

30 This bill appropriates:

31 ▶ as an ongoing appropriation subject to future budget constraints, \$27,288,900 from
32 the Uniform School Fund for fiscal year 2008-09 to the State Board of Education;

33 and

34 ▶ \$15,000,000 from the Uniform School Fund for fiscal year 2008-09 only to the State
35 Board of Education.

36 **Other Special Clauses:**

37 This bill takes effect on July 1, 2008.

38 This bill coordinates with H.B. 1, Minimum School Program Base Budget Amendments,
39 by providing superseding amendments.

40 **Utah Code Sections Affected:**

41 AMENDS:

42 **11-13-302**, as last amended by Laws of Utah 2007, Chapter 108

43 **17-34-3**, as last amended by Laws of Utah 2005, First Special Session, Chapter 9

44 **17C-1-408**, as renumbered and amended by Laws of Utah 2006, Chapter 359

45 **53A-2-103**, as last amended by Laws of Utah 2002, Chapter 301

46 **53A-2-114**, as last amended by Laws of Utah 1996, Chapter 326

47 **53A-2-115**, as last amended by Laws of Utah 1996, Chapter 326

48 **53A-2-117**, as last amended by Laws of Utah 2007, Chapters 215 and 297

49 **53A-16-106**, as last amended by Laws of Utah 1994, Chapter 12

50 **53A-16-107**, as last amended by Laws of Utah 1999, Chapter 332

51 **53A-16-110**, as last amended by Laws of Utah 2004, Chapter 371

52 **53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26

53 **53A-19-102**, as last amended by Laws of Utah 2007, Chapter 92

54 **53A-19-105**, as last amended by Laws of Utah 2003, Chapter 122

55 **53A-21-102**, as last amended by Laws of Utah 2003, Chapters 199 and 320

56 **59-2-908**, as last amended by Laws of Utah 1995, Chapter 278

57 **59-2-913**, as last amended by Laws of Utah 2007, Chapter 107

- 58 **59-2-914**, as last amended by Laws of Utah 1995, Chapter 278
- 59 **59-2-918**, as last amended by Laws of Utah 2006, Chapters 26 and 104
- 60 **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329
- 61 **59-2-1330**, as last amended by Laws of Utah 2002, Chapters 196 and 240

62 ENACTS:

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

114 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 in
124 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 by
126 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 this
148 section, the fee base of a project may be determined in accordance with an agreement among:

149 (A) the project entity; and

150 (B) any county that:

151 (I) is due an annual fee from the project entity; and

152 (II) agrees to have the fee base of the project determined in accordance with the
153 agreement described in this Subsection (4).

154 (ii) The agreement described in Subsection (4)(b)(i):

155 (A) shall specify each year for which the fee base determined by the agreement shall be
156 used for purposes of an annual fee; and

157 (B) may not modify any provision of this chapter except the method by which the fee
158 base of a project is determined for purposes of an annual fee.

159 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
160 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in
161 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
162 jurisdiction.

163 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
164 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
165 portion of the project for which there is not an agreement:

166 (I) for that year; and

167 (II) using the same measure of value as is used for taxable property in the state.

168 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
169 Commission in accordance with rules made by the State Tax Commission.

- 170 (c) Payments of the annual fees shall be made from:
- 171 (i) the proceeds of bonds issued for the project; and
- 172 (ii) revenues derived by the project entity from the project.
- 173 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
- 174 other benefits of the project whose tangible property is not exempted by Utah Constitution
- 175 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
- 176 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
- 177 its share, determined in accordance with the terms of the contract, of these fees.
- 178 (ii) It is the responsibility of the project entity to enforce the obligations of the
- 179 purchasers.
- 180 (5) (a) The responsibility of the project entity to make payment of the annual fees is
- 181 limited to the extent that there is legally available to the project entity, from bond proceeds or
- 182 revenues, monies to make these payments, and the obligation to make payments of the annual
- 183 fees is not otherwise a general obligation or liability of the project entity.
- 184 (b) No tax lien may attach upon any property or money of the project entity by virtue of
- 185 any failure to pay all or any part of an annual fee.
- 186 (c) The project entity or any purchaser may contest the validity of an annual fee to the
- 187 same extent as if the payment was a payment of the ad valorem property tax itself.
- 188 (d) The payments of an annual fee shall be reduced to the extent that any contest is
- 189 successful.
- 190 (6) (a) The annual fee described in Subsection (1):
- 191 (i) shall be paid by a public agency that:
- 192 (A) is not a project entity; and
- 193 (B) owns an interest in a facility providing additional project capacity if the interest is
- 194 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and
- 195 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in
- 196 accordance with Subsection (6)(b).
- 197 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax

198 rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:

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

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

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

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

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

210 **17-34-3. Taxes or service charges.**

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

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

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

219 (iii) a combination of these sources.

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

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

226 county.

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

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

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

237 ~~[(5)]~~ (4) Notwithstanding any other provision of this chapter, a county providing fire,
238 paramedic, and police protection services in a designated recreational area, as provided in
239 Subsection 17-34-1(5), may fund those services from the county general fund with revenues
240 derived from both inside and outside the limits of cities and towns, and the funding of those
241 services is not limited to unincorporated area revenues.

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

243 **17C-1-408. Base taxable value to be adjusted to reflect other changes.**

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

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

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

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

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

253 (i) the base taxable value of taxable property within the project area shall be reduced in

254 the year of the qualifying decrease to the extent necessary, even if below zero, to provide the
255 agency with approximately the same amount of tax increment that would have been paid to the
256 agency each year had the qualifying decrease not occurred; and

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

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

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

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

264 (B) a judicial decision;

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

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

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

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

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

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

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

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

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

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

285 **53A-2-103. Transfer of property to new school district -- Rights and obligations**
286 **of new school board -- Outstanding indebtedness -- Special tax.**

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

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

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

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

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

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

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

310 **53A-2-114. Additional levies -- School board options to abolish or continue after**
311 **consolidation.**

312 (1) If a school district which has approved an additional levy under Section
313 53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~[, or 53A-21-103]~~ is consolidated
314 with a district which does not have such a levy, the board of education of the consolidated
315 district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated
316 district.

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

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

321 **53A-2-115. Additional levies in transferred territory -- Transferee board option**
322 **to abolish or continue.**

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

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

332 **53A-2-117. Definitions.**

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

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

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

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

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

341 **53A-2-118.3. Imposition of the capital outlay levy in qualifying divided school**
342 **districts.**

343 (1) For purposes of this section:

344 (a) "Qualifying divided school district" means a divided school district:

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

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

348 (b) "Qualifying taxable year" means the calendar year in which a new school district
349 begins to provide educational services.

350 (2) Beginning with the qualifying taxable year, in order to qualify for receipt of the state
351 contribution toward the minimum school program described in Section 53A-17a-104, a school
352 district within a qualifying divided school district shall impose a capital outlay levy described in
353 Section 53A-16-107 of at least .0006 per 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 average
361 annual enrollment growth over the prior three years in all of the school districts within the
362 qualifying divided school district that have an increase in enrollment over the prior three years,
363 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 qualifying
375 divided school district shall distribute, in accordance with Subsection (3), the revenue generated
376 within the qualifying divided school district during the prior calendar year from the capital
377 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) Beginning January 1, 2009, in order to qualify for receipt of the state contribution
412 toward the minimum school program described in Section 53A-17a-104, a local school board in
413 a county of the first class shall impose a capital outlay levy of at least .0006 per dollar of taxable
414 value.

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

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

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

423 **53A-16-107.1. School capital outlay in counties of the first class -- Allocation.**

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

427 (a) 25% of the revenues shall be distributed in proportion to a school district's
428 percentage of the total enrollment growth in all of the school districts within the county that
429 have an increase in enrollment, calculated on the basis of the average annual enrollment growth
430 over the prior three years in all of the school districts within the county that have an increase in
431 enrollment over the prior three years, as of the October 1 enrollment counts; and

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

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

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

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

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

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

448 (1) (a) A local school board may, by following the process for special elections
449 established in Sections 20A-1-203 and 20A-1-204, call a special election to determine whether a

450 special property tax should be levied for one or more years to buy building sites, build and
451 furnish schoolhouses, or improve the school property under its control.

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

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

456 (3) If a majority of those voting on the proposition vote in favor of the tax, it is levied
457 in addition to ~~[those]~~ a levy authorized under ~~[Sections]~~ Section 53A-17a-145 ~~[and~~
458 ~~53A-21-103]~~ and computed on the valuation of the county assessment roll for that year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

526 (b) if the voted leeway was approved:

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

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

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

532 **53A-19-102. Local school boards budget procedures.**

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

534 make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the
535 certified tax rate defined in [Subsection] Section 59-2-924~~[(2)]~~, the board shall comply with
536 Sections 59-2-918 and 59-2-919 in adopting the budget, except as provided by Section
537 53A-17a-133.

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

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

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

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

548 **53A-19-105. School district interfund transfers.**

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

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

553 (3) The State Board of Education may authorize school district interfund transfers of
554 residual equity when a district states its intent to create a new fund or expand, contract, or
555 liquidate an existing fund.

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

- 558 (a) the district has a significant deficit in its maintenance and operations fund caused by
559 circumstances not subject to the administrative decisions of the district;
- 560 (b) the deficit cannot be reasonably reduced under Section 53A-19-104; and
- 561 (c) without the transfer, the school district will not be capable of meeting statewide

562 educational standards adopted by the State Board of Education.

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

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

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

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

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

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

577 **Part 1. General Provisions**

578 **53A-21-101.5. Definitions.**

579 As used in this chapter:

580 (1) "ADM" or "pupil in average daily membership" is as defined in Section
581 53A-17a-103.

582 (2) "Combined capital levy rate" means a rate that includes the sum of the following
583 property tax levies:

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

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

587 (c) the debt service levy authorized in Section 11-14-310; and

588 (d) the voted capital outlay leeway authorized in Section 53A-16-110.

589 (3) "Derived net taxable value" means the quotient of:

590 (a) the total current property tax collections from April 1 through the following March
591 31 for a school district; divided by

592 (b) the school district's total tax rate for the calendar year preceding the March 31
593 referenced in Subsection (3)(a).

594 (4) "Highest combined capital levy rate" means the highest combined capital levy rate
595 imposed by any school district within the state for a fiscal year.

596 (5) "Property tax base per ADM" means the quotient of:

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

598 (b) the school district's ADM for the same year.

599 (6) "Property tax yield per ADM" means:

600 (a) the product of:

601 (i) a school district's derived net taxable value; and

602 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced
603 in Subsection (3)(a); divided by

604 (b) the school district's ADM for the same fiscal year.

605 (7) "Statewide average property tax base per ADM" means the quotient of:

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

607 (b) the sum of all school districts' ADM statewide for the same year.

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

609 **53A-21-102. Capital outlay programs -- Use of funds.**

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

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

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

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

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

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

622 **Part 2. Capital Outlay Foundation Program**

623 **53A-21-201. Capital Outlay Foundation Program -- Creation -- Definitions.**

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

627 (2) As used in this part:

628 (a) "Foundation guarantee level per ADM" means a minimum revenue amount per
629 ADM generated by the highest combined capital levy rate, including the following:

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

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

633 (b) "Qualifying school district" means a school district with a property tax yield per
634 ADM less than the foundation guarantee level per ADM.

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

636 **53A-21-202. Capital Outlay Foundation Program -- Distribution formulas --**
637 **Allocations.**

638 (1) For fiscal years beginning on or after July 1, 2008, the State Board of Education
639 shall determine the foundation guarantee level per ADM that fully allocates the funds
640 appropriated to the State Board of Education for distribution under this section.

641 (2) By June 1, a county treasurer shall report to the State Board of Education the actual
642 collections of property taxes in the school districts located within the county treasurer's county
643 for the period beginning April 1 through the following March 31 immediately preceding that
644 June 1.

645 (3) If a qualifying school district imposes the highest combined capital levy rate in the

646 prior year, the State Board of Education shall allocate to the qualifying school district an
647 amount equal to the product of the following:

648 (a) the qualifying school district's prior year ADM; and

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

650 (i) the foundation guarantee level per ADM for that fiscal year, as determined in
651 accordance with Subsection (1); and

652 (ii) the qualifying school district's prior year property tax yield per ADM.

653 (4) If a qualifying school district imposes a prior year combined capital levy rate less
654 than the highest combined capital levy rate, the State Board of Education shall allocate to the
655 qualifying school district an amount equal to the product of the following:

656 (a) the qualifying school district's prior year ADM;

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

658 (i) the foundation guarantee level per ADM for that fiscal year, as determined in
659 accordance with Subsection (1); and

660 (ii) the qualifying school district's prior year property tax yield per ADM; and

661 (c) a percentage equal to:

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

663 (ii) the highest combined capital levy rate.

664 (5) (a) The State Board of Education shall allocate:

665 (i) a minimum of \$200,000 to each school district with a property tax base per ADM
666 less than or equal to the statewide average property tax base per ADM;

667 (ii) a minimum of \$100,000 to each school district with a property tax base per ADM
668 that is:

669 (A) greater than the statewide average property tax base per ADM; and

670 (B) less than or equal to two times the statewide average property tax base per ADM;

671 and

672 (iii) a minimum of \$50,000 to each school district with a property tax base per ADM
673 that is:

- 674 (A) greater than two times the statewide average property tax base per ADM; and
- 675 (B) less than or equal to five times the statewide average property tax base per ADM.
- 676 (b) The State Board of Education shall incorporate the minimum allocations described
- 677 in Subsection (5)(a) in its calculation of the foundation guarantee level per ADM determined in
- 678 accordance with Subsection (1).

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

Part 3. Capital Outlay Enrollment Growth Program

680 53A-21-301. Capital Outlay Enrollment Growth Program -- Definitions.

681 (1) There is created the Capital Outlay Enrollment Growth Program to provide capital

682 outlay funding to school districts experiencing net enrollment increases.

683 (2) As used in this part:

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

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

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

687 divided by

688 (ii) three.

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

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

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

692 year statewide average property tax base per student.

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

694 53A-21-302. Capital Outlay Enrollment Growth Program -- Distribution formulas

695 -- Allocations.

696 (1) For fiscal years beginning on or after July 1, 2008, the State Board of Education

697 shall annually allocate appropriated funds to eligible school districts in accordance with

698 Subsection (2).

699 (2) The State Board of Education shall allocate to an eligible school district an amount

700 equal to the product of:

701

- 702 (a) the quotient of:
- 703 (i) the eligible school district's average annual net enrollment increase; divided by
- 704 (ii) the sum of the average annual net enrollment increase in all eligible school districts;
- 705 and
- 706 (b) the total amount appropriated for the Capital Outlay Enrollment Growth Program in
- 707 that fiscal year.

708 Section 22. Section **53A-21-401**, which is renumbered from Section 53A-21-104 is

709 renumbered and amended to read:

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

711 ~~[53A-21-104].~~ **53A-21-401. Capital Outlay Loan Program -- School**

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

713 (1) There is created:

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

- 715 (i) short-term help to school districts to meet district needs for school building
- 716 construction and renovation; and
- 717 (ii) assistance to charter schools to meet school building construction and renovation
- 718 needs; and

719 (b) a nonlapsing "School Building Revolving Account" administered within the Uniform

720 School Fund by the state superintendent of public instruction in accordance with rules adopted

721 by the State Board of Education.

722 (2) ~~[Monies received by a school district]~~ The State Board of Education may not

723 allocate funds from the School Building Revolving Account [may not] that exceed [the] a

724 school district's bonding limit minus its outstanding bonds.

725 (3) In order to receive monies from the account, a school district ~~[must do the~~

726 ~~following]~~ shall:

727 (a) levy a ~~[tax of]~~ combined capital levy rate of at least .0024 ~~[for capital outlay and~~

728 ~~debt service];~~

729 (b) contract with the state superintendent of public instruction to repay the monies, with

730 interest at a rate established by the state superintendent, within five years of [their] receipt,
731 using future state [~~building monies or~~] capital outlay allocations, local revenues, or both;

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

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

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

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

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

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

744 (i) the recommended amount of the loan;

745 (ii) the payback schedule; and

746 (iii) the interest rate to be charged.

747 (5) (a) There is established within the School Building Revolving Account the Charter
748 School Building Subaccount administered by the State Board of Education, in consultation with
749 the State Charter School Board, in accordance with rules adopted by the State Board of
750 Education.

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

752 (i) money appropriated to the subaccount by the Legislature;

753 (ii) money received from the repayment of loans made from the subaccount; and

754 (iii) interest earned on monies in the subaccount.

755 (c) The state superintendent of public instruction shall make loans to charter schools
756 from the Charter School Building Subaccount to pay for the costs of:

757 (i) planning expenses;

- 758 (ii) constructing or renovating charter school buildings;
- 759 (iii) equipment and supplies; or
- 760 (iv) other start-up or expansion expenses.

761 (d) Loans to new charter schools or charter schools with urgent facility needs may be
762 given priority.

763 (6) (a) The State Board of Education shall establish a committee, which shall include
764 individuals who have expertise or experience in finance, real estate, and charter school
765 administration, one of whom shall be nominated by the governor to:

- 766 (i) review requests by charter schools for loans under this section; and
- 767 (ii) make recommendations regarding approval or disapproval of the loan applications
768 to the State Charter School Board and the State Board of Education.

769 (b) If the committee recommends approval of a loan application under Subsection
770 (6)(a)(ii), the committee's recommendation shall include:

- 771 (i) the recommended amount of the loan;
- 772 (ii) the payback schedule; and
- 773 (iii) the interest rate to be charged.

774 (c) The committee members may not:

- 775 (i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or
- 776 (ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person
777 or entity that contracts with a loan applicant.

778 (7) The State Board of Education, in consultation with the State Charter School Board,
779 shall approve all loans to a charter [schools] school under this section.

780 (8) ~~[Loans]~~ The term of a loan to a charter [schools] school under this section may not
781 exceed ~~[a term of]~~ five years.

782 (9) The State Board of Education may not approve loans to charter schools under this
783 section that exceed a total of \$2,000,000 in any year.

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

Part 5. Fiscal Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

816 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**
817 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**
818 **establishing tax levies -- Format of statement.**

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

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

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

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

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

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

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

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

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

841 (5) The commission may require certification that the information submitted on a

842 statement under this section is true and correct.

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

844 **59-2-914. Excess levies -- Commission to recalculate levy -- Notice to implement**
845 **adjusted levies to county auditor.**

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

- 848 (a) lower the levy so that it is set at the maximum level permitted by law;
 - 849 (b) notify the taxing entity which set the excessive rate that the rate has been lowered;
- 850 and

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

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

- 855 (a) the taxing entity lowers the levy established by the commission; or
- 856 (b) the levy is subsequently modified by a court order.

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

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

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

865 **59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

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

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

872 (A) the taxing entity:

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

874 or

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

876 or

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

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

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

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

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

893 "NOTICE OF PROPOSED TAX INCREASE

894 (NAME OF TAXING ENTITY)

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

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

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

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

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

905 PUBLIC HEARING

906 Date/Time: (date) (time)

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

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

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

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

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

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

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

922 **59-2-924. Report of valuation of property to county auditor and commission --**
 923 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
 924 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

925 (1) [~~a~~] Before June 1 of each year, the county assessor of each county shall deliver to

926 the county auditor and the commission the following statements:

927 ~~[(†)]~~ (a) a statement containing the aggregate valuation of all taxable property in each
928 taxing entity; and

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

931 ~~[(†)]~~ (2) The county auditor shall, on or before June 8, transmit to the governing body
932 of each taxing entity:

933 ~~[(†)]~~ (a) the statements described in Subsections (1)(a)~~[(†)]~~ and ~~[(††)]~~ (b);

934 ~~[(††)]~~ (b) an estimate of the revenue from personal property;

935 ~~[(†††)]~~ (c) the certified tax rate; and

936 ~~[(†††)]~~ (d) all forms necessary to submit a tax levy request.

937 ~~[(2)]~~ (3) (a) ~~[(†)]~~ The "certified tax rate" means a tax rate that will provide the same ad
938 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the
939 prior year.

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

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

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

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

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

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

947 and

948 ~~[(††)]~~ (B) semiconductor manufacturing equipment.

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

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

954 ~~(F)~~ (A) calculate for the taxing entity the difference between:
955 ~~(Aa)~~ (I) the aggregate taxable value of all property taxed; and
956 ~~(Bb)~~ (II) any redevelopment adjustments for the current calendar year;
957 ~~(H)~~ (B) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(F)]~~
958 (3)(c)(ii)(A), calculate an amount determined by increasing or decreasing the amount calculated
959 under Subsection ~~[(2)(a)(iii)(B)(F)]~~ (3)(c)(ii)(A) by the average of the percentage net change in
960 the value of taxable property for the equalization period for the three calendar years
961 immediately preceding the current calendar year;
962 ~~(H)~~ (C) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~
963 (3)(c)(ii)(B), calculate the product of:
964 ~~(Aa)~~ (I) the amount calculated under Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B); and
965 ~~(Bb)~~ (II) the percentage of property taxes collected for the five calendar years
966 immediately preceding the current calendar year; and
967 ~~(FV)~~ (D) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~
968 (3)(c)(ii)(C), calculate an amount determined by subtracting from the amount calculated under
969 Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(C) any new growth as defined in this section:
970 ~~(Aa)~~ (I) within the taxing entity; and
971 ~~(Bb)~~ (II) for the current calendar year.
972 ~~(C)~~ (iii) For purposes of Subsection ~~[(2)(a)(iii)(B)(F)]~~ (3)(c)(ii)(A), the aggregate
973 taxable value of all property taxed:
974 ~~(F)~~ (A) except as provided in Subsection ~~[(2)(a)(iii)(C)(H)]~~ (3)(c)(iii)(B), includes the
975 total taxable value of the real and personal property contained on the tax rolls of the taxing
976 entity; and
977 ~~(H)~~ (B) does not include the total taxable value of personal property contained on the
978 tax rolls of the taxing entity that is:
979 ~~(Aa)~~ (I) assessed by a county assessor in accordance with Part 3, County Assessment;
980 and
981 ~~(Bb)~~ (II) semiconductor manufacturing equipment.

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

985 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part
986 3, County Assessment; and

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

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

991 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part
992 3, County Assessment; and

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

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

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

1000 ~~[(B)]~~ (ii) For purposes of Subsection ~~[(2)(a)(iv)(A)]~~ (3)(d)(i), ad valorem property tax
1001 revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted
1002 property tax revenues are calculated for purposes of Section 59-2-913.

1003 ~~[(v)]~~ (e) The certified tax rates for the taxing entities described in this Subsection
1004 ~~[(2)(a)(v)]~~ (3)(e) shall be calculated as follows:

1005 ~~[(A)]~~ (i) except as provided in Subsection ~~[(2)(a)(v)(B)]~~ (3)(e)(ii), for new taxing
1006 entities the certified tax rate is zero;

1007 ~~[(B)]~~ (ii) for each municipality incorporated on or after July 1, 1996, the certified tax
1008 rate is:

1009 ~~[(F)]~~ (A) in a county of the first, second, or third class, the levy imposed for

1010 municipal-type services under Sections 17-34-1 and 17-36-9; and

1011 ~~[(H)]~~ (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general
1012 county purposes and such other levies imposed solely for the municipal-type services identified
1013 in Section 17-34-1 and Subsection 17-36-3(22); and

1014 ~~[(C)]~~ (iii) for debt service voted on by the public, the certified tax rate shall be the
1015 actual levy imposed by that section, except that the certified tax rates for the following levies
1016 shall be calculated in accordance with Section 59-2-913 and this section:

1017 ~~[(H)]~~ (A) school leeways provided for under Sections 11-2-7, 53A-16-110,
1018 ~~[53A-17a-125;]~~ 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145;
1019 ~~and 53A-21-103~~]; and

1020 ~~[(H)]~~ (B) levies to pay for the costs of state legislative mandates or judicial or
1021 administrative orders under Section 59-2-906.3.

1022 ~~[(vi)-(A)]~~ (f)(i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall
1023 be established at that rate which is sufficient to generate only the revenue required to satisfy one
1024 or more eligible judgments, as defined in Section 59-2-102.

1025 ~~[(B)]~~ (ii) The ad valorem property tax revenue generated by the judgment levy shall not
1026 be considered in establishing the taxing entity's aggregate certified tax rate.

1027 (g) The ad valorem property tax revenue generated by the capital outlay levy described
1028 in Section 53A-16-107 within a taxing entity in a county of the first class:

1029 (i) may not be considered in establishing the school district's aggregate certified tax
1030 rate; and

1031 (ii) shall be included by the commission in establishing a certified tax rate for that capital
1032 outlay levy determined in accordance with the calculation described in Subsection 59-2-913(3).

1033 ~~[(b)-(i)]~~ (4)(a) For the purpose of calculating the certified tax rate, the county auditor
1034 shall use the taxable value of property on the assessment roll.

1035 ~~[(ii)]~~ (b) For purposes of Subsection ~~[(2)(b)(i)]~~ (4)(a)(i), the taxable value of real
1036 property on the assessment roll does not include:

1037 ~~[(A)]~~ (i) new growth as defined in Subsection ~~[(2)(b)(iii); or]~~ (4)(c); or

1038 ~~[(B)]~~ (ii) the total taxable value of personal property contained on the tax rolls of the
1039 taxing entity that is:

1040 ~~[(F)]~~ (A) assessed by a county assessor in accordance with Part 3, County Assessment;
1041 and

1042 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

1043 ~~[(iii)]~~ (c) "New growth" means:

1044 ~~[(A)]~~ (i) the difference between the increase in taxable value of the taxing entity from
1045 the previous calendar year to the current year; minus

1046 ~~[(B)]~~ (ii) the amount of an increase in taxable value described in Subsection ~~[(2)(b)(v)]~~
1047 (4)(e).

1048 ~~[(iv)]~~ (d) For purposes of Subsection ~~[(2)(b)(iii)]~~ (4)(c)(ii), the taxable value of the
1049 taxing entity does not include the taxable value of personal property that is:

1050 ~~[(A)]~~ (i) contained on the tax rolls of the taxing entity if that property is assessed by a
1051 county assessor in accordance with Part 3, County Assessment; and

1052 ~~[(B)]~~ (ii) semiconductor manufacturing equipment.

1053 ~~[(v)]~~ (e) Subsection ~~[(2)(b)(iii)(B)]~~ (4)(c)(ii) applies to the following increases in
1054 taxable value:

1055 ~~[(A)]~~ (i) the amount of increase to locally assessed real property taxable values resulting
1056 from factoring, reappraisal, or any other adjustments; or

1057 ~~[(B)]~~ (ii) the amount of an increase in the taxable value of property assessed by the
1058 commission under Section 59-2-201 resulting from a change in the method of apportioning the
1059 taxable value prescribed by:

1060 ~~[(F)]~~ (A) the Legislature;

1061 ~~[(H)]~~ (B) a court;

1062 ~~[(H)]~~ (C) the commission in an administrative rule; or

1063 ~~[(IV)]~~ (D) the commission in an administrative order.

1064 ~~[(c)]~~ Beginning January 1, 1997, if a taxing entity receives increased revenues from
1065 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,

1066 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
1067 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
1068 rate to offset the increased revenues:]

1069 [~~(d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under
1070 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:]~~

1071 [~~(A) decreased on a one-time basis by the amount of the estimated sales and use tax
1072 revenue to be distributed to the county under Subsection 59-12-1102(3); and]~~

1073 [~~(B) increased by the amount necessary to offset the county's reduction in revenue from
1074 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1075 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
1076 (2)(d)(i)(A):]~~

1077 [~~(ii) The commission shall determine estimates of sales and use tax distributions for
1078 purposes of Subsection (2)(d)(i):]~~

1079 [~~(e) Beginning January 1, 1998, if a municipality has imposed an additional resort
1080 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
1081 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated
1082 revenue from the additional resort communities sales and use tax imposed under Section
1083 59-12-402:]~~

1084 [~~(f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under
1085 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the
1086 unincorporated area of the county shall be decreased by the amount necessary to reduce
1087 revenues in that fiscal year by an amount equal to the difference between the amount the county
1088 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services
1089 countywide and the amount the county spent during fiscal year 2000 for those services;
1090 excluding amounts spent from a municipal services fund for those services:]~~

1091 [~~(B) For fiscal year 2001, the certified tax rate of each county to which Subsection
1092 (2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal
1093 year by the amount that the county spent during fiscal year 2000 for advanced life support and~~

1094 ~~paramedic services countywide, excluding amounts spent from a municipal services fund for~~
1095 ~~those services.]~~

1096 ~~[(ii) (A) A city or town located within a county of the first class to which Subsection~~
1097 ~~(2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within~~
1098 ~~the city or town the same amount of revenues as the county would collect from that city or~~
1099 ~~town if the decrease under Subsection (2)(f)(i) did not occur.]~~

1100 ~~[(B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year~~
1101 ~~or spread over multiple fiscal years, is not subject to the notice and hearing requirements of~~
1102 ~~Sections 59-2-918 and 59-2-919.]~~

1103 ~~[(g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to~~
1104 ~~provide detective investigative services to the unincorporated area of the county shall be~~
1105 ~~decreased:]~~

1106 ~~[(A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year~~
1107 ~~by at least \$4,400,000; and]~~

1108 ~~[(B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year~~
1109 ~~by an amount equal to the difference between \$9,258,412 and the amount of the reduction in~~
1110 ~~revenues under Subsection (2)(g)(i)(A).]~~

1111 ~~[(ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a~~
1112 ~~county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate~~
1113 ~~within the city or town the same amount of revenue as the county would have collected during~~
1114 ~~county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).]~~

1115 ~~[(H) Beginning with municipal fiscal year 2003, a city or town located within a county~~
1116 ~~to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the~~
1117 ~~city or town the same amount of revenue as the county would have collected during county~~
1118 ~~fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).]~~

1119 ~~[(B) (I) Except as provided in Subsection (2)(g)(ii)(B)(H), an increase in the city or~~
1120 ~~town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year~~
1121 ~~or spread over multiple fiscal years, is subject to the notice and hearing requirements of Sections~~

1122 ~~59-2-918 and 59-2-919.]~~

1123 ~~[(H) For an increase under this Subsection (2)(g)(ii) that generates revenue that does~~
1124 ~~not exceed the same amount of revenue as the county would have collected except for~~
1125 ~~Subsection (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the~~
1126 ~~city or town:]~~

1127 ~~[(Aa) publishes a notice that meets the size, type, placement, and frequency~~
1128 ~~requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed~~
1129 ~~by the county to one imposed by the city or town, and explains how the revenues from the tax~~
1130 ~~increase will be used; and]~~

1131 ~~[(Bb) holds a public hearing on the tax shift that may be held in conjunction with the~~
1132 ~~city or town's regular budget hearing:]~~

1133 ~~[(h) (i) This Subsection (2)(h) applies to each county that:]~~

1134 ~~[(A) establishes a countywide special service district under Title 17A, Chapter 2, Part~~
1135 ~~13, Utah Special Service District Act, to provide jail service, as provided in Subsection~~
1136 ~~17A-2-1304(1)(a)(x); and]~~

1137 ~~[(B) levies a property tax on behalf of the special service district under Section~~
1138 ~~17A-2-1322:]~~

1139 ~~[(ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies~~
1140 ~~shall be decreased by the amount necessary to reduce county revenues by the same amount of~~
1141 ~~revenues that will be generated by the property tax imposed on behalf of the special service~~
1142 ~~district.]~~

1143 ~~[(B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with~~
1144 ~~the levy on behalf of the special service district under Section 17A-2-1322.]~~

1145 ~~[(i) (i) As used in this Subsection (2)(i):]~~

1146 ~~[(A) "Annexing county" means a county whose unincorporated area is included within a~~
1147 ~~fire district by annexation:]~~

1148 ~~[(B) "Annexing municipality" means a municipality whose area is included within a fire~~
1149 ~~district by annexation:]~~

1150 ~~[(C) "Equalized fire protection tax rate" means the tax rate that results from:]~~
1151 ~~[(F) calculating, for each participating county and each participating municipality, the~~
1152 ~~property tax revenue necessary to cover all of the costs associated with providing fire~~
1153 ~~protection, paramedic, and emergency services:]~~
1154 ~~[(Aa) for a participating county, in the unincorporated area of the county; and]~~
1155 ~~[(Bb) for a participating municipality, in the municipality; and]~~
1156 ~~[(H) adding all the amounts calculated under Subsection (2)(i)(i)(C)(F) for all~~
1157 ~~participating counties and all participating municipalities and then dividing that sum by the~~
1158 ~~aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:]~~
1159 ~~[(Aa) for participating counties, in the unincorporated area of all participating counties;~~
1160 ~~and]~~
1161 ~~[(Bb) for participating municipalities, in all the participating municipalities.]~~
1162 ~~[(D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service~~
1163 ~~Area Act, in the creation of which an election was not required under Subsection~~
1164 ~~17B-1-214(3)(c).]~~
1165 ~~[(E) "Fire protection tax rate" means:]~~
1166 ~~[(F) for an annexing county, the property tax rate that, when applied to taxable property~~
1167 ~~in the unincorporated area of the county, generates enough property tax revenue to cover all the~~
1168 ~~costs associated with providing fire protection, paramedic, and emergency services in the~~
1169 ~~unincorporated area of the county; and]~~
1170 ~~[(H) for an annexing municipality, the property tax rate that generates enough property~~
1171 ~~tax revenue in the municipality to cover all the costs associated with providing fire protection,~~
1172 ~~paramedic, and emergency services in the municipality.]~~
1173 ~~[(F) "Participating county" means a county whose unincorporated area is included~~
1174 ~~within a fire district at the time of the creation of the fire district.]~~
1175 ~~[(G) "Participating municipality" means a municipality whose area is included within a~~
1176 ~~fire district at the time of the creation of the fire district.]~~
1177 ~~[(ii) In the first year following creation of a fire district, the certified tax rate of each~~

1178 ~~participating county and each participating municipality shall be decreased by the amount of the~~
1179 ~~equalized fire protection tax rate.]~~

1180 ~~[(iii) In the first year following annexation to a fire district, the certified tax rate of each~~
1181 ~~annexing county and each annexing municipality shall be decreased by the fire protection tax~~
1182 ~~rate.]~~

1183 ~~[(iv) Each tax levied under this section by a fire district shall be considered to be levied~~
1184 ~~by:]~~

1185 ~~[(A) each participating county and each annexing county for purposes of the county's~~
1186 ~~tax limitation under Section 59-2-908; and]~~

1187 ~~[(B) each participating municipality and each annexing municipality for purposes of the~~
1188 ~~municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a~~
1189 ~~city:]~~

1190 ~~[(j) For the calendar year beginning on January 1, 2007, the calculation of a taxing~~
1191 ~~entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the~~
1192 ~~certified tax rate that may result from excluding the following from the certified tax rate under~~
1193 ~~Subsection (2)(a) enacted by the Legislature during the 2007 General Session:]~~

1194 ~~[(i) personal property tax revenue:]~~

1195 ~~[(A) received by a taxing entity;]~~

1196 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1197 ~~[(C) for personal property that is semiconductor manufacturing equipment; or]~~

1198 ~~[(ii) the taxable value of personal property:]~~

1199 ~~[(A) contained on the tax rolls of a taxing entity;]~~

1200 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1201 ~~[(C) that is semiconductor manufacturing equipment.]~~

1202 ~~[(3)]~~ (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative
1203 budget.

1204 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
1205 auditor of:

1206 (i) its intent to exceed the certified tax rate; and
1207 (ii) the amount by which it proposes to exceed the certified tax rate.
1208 (c) The county auditor shall notify all property owners of any intent to exceed the
1209 certified tax rate in accordance with Subsection 59-2-919~~[(2)]~~ (3).
1210 ~~[(4)(a) The taxable value for the base year under Subsection 17C-1-102(6) shall be~~
1211 ~~reduced for any year to the extent necessary to provide a community development and renewal~~
1212 ~~agency established under Title 17C, Limited Purpose Local Government Entities - Community~~
1213 ~~Development and Renewal Agencies, with approximately the same amount of money the agency~~
1214 ~~would have received without a reduction in the county's certified tax rate if:]~~
1215 ~~[(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or~~
1216 ~~(2)(d)(i);]~~
1217 ~~[(ii) the amount of the decrease is more than 20% of the county's certified tax rate of~~
1218 ~~the previous year; and]~~
1219 ~~[(iii) the decrease results in a reduction of the amount to be paid to the agency under~~
1220 ~~Section 17C-1-403 or 17C-1-404.]~~
1221 ~~[(b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any~~
1222 ~~year to the extent necessary to provide a community development and renewal agency with~~
1223 ~~approximately the same amount of money as the agency would have received without an~~
1224 ~~increase in the certified tax rate that year if:]~~
1225 ~~[(i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to~~
1226 ~~a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and]~~
1227 ~~[(ii) The certified tax rate of a city, school district, local district, or special service~~
1228 ~~district increases independent of the adjustment to the taxable value of the base year.]~~
1229 ~~[(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or~~
1230 ~~(2)(d)(i), the amount of money allocated and, when collected, paid each year to a community~~
1231 ~~development and renewal agency established under Title 17C, Limited Purpose Local~~
1232 ~~Government Entities - Community Development and Renewal Agencies, for the payment of~~
1233 ~~bonds or other contract indebtedness, but not for administrative costs, may not be less than that~~

1234 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or
1235 (2)(d)(i).]

1236 Section 29. Section **59-2-924.2** is enacted to read:

1237 **59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.**

1238 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated
1239 in accordance with Section 59-2-924.

1240 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from
1241 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1242 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
1243 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
1244 rate to offset the increased revenues.

1245 (3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under
1246 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

1247 (i) decreased on a one-time basis by the amount of the estimated sales and use tax
1248 revenue to be distributed to the county under Subsection 59-12-1102(3); and

1249 (ii) increased by the amount necessary to offset the county's reduction in revenue from
1250 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1251 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
1252 (3)(a)(i).

1253 (b) The commission shall determine estimates of sales and use tax distributions for
1254 purposes of Subsection (3)(a).

1255 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort
1256 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
1257 decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated
1258 revenue from the additional resort communities sales and use tax imposed under Section
1259 59-12-402.

1260 (5) (a) This Subsection (5) applies to each county that:

1261 (i) establishes a countywide special service district under Title 17A, Chapter 2, Part 13,

1262 Utah Special Service District Act, to provide jail service, as provided in Subsection
1263 17A-2-1304(1)(a)(x); and

1264 (ii) levies a property tax on behalf of the special service district under Section
1265 17A-2-1322.

1266 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be
1267 decreased by the amount necessary to reduce county revenues by the same amount of revenues
1268 that will be generated by the property tax imposed on behalf of the special service district.

1269 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the
1270 levy on behalf of the special service district under Section 17A-2-1322.

1271 (6) (a) As used in this Subsection (6):

1272 (i) "Annexing county" means a county whose unincorporated area is included within a
1273 fire district by annexation.

1274 (ii) "Annexing municipality" means a municipality whose area is included within a fire
1275 district by annexation.

1276 (iii) "Equalized fire protection tax rate" means the tax rate that results from:

1277 (A) calculating, for each participating county and each participating municipality, the
1278 property tax revenue necessary to cover all of the costs associated with providing fire
1279 protection, paramedic, and emergency services:

1280 (I) for a participating county, in the unincorporated area of the county; and

1281 (II) for a participating municipality, in the municipality; and

1282 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all
1283 participating counties and all participating municipalities and then dividing that sum by the
1284 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

1285 (I) for participating counties, in the unincorporated area of all participating counties;
1286 and

1287 (II) for participating municipalities, in all the participating municipalities.

1288 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
1289 Area Act, in the creation of which an election was not required under Subsection

1290 17B-1-214(3)(c).

1291 (v) "Fire protection tax rate" means:

1292 (A) for an annexing county, the property tax rate that, when applied to taxable property
1293 in the unincorporated area of the county, generates enough property tax revenue to cover all the
1294 costs associated with providing fire protection, paramedic, and emergency services in the
1295 unincorporated area of the county; and

1296 (B) for an annexing municipality, the property tax rate that generates enough property
1297 tax revenue in the municipality to cover all the costs associated with providing fire protection,
1298 paramedic, and emergency services in the municipality.

1299 (vi) "Participating county" means a county whose unincorporated area is included
1300 within a fire district at the time of the creation of the fire district.

1301 (vii) "Participating municipality" means a municipality whose area is included within a
1302 fire district at the time of the creation of the fire district.

1303 (b) In the first year following creation of a fire district, the certified tax rate of each
1304 participating county and each participating municipality shall be decreased by the amount of the
1305 equalized fire protection tax rate.

1306 (c) In the first year following annexation to a fire district, the certified tax rate of each
1307 annexing county and each annexing municipality shall be decreased by the fire protection tax
1308 rate.

1309 (d) Each tax levied under this section by a fire district shall be considered to be levied
1310 by:

1311 (i) each participating county and each annexing county for purposes of the county's tax
1312 limitation under Section 59-2-908; and

1313 (ii) each participating municipality and each annexing municipality for purposes of the
1314 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a city.

1315 (7) For the calendar year beginning on January 1, 2007, the calculation of a taxing
1316 entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by
1317 the amount necessary to offset any change in the certified tax rate that may result from

1318 excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the
1319 Legislature during the 2007 General Session:

1320 (a) personal property tax revenue:

1321 (i) received by a taxing entity;

1322 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1323 (iii) for personal property that is semiconductor manufacturing equipment; or

1324 (b) the taxable value of personal property:

1325 (i) contained on the tax rolls of a taxing entity;

1326 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1327 (iii) that is semiconductor manufacturing equipment.

1328 (8) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be

1329 reduced for any year to the extent necessary to provide a community development and renewal

1330 agency established under Title 17C, Limited Purpose Local Government Entities - Community

1331 Development and Renewal Agencies, with approximately the same amount of money the agency

1332 would have received without a reduction in the county's certified tax rate, calculated in

1333 accordance with Section 59-2-924, if:

1334 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

1335 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the

1336 previous year; and

1337 (iii) the decrease results in a reduction of the amount to be paid to the agency under

1338 Section 17C-1-403 or 17C-1-404.

1339 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any

1340 year to the extent necessary to provide a community development and renewal agency with

1341 approximately the same amount of money as the agency would have received without an

1342 increase in the certified tax rate that year if:

1343 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to

1344 a decrease in the certified tax rate under Subsection (2) or (3)(a); and

1345 (ii) the certified tax rate of a city, school district, local district, or special service district

1346 increases independent of the adjustment to the taxable value of the base year.

1347 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),
1348 the amount of money allocated and, when collected, paid each year to a community
1349 development and renewal agency established under Title 17C, Limited Purpose Local
1350 Government Entities - Community Development and Renewal Agencies, for the payment of
1351 bonds or other contract indebtedness, but not for administrative costs, may not be less than that
1352 amount would have been without a decrease in the certified tax rate under Subsection (2) or
1353 (3)(a).

1354 Section 30. Section **59-2-924.3** is enacted to read:

1355 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
1356 **district imposing a capital outlay levy in a county of the first class.**

1357 (1) As used in this section:

1358 (a) "Capital outlay increment" means the amount of revenue equal to the difference
1359 between:

1360 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value within
1361 a school district during a fiscal year; and

1362 (ii) the amount of revenue the school district received during the same fiscal year from
1363 the distribution described in Subsection 53A-16-107.1(1).

1364 (b) "Contributing school district" means a school district in a county of the first class
1365 that in a fiscal year receives less revenue from the distribution described in Subsection
1366 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1367 within the school district of .0006 per dollar of taxable value.

1368 (c) "Receiving school district" means a school district in a county of the first class that
1369 in a fiscal year receives more revenue from the distribution described in Subsection
1370 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
1371 within the school district of .0006 per dollar of taxable value.

1372 (2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay
1373 certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the

1374 receiving school district's estimated capital outlay increment for the current fiscal year.

1375 (3) Beginning with fiscal year 2010-11, a receiving school district shall decrease its
1376 capital outlay certified tax rate under Subsection 59-2-924(3)(g)(ii) by the amount required to
1377 offset the receiving school district's capital outlay increment for the prior fiscal year.

1378 (4) For fiscal year 2009-10, a contributing school district is exempt from the public
1379 notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's
1380 capital outlay levy certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:

1381 (a) the contributing school district budgets an increased amount of ad valorem property
1382 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital outlay
1383 levy described in Section 53A-16-107; and

1384 (b) the increased amount of ad valorem property tax revenue described in Subsection
1385 (4)(a) is less than or equal to that contributing school district's estimated capital outlay
1386 increment for the current fiscal year.

1387 (5) Beginning with fiscal year 2010-11, a contributing school district is exempt from the
1388 public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school
1389 district's capital outlay levy certified tax rate calculated pursuant to Subsection
1390 59-2-924(3)(g)(ii) if:

1391 (a) the contributing school district budgets an increased amount of ad valorem property
1392 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital outlay
1393 levy described in Section 53A-16-107; and

1394 (b) the increased amount of ad valorem property tax revenue described in Subsection
1395 (5)(a) is less than or equal to that contributing school district's capital outlay increment for the
1396 prior year.

1397 (6) Beginning with fiscal year 2011-12, a contributing school district is exempt from the
1398 public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school
1399 district's capital outlay levy certified tax rate calculated pursuant to Subsection
1400 59-2-924(3)(g)(ii) if:

1401 (a) the contributing school district budgets an increased amount of ad valorem property

1402 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital outlay
1403 levy described in Section 53A-16-107; and

1404 (b) the increased amount of ad valorem property tax revenue described in Subsection
1405 (6)(a) is less than or equal to the difference between:

1406 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1407 imposed within the contributing school district during the current taxable year; and

1408 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1409 imposed within the contributing school district during the prior taxable year.

1410 (7) Regardless of the amount a school district receives from the revenue collected from
1411 the .0006 portion of the capital outlay levy required in Subsection 53A-16-107(3), the revenue
1412 generated within the school district from the .0006 portion of the capital outlay levy required in
1413 Subsection 53A-16-107(3) shall be considered to be budgeted ad valorem property tax revenues
1414 of the school district that levies the .0006 portion of the capital outlay levy for purposes of
1415 calculating the school district's certified tax rate in accordance with Subsection
1416 59-2-924(3)(g)(ii).

1417 Section 31. Section **59-2-924.4** is enacted to read:

1418 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**
1419 **divided school districts.**

1420 (1) As used in this section:

1421 (a) "Capital outlay increment" means the amount of revenue equal to the difference
1422 between:

1423 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value within
1424 a qualifying divided school district during a fiscal year; and

1425 (ii) the amount of revenue the qualifying divided school district received during the
1426 same fiscal year from the distribution described in Section 53A-2-118.3.

1427 (b) "Contributing divided school district" means a school district located within a
1428 qualifying divided school district that in a fiscal year receives less revenue from the distribution
1429 described in Section 53A-2-118.3 than it would have received during the same fiscal year from a

1430 levy imposed within the school district of .0006 per dollar of taxable value.

1431 (c) "Divided school district" means a school district from which a new school district is
1432 created.

1433 (d) "New school district" means a school district:

1434 (i) created under Section 53A-2-118.1;

1435 (ii) that begins to provide educational services after July 1, 2008; and

1436 (iii) located in a qualifying divided school district.

1437 (e) "Qualifying divided school district" means a divided school district:

1438 (i) located within a county of the second through sixth class; and

1439 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide
1440 educational services after July 1, 2008.

1441 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins to
1442 provide educational services.

1443 (g) "Receiving divided school district" means a school district located within a
1444 qualifying divided school district that in a fiscal year receives more revenue from the distribution
1445 described in Section 53A-2-118.3 than it would have received during the same fiscal year from a
1446 levy imposed within the school district of .0006 per dollar of taxable value.

1447 (2) A receiving divided school district shall decrease its certified tax rate calculated in
1448 accordance with Section 59-2-924 by the amount required to offset the receiving divided school
1449 district's capital outlay increment for the prior fiscal year.

1450 (3) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
1451 school district is exempt from the public notice and hearing requirements of Sections 59-2-918
1452 and 59-2-919 for the contributing divided school district's certified tax rate calculated pursuant
1453 to Section 59-2-924 if:

1454 (a) the contributing divided school district budgets an increased amount of ad valorem
1455 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1456 capital outlay levy required in Section 53A-2-118.3; and

1457 (b) the increased amount of ad valorem property tax revenue described in Subsection

1458 (3)(a) is less than or equal to that contributing divided school district's capital outlay increment
1459 for the prior year.

1460 (4) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
1461 school district is exempt from the public notice and hearing requirements of Sections 59-2-918
1462 and 59-2-919 for the contributing divided school district's certified tax rate calculated pursuant
1463 to Section 59-2-924 if:

1464 (a) the contributing divided school district budgets an increased amount of ad valorem
1465 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1466 capital outlay levy described in Section 53A-2-118.3; and

1467 (b) the increased amount of ad valorem property tax revenue described in Subsection
1468 (4)(a) is less than or equal to the difference between:

1469 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1470 imposed within the contributing divided school district during the current taxable year; and

1471 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1472 imposed within the contributing divided school district during the prior taxable year.

1473 (5) Regardless of the amount a school district receives from the revenue collected from
1474 the .0006 portion of the capital outlay levy described in Section 53A-2-118.3, the revenue
1475 generated within the school district from the .0006 portion of the capital outlay levy described
1476 in Section 53A-2-118.3 shall be considered to be budgeted ad valorem property tax revenues of
1477 the school district that levies the .0006 portion of the capital outlay levy for purposes of
1478 calculating the school district's certified tax rate in accordance with Section 59-2-924.

1479 Section 32. Section **59-2-1330** is amended to read:

1480 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
1481 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
1482 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
1483 **commission -- Time periods for making payments to taxpayer.**

1484 (1) Unless otherwise specifically provided by statute, property taxes shall be paid
1485 directly to the county assessor or the county treasurer:

1486 (a) on the date that the property taxes are due; and

1487 (b) as provided in this chapter.

1488 (2) A taxpayer shall receive payment as provided in this section if a reduction in the
1489 amount of any tax levied against any property for which the taxpayer paid a tax or any portion
1490 of a tax under this chapter for a calendar year is required by a final and unappealable judgment
1491 or order described in Subsection (3) issued by:

1492 (a) a county board of equalization;

1493 (b) the commission; or

1494 (c) a court of competent jurisdiction.

1495 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
1496 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
1497 shall pay the taxpayer if:

1498 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
1499 authorized officer of the:

1500 (A) county; or

1501 (B) state;

1502 (ii) the taxpayer obtains a final and unappealable judgment or order:

1503 (A) from:

1504 (I) a county board of equalization;

1505 (II) the commission; or

1506 (III) a court of competent jurisdiction;

1507 (B) against:

1508 (I) the taxing entity or an authorized officer of the taxing entity; or

1509 (II) the state or an authorized officer of the state; and

1510 (C) ordering a reduction in the amount of any tax levied against any property for which
1511 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

1512 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
1513 in accordance with Subsections (4) through (7).

1514 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a
1515 taxpayer is equal to the sum of:

1516 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
1517 between:

- 1518 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
- 1519 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
1520 amount of tax levied against the property in accordance with the final and unappealable
1521 judgment or order described in Subsection (3);

1522 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
1523 between:

1524 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;
1525 and

1526 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with
1527 Section 59-2-1331 after the reduction in the amount of tax levied against the property in
1528 accordance with the final and unappealable judgment or order described in Subsection (3);

1529 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
1530 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and

1531 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

- 1532 (i) Subsection (4)(a);
- 1533 (ii) Subsection (4)(b); and
- 1534 (iii) Subsection (4)(c).

1535 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
1536 taxpayer is equal to the sum of:

1537 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
1538 between:

- 1539 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and
- 1540 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
1541 the amount of tax levied against the property in accordance with the final and unappealable

1542 judgment or order described in Subsection (3);

1543 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
1544 between:

1545 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
1546 59-2-1331; and

1547 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
1548 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the
1549 property in accordance with the final and unappealable judgment or order described in
1550 Subsection (3); and

1551 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
1552 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and

1553 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:

1554 (i) Subsection (5)(a);

1555 (ii) Subsection (5)(b); and

1556 (iii) Subsection (5)(c).

1557 (6) Except as provided in Subsection (7):

1558 (a) interest shall be refunded to a taxpayer on the amount described in Subsection (4)(c)
1559 or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance with
1560 Section 59-2-1331; and

1561 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
1562 (5)(d):

1563 (i) beginning on the later of:

1564 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or

1565 (B) January 1 of the calendar year immediately following the calendar year for which
1566 the tax was due;

1567 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
1568 amount required by Subsection (4) or (5); and

1569 (iii) at the interest rate earned by the state treasurer on public funds transferred to the

1570 state treasurer in accordance with Section 51-7-5.

1571 (7) Notwithstanding Subsection (6):

1572 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
1573 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
1574 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and

1575 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
1576 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
1577 levied by the taxing entity for that calendar year as stated on the notice required by Section
1578 59-2-1317.

1579 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
1580 judgment or order described in Subsection (3) if:

1581 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
1582 the date the levy is set under Subsection 59-2-924[~~(2)~~] (3)(a);

1583 (ii) the amount of the judgment levy is included on the notice under Section 59-2-919;
1584 and

1585 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
1586 Section 59-2-102.

1587 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
1588 levy established for the taxing entity.

1589 (9) (a) A taxpayer that objects to the assessment of property assessed by the
1590 commission shall pay, on or before the date of delinquency established under Subsection
1591 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by
1592 Section 59-2-1317 if:

1593 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
1594 59-2-1007 on the objection to the assessment; and

1595 (ii) the commission has not issued a written decision on the objection to the assessment
1596 in accordance with Section 59-2-1007.

1597 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not

1598 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

1599 (i) a final and unappealable judgment or order establishing that the property described in
1600 Subsection (9)(a) has a value greater than the value stated on the notice required by Section
1601 59-2-1317 is issued by:

1602 (A) the commission; or

1603 (B) a court of competent jurisdiction; and

1604 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
1605 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
1606 the county bills the taxpayer for the additional tax liability.

1607 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this
1608 section shall be paid to a taxpayer:

1609 (i) within 60 days after the day on which the final and unappealable judgment or order is
1610 issued in accordance with Subsection (3); or

1611 (ii) if a judgment levy is imposed in accordance with Subsection (8):

1612 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later
1613 than December 31 of the year in which the judgment levy is imposed; and

1614 (B) if the payment to the taxpayer required by this section is less than \$5,000, within 60
1615 days after the date the final and unappealable judgment or order is issued in accordance with
1616 Subsection (3).

1617 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

1618 (i) that establishes a time period other than a time period described in Subsection
1619 (10)(a) for making a payment to the taxpayer that is required by this section; and

1620 (ii) with:

1621 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

1622 (B) an authorized officer of the state for a tax imposed by the state.

1623 **Section 33. Repealer.**

1624 This bill repeals:

1625 Section **53A-21-103, Qualifications for participation in the foundation program --**

1626 **Distribution of monies -- Distribution formulas.**

1627 Section **53A-21-103.5, Qualifications for participation in the Enrollment Growth**
1628 **Program -- State Board of Education rules -- Distribution formula.**

1629 Section 34. **Appropriation.**

1630 In addition to the amounts appropriated in Section 53A-21-501, there is appropriated
1631 from the Uniform School Fund for fiscal year 2008-09 only:

1632 (1) \$7,500,000 to the State Board of Education for the Capital Outlay Foundation
1633 Program for allocation pursuant to Section 53A-21-202; and

1634 (2) \$7,500,000 to the State Board of Education for the Capital Outlay Enrollment
1635 Growth Program for allocation pursuant to Section 53A-21-302.

1636 Section 35. **Effective date.**

1637 This bill takes effect on July 1, 2008.

1638 Section 36. **Coordinating S.B. 48 with H.B. 1 -- Superseding amendments.**

1639 If this S.B. 48 and H.B. 1, Minimum School Program Base Budget Amendments, both
1640 pass, it is the intent of the Legislature that the amendments to Section 53A-21-501, renumbered
1641 from Section 53A-21-105, in this bill supersede the amendments to Section 53A-21-105 in H.B.
1642 1 when the Office of Legislative Research and General Counsel prepares the Utah Code
1643 database for publication.