning with the qualifying fiscal year, a contributing divided school district is
1456 exempt from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for
1457 the contributing divided school district's certified tax rate calculated pursuant to Section
1458 59-2-924 if:

1459 (a) the contributing divided school district budgets an increased amount of ad valorem
1460 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1461 capital outlay levy required in Section 53A-2-118.3; and

1462 (b) the increased amount of ad valorem property tax revenue described in Subsection
1463 (3)(a) is less than or equal to that contributing divided school district's capital outlay increment
1464 for the prior year.

1465 (4) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
1466 school district is exempt from the public notice and hearing requirements of Sections 59-2-918
1467 and 59-2-919 for the contributing divided school district's certified tax rate calculated pursuant
1468 to Section 59-2-924 if:

1469 (a) the contributing divided school district budgets an increased amount of ad valorem
1470 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1471 capital outlay levy described in Section 53A-2-118.3; and

1472 (b) the increased amount of ad valorem property tax revenue described in Subsection
1473 (4)(a) is less than or equal to the difference between:

1474 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1475 imposed within the contributing divided school district during the current taxable year; and

1476 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1477 imposed within the contributing divided school district during the prior taxable year.

1478 (5) Regardless of the amount a school district receives from the revenue collected from
1479 the .0006 portion of the capital outlay levy described in Section 53A-2-118.3, the revenue
1480 generated within the school district from the .0006 portion of the capital outlay levy described
1481 in Section 53A-2-118.3 shall be considered to be budgeted ad valorem property tax revenues of
1482 the school district that levies the .0006 portion of the capital outlay levy for purposes of

1483 calculating the school district's certified tax rate in accordance with Section 59-2-924.

1484 Section 33. Section **59-2-1330** is amended to read:

1485 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
1486 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
1487 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
1488 **commission -- Time periods for making payments to taxpayer.**

1489 (1) Unless otherwise specifically provided by statute, property taxes shall be paid
1490 directly to the county assessor or the county treasurer:

1491 (a) on the date that the property taxes are due; and

1492 (b) as provided in this chapter.

1493 (2) A taxpayer shall receive payment as provided in this section if a reduction in the
1494 amount of any tax levied against any property for which the taxpayer paid a tax or any portion
1495 of a tax under this chapter for a calendar year is required by a final and unappealable judgment
1496 or order described in Subsection (3) issued by:

1497 (a) a county board of equalization;

1498 (b) the commission; or

1499 (c) a court of competent jurisdiction.

1500 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
1501 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
1502 shall pay the taxpayer if:

1503 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
1504 authorized officer of the:

1505 (A) county; or

1506 (B) state;

1507 (ii) the taxpayer obtains a final and unappealable judgment or order:

1508 (A) from:

1509 (I) a county board of equalization;

1510 (II) the commission; or

1511 (III) a court of competent jurisdiction;

1512 (B) against:

1513 (I) the taxing entity or an authorized officer of the taxing entity; or

1514 (II) the state or an authorized officer of the state; and
1515 (C) ordering a reduction in the amount of any tax levied against any property for which
1516 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.
1517 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
1518 in accordance with Subsections (4) through (7).
1519 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer
1520 is equal to the sum of:
1521 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
1522 between:
1523 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
1524 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
1525 amount of tax levied against the property in accordance with the final and unappealable
1526 judgment or order described in Subsection (3);
1527 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
1528 between:
1529 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;
1530 and
1531 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with
1532 Section 59-2-1331 after the reduction in the amount of tax levied against the property in
1533 accordance with the final and unappealable judgment or order described in Subsection (3);
1534 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
1535 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and
1536 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:
1537 (i) Subsection (4)(a);
1538 (ii) Subsection (4)(b); and
1539 (iii) Subsection (4)(c).
1540 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
1541 taxpayer is equal to the sum of:
1542 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
1543 between:
1544 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and

1545 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
1546 the amount of tax levied against the property in accordance with the final and unappealable
1547 judgment or order described in Subsection (3);

1548 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
1549 between:

1550 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
1551 59-2-1331; and

1552 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
1553 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the
1554 property in accordance with the final and unappealable judgment or order described in
1555 Subsection (3); and

1556 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
1557 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and

1558 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

1559 (i) Subsection (5)(a);

1560 (ii) Subsection (5)(b); and

1561 (iii) Subsection (5)(c).

1562 (6) Except as provided in Subsection (7):

1563 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
1564 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
1565 with Section 59-2-1331; and

1566 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
1567 (5)(d):

1568 (i) beginning on the later of:

1569 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or

1570 (B) January 1 of the calendar year immediately following the calendar year for which
1571 the tax was due;

1572 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
1573 amount required by Subsection (4) or (5); and

1574 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
1575 state treasurer in accordance with Section 51-7-5.

1576 (7) Notwithstanding Subsection (6):

1577 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
1578 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
1579 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and

1580 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
1581 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
1582 levied by the taxing entity for that calendar year as stated on the notice required by Section
1583 59-2-1317.

1584 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
1585 judgment or order described in Subsection (3) if:

1586 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
1587 the date the levy is set under Subsection 59-2-924[~~(2)~~] (3)(a);

1588 (ii) the amount of the judgment levy is included on the notice under Section 59-2-919;
1589 and

1590 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
1591 Section 59-2-102.

1592 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
1593 levy established for the taxing entity.

1594 (9) (a) A taxpayer that objects to the assessment of property assessed by the
1595 commission shall pay, on or before the date of delinquency established under Subsection
1596 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by
1597 Section 59-2-1317 if:

1598 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
1599 59-2-1007 on the objection to the assessment; and

1600 (ii) the commission has not issued a written decision on the objection to the assessment
1601 in accordance with Section 59-2-1007.

1602 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not
1603 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

1604 (i) a final and unappealable judgment or order establishing that the property described
1605 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section
1606 59-2-1317 is issued by:

1607 (A) the commission; or
1608 (B) a court of competent jurisdiction; and
1609 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
1610 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
1611 the county bills the taxpayer for the additional tax liability.

1612 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this
1613 section shall be paid to a taxpayer:

1614 (i) within 60 days after the day on which the final and unappealable judgment or order
1615 is issued in accordance with Subsection (3); or

1616 (ii) if a judgment levy is imposed in accordance with Subsection (8):

1617 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later
1618 than December 31 of the year in which the judgment levy is imposed; and

1619 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
1620 60 days after the date the final and unappealable judgment or order is issued in accordance with
1621 Subsection (3).

1622 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

1623 (i) that establishes a time period other than a time period described in Subsection
1624 (10)(a) for making a payment to the taxpayer that is required by this section; and

1625 (ii) with:

1626 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

1627 (B) an authorized officer of the state for a tax imposed by the state.

1628 **Section 34. Repealer.**

1629 This bill repeals:

1630 **Section 53A-21-103, Qualifications for participation in the foundation program --**

1631 **Distribution of monies -- Distribution formulas.**

1632 **Section 53A-21-103.5, Qualifications for participation in the Enrollment Growth**

1633 **Program -- State Board of Education rules -- Distribution formula.**

1634 **Section 35. Effective date -- Retrospective operation.**

1635 (1) Except as provided in Subsections (2) and (3), this bill takes effect on July 1, 2008.

1636 (2) Sections 53A-21-101.5, 53A-21-102, 53A-21-201, 53A-21-202, 53A-21-301, and

1637 53A-21-302 take effect on May 5, 2008.

1638 (3) Sections 59-2-924, 59-2-924.2, 59-2-924.3, and 59-2-924.4 take effect on May 5,
1639 2008 and have retrospective operation to January 1, 2008.

1640 Section 36. **Coordinating S.B. 48 with H.B. 1 -- Superseding amendments.**

1641 If this S.B. 48 and H.B. 1, Minimum School Program Base Budget Amendments, both
1642 pass, it is the intent of the Legislature that the amendments to Section 53A-21-501, renumbered
1643 from Section 53A-21-105, in this bill supersede the amendments to Section 53A-21-105 in
1644 H.B. 1 when the Office of Legislative Research and General Counsel prepares the Utah Code
1645 database for publication.