

PUBLIC SCHOOL FUNDING

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill amends provisions in the Minimum School Program Act, the Property Tax Act, and the Sales and Use Tax Act relating to certain property tax levies and the funding of public school programs.

Highlighted Provisions:

This bill:

- ▶ repeals the authority of school districts to levy certain property taxes;

H→ [~~→ increases the statewide minimum basic tax rate;~~

~~→ creates the Homeowner Protection Program;]~~ **←H**

- ▶ requires a school district to use the **H→ increased ←H** revenue received from the

H→ [~~Homeowner~~

Protection Program] **Uniform School Fund due to the 1.45% increase in the sales and**

use tax ←H to pay for bond interest, principal, and redemption premiums

first;

- ▶ requires a school district to use the remaining money received from the

H→ [~~Homeowner~~

Protection Program] **Uniform School Fund due to the 1.45% increase in the sales and**

use tax ←H to offset the loss of certain property tax revenue;

- ▶ prohibits a taxing entity from imposing a property tax rate higher than the taxing entity's certified tax rate for three years;
- ▶ increases the sales and use tax on certain transactions by 1.45%;
- ▶ dedicates the revenue generated by the 1.45% increase to the Uniform School Fund;
- ▶ creates a local school district discretionary levy;
- ▶ sets the tax rate for the local school district discretionary levy for the first taxable



year;

- provides procedures for setting the tax rate for the local school discretionary levy after the first taxable year;

- adjusts a school district's certified tax rate due to the repeal or amendment of the property taxing authority of the school district;

- eliminates the capital outlay foundation program;

- amends the provisions relating to the requirement that a school district in a county of the first class levy a property tax of at least .0006 per dollar of taxable value;

- amends the provisions relating to the requirement that a school district in a divided school district levy a property tax of at least .0006 per dollar of taxable value;

- defines terms; and

- makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an effective date and provides retrospective operation for Section 59-2-919.2.

Utah Code Sections Affected:

AMENDS:

11-2-7, as last amended by Laws of Utah 1961, Chapters 25 and 30

11-13-302, as last amended by Laws of Utah 2008, Chapters 236 and 382

20A-1-203, as last amended by Laws of Utah 2008, Chapter 16

53A-1a-106, as last amended by Laws of Utah 2003, Chapter 221

53A-1a-513, as last amended by Laws of Utah 2008, Chapters 382 and 397

53A-2-103, as last amended by Laws of Utah 2008, Chapter 236

53A-2-114, as last amended by Laws of Utah 2008, Chapter 236

53A-2-115, as last amended by Laws of Utah 2008, Chapter 236

53A-2-118.2, as enacted by Laws of Utah 2007, Chapter 297

53A-2-118.3, as enacted by Laws of Utah 2008, Chapter 236

53A-2-206, as last amended by Laws of Utah 2008, Chapter 382

53A-2-214, as enacted by Laws of Utah 2008, Chapter 233

59 **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72
60 **53A-16-107.1**, as enacted by Laws of Utah 2008, Chapter 236
61 **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397
62 **53A-17a-105**, as last amended by Laws of Utah 2008, Chapter 382
63 **53A-17a-127**, as last amended by Laws of Utah 2008, Chapter 397
64 **53A-17a-133**, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236
65 **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
66 **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
67 **53A-21-501**, as last amended by Laws of Utah 2008, Chapter 1 and renumbered and
68 amended by Laws of Utah 2008, Chapter 236
69 **59-2-404**, as last amended by Laws of Utah 2008, Chapter 206
70 **59-2-405**, as last amended by Laws of Utah 2008, Chapter 210
71 **59-2-405.1**, as last amended by Laws of Utah 2008, Chapter 210
72 **59-2-405.2**, as last amended by Laws of Utah 2008, Chapters 250 and 382
73 **59-2-405.3**, as enacted by Laws of Utah 2005, Chapter 217
74 **59-2-924**, as last amended by Laws of Utah 2008, Chapters 61, 118, 231, 236, 330, 360,
75 and 382
76 **59-2-924.3**, as enacted by Laws of Utah 2008, Chapter 236
77 **59-2-924.4**, as enacted by Laws of Utah 2008, Chapter 236
78 **59-12-103**, as last amended by Laws of Utah 2008, Second Special Session, Chapter 5
79 **59-12-1201**, as last amended by Laws of Utah 2008, Chapter 384
80 **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382
81 ENACTS:
82 **53A-17a-163**, Utah Code Annotated 1953
83 **53A-17a-164**, Utah Code Annotated 1953
84 **59-2-919.2**, Utah Code Annotated 1953
85 REPEALS:
86 **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236
87 **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236
88 **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2
89 **53A-17a-134**, as last amended by Laws of Utah 2008, Chapter 231

53A-17a-145, as renumbered and amended by Laws of Utah 1991, Chapter 72

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

53A-21-101.5, as enacted by Laws of Utah 2008, Chapter 236

53A-21-201, as enacted by Laws of Utah 2008, Chapter 236

53A-21-202, as enacted by Laws of Utah 2008, Chapter 236

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

Section 1. Section 11-2-7 is amended to read:

11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing of television owners and users -- Collection of license fees.

(1) All expenses incurred in the equipment, operation and maintenance of such recreational facilities and activities shall be paid from the treasuries of the respective cities, towns, counties, or school districts, and, except as provided in Subsection (3), the governing bodies of the same may annually appropriate, and cause to be raised by taxation, money for such purposes.

(2) In areas so remote from regular transmission points of the large television stations that television reception is impossible without special equipment and adequate, economical and proper television is not available to the public by private sources, said local authorities may also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain television transmission and relay facilities, all users or owners of television sets within the jurisdiction of said local authorities, and may provide for the collection of the license fees by suit or otherwise and may also enforce obedience to such ordinances with such fine and imprisonment as the local authorities deem proper; provided that the punishment for any violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment not exceeding one day for each \$5.00 of said fine, if the fine is not paid.

(3) A governing body that is a school district may not levy a tax in accordance with this section.

Section 2. Section 11-13-302 is amended to read:

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

(1) (a) Each project entity created under this chapter that owns a project and that sells

any capacity, service, or other benefit from it to an energy supplier or suppliers whose tangible property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad valorem property tax, shall pay an annual fee in lieu of ad valorem property tax as provided in this section to each taxing jurisdiction within which the project or any part of it is located.

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

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

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

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

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

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

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

(ii) local levies for capital outlay, maintenance, transportation, and other purposes under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127,~~]
~~53A-17a-133[, 53A-17a-134, 53A-17a-143, and 53A-17a-145]~~ and 53A-17a-163.

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

(i) the project entity shall pay to the school district an annual fee for the state minimum

school program at the rate imposed by the school district and authorized by the Legislature under Subsection 53A-17a-135(1); and

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

(A) an annual fee; or

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

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

(b) As used in this section, "tax rate," when applied in respect to a school district, includes any assessment to be made by the school district under Subsection (2) or Section 63M-5-302.

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

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

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

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

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

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

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

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

among:

(A) the project entity; and

(B) any county that:

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

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

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

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

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

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

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

(I) for that year; and

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

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

(c) Payments of the annual fees shall be made from:

(i) the proceeds of bonds issued for the project; and

(ii) revenues derived by the project entity from the project.

(d) (i) The contracts of the project entity with the purchasers of the capacity, service, or other benefits of the project whose tangible property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad valorem property tax shall require each purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for, its share, determined in accordance with the terms of the contract, of these fees.

(ii) It is the responsibility of the project entity to enforce the obligations of the

214 purchasers.

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

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

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

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

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

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

227 (A) is not a project entity; and

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

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

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

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

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

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

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

244 Section 3. Section **20A-1-203** is amended to read:

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

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

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

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

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

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

(b) the purpose for the statewide special election.

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

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

(b) the purpose for the statewide special election.

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

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

(ii) a vote on a voted ~~[freeway program]~~ local discretionary levy authorized by Section 53A-17a-133 ~~[or 53A-17a-134]~~;

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

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

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

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

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

(viii) an election of town officers of a newly incorporated town under Subsection 10-2-125(9).

(b) The legislative body of a local political subdivision may call a local special election

by adopting an ordinance or resolution that designates:

(i) the date for the local special election; and

(ii) the purpose for the local special election.

Section 4. Section **53A-1a-106** is amended to read:

53A-1a-106. School district and individual school powers.

(1) In order to acquire and develop the characteristics listed in Section 53A-1a-104, each school district and each public school within its respective district shall implement a comprehensive system of accountability in which students advance through public schools by demonstrating competency in required skills and mastery of required knowledge through the use of diverse assessment instruments such as authentic and criterion referenced tests, projects, and portfolios.

(2) (a) Each school district and public school shall:

(i) develop and implement programs integrating technology into the curriculum, instruction, and student assessment;

(ii) provide for teacher and parent involvement in policymaking at the school site;

(iii) implement a public school choice program to give parents, students, and teachers greater flexibility in designing and choosing among programs with different focuses through schools within the same district and other districts, subject to space availability, demographics, and legal and performance criteria;

(iv) establish strategic planning at both the district and school level and site-based decision making programs at the school level;

(v) provide opportunities for each student to acquire and develop academic and occupational knowledge, skills, and abilities;

(vi) participate in ongoing research and development projects primarily at the school level aimed at improving the quality of education within the system; and

(vii) involve business and industry in the education process through the establishment of partnerships with the business community at the district and school level.

(b) (i) Each local school board, in consultation with school personnel, parents, and school community councils or similar entities shall establish policies to provide for the effective implementation of a personalized student education plan (SEP) or student education/occupation plan (SEOP) for each student at the school site.

(ii) The policies shall include guidelines and expectations for:

(A) recognizing the student's accomplishments, strengths, and progress towards meeting student achievement standards as defined in U-PASS;

(B) planning, monitoring, and managing education and career development; and

(C) involving students, parents, and school personnel in preparing and implementing SEPs and SEOPs.

(iii) A parent may request conferences with school personnel in addition to SEP or SEOP conferences established by local school board policy.

(iv) Time spent during the school day to implement SEPs and SEOPs is considered part of the school term referred to in Subsection 53A-17a-103~~(5)~~(4).

(3) A school district or public school may submit proposals to modify or waive rules or policies of a supervisory authority within the public education system in order to acquire or develop the characteristics listed in Section 53A-1a-104.

(4) (a) Each school district and public school shall make an annual report to its patrons on its activities under this section.

(b) The reporting process shall involve participation from teachers, parents, and the community at large in determining how well the district or school is performing.

Section 5. Section **53A-1a-513** is amended to read:

53A-1a-513. Funding for charter schools.

(1) As used in this section:

(a) "Charter school students' average local revenues" means the amount determined as follows:

(i) for each student enrolled in a charter school on the previous October 1, calculate the district per pupil local revenues of the school district in which the student resides;

(ii) sum the district per pupil local revenues for each student enrolled in a charter school on the previous October 1; and

(iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students enrolled in charter schools on the previous October 1.

(b) "District per pupil local revenues" means the amount determined as follows, using data from the most recently published school district annual financial reports and state superintendent's annual report:

(i) calculate the sum of a school district's revenue received from:

(A) a voted local discretionary levy imposed under Section 53A-17a-133; and

(B) a board local discretionary levy imposed under Section ~~[53A-17a-134;]~~

53A-17a-163; and

~~[(C) 10% of the cost of the basic program levy imposed under Section 53A-17a-145;]~~

~~[(D) a tort liability levy imposed under Section 63G-7-704;]~~

~~[(E) a capital outlay levy imposed under Section 53A-16-107; and]~~

~~[(F) a voted capital outlay levy imposed under Section 53A-16-110; and]~~

(ii) divide the sum calculated under Subsection (1)(b)(i) by the sum of:

(A) a school district's average daily membership; and

(B) the average daily membership of a school district's resident students who attend charter schools.

(c) "Resident student" means a student who is considered a resident of the school district under Title 53A, Chapter 2, Part 2, District of Residency.

(d) "Statewide average debt service revenues" means the amount determined as follows, using data from the most recently published state superintendent's annual report:

(i) sum the revenues of each school district from the debt service levy imposed under Section 11-14-310; and

(ii) divide the sum calculated under Subsection (1)(d)(i) by statewide school district average daily membership.

(2) (a) Charter schools shall receive funding as described in this section, except Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

(b) Charter schools authorized by local school boards that are converted from district schools or operate in district facilities without paying reasonable rent shall receive funding as prescribed in Section 53A-1a-515.

(3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.

(b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act, to charter schools, charter school pupils shall be weighted, where applicable, as follows:

(i) .55 for kindergarten pupils;

(ii) .9 for pupils in grades 1-6;

(iii) .99 for pupils in grades 7-8; and

(iv) 1.2 for pupils in grades 9-12.

(4) (a) (i) Except as provided in Subsection (4)(a)(ii), a school district shall allocate a portion of school district revenues for each resident student of the school district who is enrolled in a charter school on October 1 equal to 25% of the lesser of:

(A) district per pupil local revenues; or

(B) charter school students' average local revenues.

(ii) For the purpose of allocating school district revenues under Subsection (4)(a)(i), a kindergarten student who is enrolled in less than a full-day kindergarten program is weighted as .55 of a student.

(iii) Nothing in this Subsection (4)(a) affects the school bond guarantee program established under Chapter 28, Utah School Bond Guaranty Act.

(b) The State Board of Education shall:

(i) deduct an amount equal to the allocation provided under Subsection (4)(a) from state funds the school district is authorized to receive under Title 53A, Chapter 17a, Minimum School Program Act; and

(ii) remit the money to the student's charter school.

(c) Notwithstanding the method used to transfer school district revenues to charter schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter schools under this section from:

(i) unrestricted revenues available to the school district; or

(ii) the revenue sources listed in Subsections (1)(b)(i)(A) [~~through (F)~~] and (B) based on the portion of the allocations to charter schools attributed to each of the revenue sources listed in Subsections (1)(b)(i)(A) [~~through (F)~~] and (B).

(d) (i) Subject to future budget constraints, the Legislature shall provide an appropriation for charter schools for each student enrolled on October 1 to supplement the allocation of school district revenues under Subsection (4)(a).

(ii) Except as provided in Subsections (4)(d)(iii) and (iv), the amount of money provided by the state for a charter school student shall be the sum of:

(A) charter school students' average local revenues minus the allocation of school district revenues under Subsection (4)(a); and

(B) statewide average debt service revenues.

(iii) If the total of a school district's allocation for a charter school student under Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than ~~[\$1427]~~ \$_____, the state shall provide an additional supplement so that a charter school receives at least ~~[\$1427]~~ \$_____ per student under this Subsection (4).

(iv) For the purpose of providing state monies for charter school students under this Subsection (4)(d), a kindergarten student who is enrolled in less than a full-day kindergarten program is weighted as .55 of a student.

(e) Of the monies provided to a charter school under this Subsection (4), 10% shall be expended for funding school facilities only.

(5) Charter schools are eligible to receive federal funds if they meet all applicable federal requirements and comply with relevant federal regulations.

(6) The State Board of Education shall distribute funds for charter school students directly to the charter school.

(7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state transportation funding.

(b) The board shall also adopt rules relating to the transportation of students to and from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

(c) The governing body of the charter school may provide transportation through an agreement or contract with the local school board, a private provider, or with parents.

(8) (a) (i) The state superintendent of public instruction may allocate grants for both start-up and ongoing costs to eligible charter school applicants from monies appropriated for the implementation of this part.

(ii) Applications for the grants shall be filed on a form determined by the state superintendent and in conjunction with the application for a charter.

(iii) The amount of a grant may vary based upon the size, scope, and special circumstances of the charter school.

(iv) The governing board of the charter school shall use the grant to meet the expenses of the school as established in the school's charter.

(b) The State Board of Education shall coordinate the distribution of federal monies appropriated to help fund costs for establishing and maintaining charter schools within the

state.

(9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant, endowment, gift, or donation of any property made to the school for any of the purposes of this part.

(b) It is unlawful for any person affiliated with a charter school to demand or request any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated with the charter school as a condition for employment or enrollment at the school or continued attendance at the school.

Section 6. Section **53A-2-103** is amended to read:

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

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

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

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

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

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

~~[(6) State funds received by the new district under Section 53A-21-202 may be applied~~

toward the payment of outstanding bonded indebtedness of a former district in the same proportion as the bonded indebtedness of the territory within the former district bears to the total bonded indebtedness of the districts combined.]

Section 7. Section **53A-2-114** is amended to read:

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

(1) If a school district which has approved an additional levy under Section ~~[53A-16-110,]~~ 53A-17a-133~~[-53A-17a-134, or 53A-17a-145]~~ or 53A-17a-163 is consolidated with a district which does not have such a levy, the board of education of the consolidated district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated district.

(2) If the board chooses to apply any part of the levy to the entire district, the levy may continue in force for no more than three years, unless approved by the electors of the consolidated district in the manner set forth in Section ~~[53A-16-110]~~ 53A-17a-133.

Section 8. Section **53A-2-115** is amended to read:

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

If two or more districts undergo restructuring that results in a district receiving territory that increases the population of the district by at least 25%, and if the transferred territory was, at the time of transfer, subject to an additional levy under Section ~~[53A-16-110,]~~ 53A-17a-133~~[-53A-17a-134, or 53A-17a-145]~~ or 53A-17a-163, the board of education of the transferee district may abolish the levy or apply the levy in whole or in part to the entire restructured district. Any such levy made applicable to the entire district may continue in force for no more than five years, unless approved by the electors of the restructured district in the manner set forth in Section ~~[53A-16-110]~~ 53A-17a-133.

Section 9. Section **53A-2-118.2** is amended to read:

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

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

(b) The remaining school district retains authority to impose property taxes on the

existing school district, including the territory of the new school district, until the fiscal year in which the new school district assumes responsibility for providing student instruction.

(2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1 assumes responsibility for student instruction any portion of the territory within the new school district was subject to a levy pursuant to Section ~~[53A-16-110 or]~~ 53A-17a-133, the new school district's board may:

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

(ii) impose a levy on the new school district as provided in Section ~~[53A-16-110 or]~~ 53A-17a-133; or

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

(b) If the new school district's board applies a levy to the new school district pursuant to Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by the voters of the existing district or districts at the time of the vote to create the new school district.

Section 10. Section **53A-2-118.3** is amended to read:

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

(1) For purposes of this section:

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

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

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

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

(2) Beginning with the qualifying taxable year, in order to qualify for receipt of the state contribution toward the minimum school program described in Section 53A-17a-104, a school district within a qualifying divided school district shall impose a ~~[capital outlay]~~ board local discretionary levy described in Section ~~[53A-16-107]~~ 53A-17a-163 of at least .0006 per dollar of taxable value.

(3) The county treasurer of a county with a qualifying divided school district shall distribute revenues generated by the .0006 portion of the ~~[capital outlay]~~ board local

discretionary levy required in Subsection (2) to the school districts located within the boundaries of the qualifying divided school district as follows:

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

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

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

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

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

Section 11. Section **53A-2-206** is amended to read:

53A-2-206. Interstate compact students -- Inclusion in attendance count -- Funding for foreign exchange students -- Annual report -- Requirements for exchange student agencies.

(1) A school district or charter school may include the following students in the district's or school's membership and attendance count for the purpose of apportionment of state monies:

(a) a student enrolled under an interstate compact, established between the State Board of Education and the state education authority of another state, under which a student from one

compact state would be permitted to enroll in a public school in the other compact state on the same basis as a resident student of the receiving state; or

(b) a student receiving services under the Compact on Placement of Children.

(2) (a) A school district or charter school may include foreign exchange students in the district's or school's membership and attendance count for the purpose of apportionment of state monies, except as provided in Subsections (2)(b) through (e).

(b) (i) Notwithstanding Section 53A-17a-106, foreign exchange students may not be included in average daily membership for the purpose of determining the number of weighted pupil units in the grades 1-12 basic program.

(ii) Subject to the limitation in Subsection (2)(c), the number of weighted pupil units in the grades 1-12 basic program attributed to foreign exchange students shall be equal to the number of foreign exchange students who were:

(A) enrolled in a school district or charter school on October 1 of the previous fiscal year; and

(B) sponsored by an agency approved by the district's local school board or charter school's governing board.

(c) (i) The total number of foreign exchange students in the state that may be counted for the purpose of apportioning state monies under Subsection (2)(b) shall be the lesser of:

(A) the number of foreign exchange students enrolled in public schools in the state on October 1 of the previous fiscal year; or

(B) 328 foreign exchange students.

(ii) The State Board of Education shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the cap on the number of foreign exchange students that may be counted for the purpose of apportioning state monies under Subsection (2)(b).

(d) Notwithstanding Sections 53A-17a-133 [~~and 53A-17a-134~~], weighted pupil units in the grades 1-12 basic program for foreign exchange students, as determined by Subsections (2)(b) and (c), may not be included for the purposes of determining a school district's state guarantee money under the voted [~~or board fee-way programs~~] local discretionary levy.

(e) Notwithstanding Section 53A-17a-125, foreign exchange students may not be included in enrollment when calculating student growth for the purpose of adjusting the annual

586 appropriation for retirement and Social Security.

587 (3) A school district or charter school may:

588 (a) enroll foreign exchange students that do not qualify for state monies; and

589 (b) pay for the costs of those students with other funds available to the school district
590 or charter school.

591 (4) Due to the benefits to all students of having the opportunity to become familiar
592 with individuals from diverse backgrounds and cultures, school districts are encouraged to
593 enroll foreign exchange students, as provided in Subsection (3), particularly in schools with
594 declining or stable enrollments where the incremental cost of enrolling the foreign exchange
595 student may be minimal.

596 (5) The board shall make an annual report to the Legislature on the number of
597 exchange students and the number of interstate compact students sent to or received from
598 public schools outside the state.

599 (6) (a) A local school board or charter school governing board shall require each
600 approved exchange student agency to provide it with a sworn affidavit of compliance prior to
601 the beginning of each school year.

602 (b) The affidavit shall include the following assurances:

603 (i) that the agency has complied with all applicable policies of the board;

604 (ii) that a household study, including a background check of all adult residents, has
605 been made of each household where an exchange student is to reside, and that the study was of
606 sufficient scope to provide reasonable assurance that the exchange student will receive proper
607 care and supervision in a safe environment;

608 (iii) that host parents have received training appropriate to their positions, including
609 information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who
610 are in a position of special trust;

611 (iv) that a representative of the exchange student agency shall visit each student's place
612 of residence at least once each month during the student's stay in Utah;

613 (v) that the agency will cooperate with school and other public authorities to ensure
614 that no exchange student becomes an unreasonable burden upon the public schools or other
615 public agencies;

616 (vi) that each exchange student will be given in the exchange student's native language

names and telephone numbers of agency representatives and others who could be called at any time if a serious problem occurs; and

(vii) that alternate placements are readily available so that no student is required to remain in a household if conditions appear to exist which unreasonably endanger the student's welfare.

(7) (a) A local school board or charter school governing board shall provide each approved exchange student agency with a list of names and telephone numbers of individuals not associated with the agency who could be called by an exchange student in the event of a serious problem.

(b) The agency shall make a copy of the list available to each of its exchange students in the exchange student's native language.

Section 12. Section **53A-2-214** is amended to read:

53A-2-214. Online students' participation in extracurricular activities.

(1) As used in this section:

(a) "Online education" means the use of information and communication technologies to deliver educational opportunities to a student in a location other than a school.

(b) "Online student" means a student who:

(i) participates in an online education program sponsored or supported by the State Board of Education, a school district, or charter school; and

(ii) generates funding for the school district or school pursuant to Subsection 53A-17a-103~~(5)~~(4) and rules of the State Board of Education.

(2) An online student is eligible to participate in extracurricular activities at:

(a) the school within whose attendance boundaries the student's custodial parent or legal guardian resides; or

(b) the public school from which the student withdrew for the purpose of participating in an online education program.

(3) A school other than a school described in Subsection (2)(a) or (b) may allow an online student to participate in extracurricular activities other than:

(a) interschool competitions of athletic teams sponsored and supported by a public school; or

(b) interschool contests or competitions for music, drama, or forensic groups or teams

sponsored and supported by a public school.

(4) An online student is eligible for extracurricular activities at a public school consistent with eligibility standards as applied to full-time students of the public school.

(5) A school district or public school may not impose additional requirements on an online school student to participate in extracurricular activities that are not imposed on full-time students of the public school.

(6) (a) The State Board of Education shall make rules establishing fees for an online school student's participation in extracurricular activities at school district schools.

(b) The rules shall provide that:

(i) online school students pay the same fees as other students to participate in extracurricular activities;

(ii) online school students are eligible for fee waivers pursuant to Section 53A-12-103;

(iii) for each online school student who participates in an extracurricular activity at a school district school, the online school shall pay a share of the school district's costs for the extracurricular activity; and

(iv) an online school's share of the costs of an extracurricular activity shall reflect state and local tax revenues expended, except capital facilities expenditures, for an extracurricular activity in a school district or school divided by total student enrollment of the school district or school.

(c) In determining an online school's share of the costs of an extracurricular activity under Subsections (6)(b)(iii) and (iv), the State Board of Education may establish uniform fees statewide based on average costs statewide or average costs within a sample of school districts.

(7) When selection to participate in an extracurricular activity at a public school is made on a competitive basis, an online student is eligible to try out for and participate in the activity as provided in this section.

Section 13. Section **53A-3-415** is amended to read:

53A-3-415. School board policy on detaining students after school.

(1) Each local school board shall establish a policy on detaining students after regular school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~] 53A-11-901.

(2) The policy shall apply to elementary school students, grades kindergarten through

six. The board shall receive input from teachers, school administrators, and parents and guardians of the affected students before adopting the policy.

(3) The policy shall provide for notice to the parent or guardian of a student prior to holding the student after school on a particular day. The policy shall also provide for exceptions to the notice provision if detention is necessary for the student's health or safety.

Section 14. Section **53A-16-107.1** is amended to read:

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

(1) The county treasurer of a county of the first class shall distribute revenues generated by the .0006 portion of the ~~[capital outlay]~~ board local discretionary levy required in Subsection ~~[53A-16-107(3)]~~ 53A-17a-163(4) to school districts located within the county of the first class as follows:

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

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

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

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

(4) On or before March 31 of each year, a county treasurer in a county of the first class shall distribute the revenue generated within the county of the first class during the prior calendar year from the ~~[capital outlay]~~ board local discretionary levy described in Section ~~[53A-16-107]~~ 53A-17a-163.

Section 15. Section **53A-17a-103** is amended to read:

53A-17a-103. Definitions.

As used in this chapter:

(1) "Basic state-supported school program" or "basic program" means public education programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of weighted pupil units for each district by \$2,577, except as otherwise provided in this chapter.

(2) (a) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:

(i) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a minimum basic tax rate, as specified in Subsection 53A-17a-135(1)(a); and

(ii) the product of:

(A) new growth, as defined in:

(I) Section 59-2-924; and

(II) rules of the State Tax Commission; and

(B) the minimum basic tax rate certified by the State Tax Commission for the previous year.

(b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not include property tax revenue received statewide from personal property that is:

(i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

(c) For purposes of calculating the certified revenue levy described in this Subsection (2), the State Tax Commission shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

(ii) the taxable value of real and personal property assessed by the State Tax Commission; and

(iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.

~~[(3) "Leeway program" or "leeway" means a state-supported voted leeway program or~~

board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.]

[(4)] (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

[(5)] (4) (a) "State-supported minimum school program" or "minimum school program" means public school programs for kindergarten, elementary, and secondary schools as described in this Subsection [(5)] (4).

(b) The minimum school program established in the districts shall include the equivalent of a school term of nine months as determined by the State Board of Education.

(c) (i) The board shall establish the number of days or equivalent instructional hours that school is held for an academic school year.

(ii) Education, enhanced by utilization of technologically enriched delivery systems, when approved by local school boards, shall receive full support by the State Board of Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing commercial advertising.

(d) The program includes the total of the following annual costs:

(i) the cost of a basic state-supported school program; and

(ii) other amounts appropriated in this chapter in addition to the basic program.

[(6)] (5) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of factors that is computed in accordance with this chapter for the purpose of determining the costs of a program on a uniform basis for each district.

Section 16. Section **53A-17a-105** is amended to read:

53A-17a-105. Action required for underestimated or overestimated weighted pupil units -- Action required for underestimating or overestimating local contributions.

(1) If the number of weighted pupil units in a program is underestimated in Section 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so that the amount paid does not exceed the estimated amount by program.

(2) If the number of weighted pupil units in a program is overestimated in Section 53A-17a-104, the state superintendent of public instruction shall either increase the amount paid in that program per weighted pupil unit or transfer the unused amount in that program to another program included in the minimum school program.

(3) (a) If surplus funds are transferred to another program, the state superintendent, if

the state superintendent determines certain districts have greater need for additional funds, may designate the districts as well as the programs to which the transferred funds will be allocated.

(b) Any amounts transferred under Subsection (3)(a) may be spent in addition to the amounts listed in Section 53A-17a-104.

(4) The limitation on the proceeds from local tax rates for ~~[operation and maintenance]~~ all programs under this chapter is subject to modification by local school boards under ~~[Sections]~~ Section 53A-17a-133 ~~[and 53A-17a-134]~~ and to special tax rates authorized by this chapter, and shall be adjusted accordingly.

(5) If local contributions are overestimated, the guarantee per weighted pupil unit is reduced for all programs so the total state contribution ~~[for operation and maintenance programs]~~ does not exceed the amount authorized in Subsection 53A-17a-104(1).

(6) (a) If local contributions from the basic tax rate ~~[for operation and maintenance programs]~~ are underestimated, the excess is applied:

(i) first, to support the value of the weighted pupil unit as set by the Legislature for total weighted pupil units generated by the districts and those costs of Social Security and retirement[-];

(ii) second, to transportation[-]; and

(iii) third, to the board and voted ~~[leeway]~~ local discretionary levy guarantees that occur as a result of the additional generated weighted pupil units, following internal adjustments by the state superintendent as provided in this section.

(b) The state contribution is decreased so the total school program cost ~~[for operation and maintenance programs]~~ does not exceed the total estimated contributions to school districts for all programs under Subsection 53A-17a-104(2) plus the amount of local revenue necessary to support the value of the weighted pupil unit for weighted pupil units generated and those costs of Social Security and retirement, transportation, and board and voted leeway that occur as a result of the additional generated weighted pupil units.

(7) As an exception to Section 63J-1-401, the state fiscal officer may not close out appropriations from the Uniform School Fund at the end of a fiscal year.

Section 17. Section **53A-17a-127** is amended to read:

53A-17a-127. Eligibility for state-supported transportation -- Approved bus routes.

(1) A student eligible for state-supported transportation means:

(a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles from school;

(b) a student enrolled in grades seven through 12 who lives at least two miles from school; and

(c) a student enrolled in a special program offered by a school district and approved by the State Board of Education for trainable, motor, multiple-disabled, or other students with severe disabilities who are incapable of walking to school or where it is unsafe for students to walk because of their disabling condition, without reference to distance from school.

(2) If a school district implements double sessions as an alternative to new building construction, with the approval of the State Board of Education, those affected elementary school students residing less than 1-1/2 miles from school may be transported one way to or from school because of safety factors relating to darkness or other hazardous conditions as determined by the local school board.

(3) (a) The State Board of Education shall distribute transportation monies to school districts based on:

(i) an allowance per mile for approved bus routes;

(ii) an allowance per hour for approved bus routes;

(iii) an annual allowance for equipment and overhead costs based on approved bus routes and the age of the equipment; and

(iv) a minimum allocation for each school district eligible for transportation funding.

(b) The State Board of Education shall distribute appropriated transportation funds based on the prior year's eligible transportation costs as legally reported under Subsection 53A-17a-126(3).

(c) In order for a bus to be considered for the equipment allowance under Subsection (3)(a)(iii), it must meet federal and state regulations and standards for school buses.

(d) The State Board of Education shall annually review the allowance per mile, the allowance per hour, and the annual equipment and overhead allowance and adjust the allowance to reflect current economic conditions.

(4) (a) Approved bus routes for funding purposes shall be determined on fall data collected by October 1.

(b) Approved route funding shall be determined on the basis of the most efficient and economic routes.

(5) A Transportation Advisory Committee with representation from local school superintendents, business officials, school district transportation supervisors, and the state superintendent's staff shall serve as a review committee for addressing school transportation needs, including recommended approved bus routes.

(6) (a) A local school board may provide for the transportation of students who are not eligible under Subsection (1), regardless of the distance from school, from ~~[-(i)]~~ general funds of the district~~[-and]~~.

~~[(ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.]~~

~~[(b) A local school board may use revenue from the tax to pay for transporting participating students to interscholastic activities, night activities, and educational field trips approved by the board and for the replacement of school buses.]~~

~~[(c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002, the]~~

(b) (i) The state may contribute an amount not to exceed 85% of the state average cost per mile, contingent upon the Legislature appropriating funds for a state contribution.

(ii) The state superintendent's staff shall distribute the state contribution according to rules enacted by the State Board of Education.

~~[(d)]~~ (c) (i) The amount of state guarantee money which a school district would otherwise be entitled to receive under Subsection (6)~~[(c)]~~(b)(i) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation.

(ii) Subsection (6)~~[(d)]~~(c)(i) applies for a period of two years following the change in the certified tax rate.

Section 18. Section **53A-17a-133** is amended to read:

53A-17a-133. Voted local discretionary levy -- Election requirements -- State guarantee -- Reconsideration of levy authority.

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

865 (2) (a) (i) To ~~[establish a voted leeway program]~~ impose a voted local discretionary
866 levy, a majority of the electors of a district voting at an election in the manner set forth in
867 ~~[Section 53A-16-110]~~ Subsections (8) and (9) must vote in favor of a special tax.

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

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

871 ~~[(c)]~~ (b) In order to receive state support the first year, a district must receive voter
872 approval no later than December 1 of the year prior to implementation.

873 (3) (a) ~~[Under the voted leeway program]~~ In addition to the revenue a school district
874 collects from the imposition of a levy pursuant to this section, the state shall contribute an
875 amount sufficient to guarantee \$17.54 per weighted pupil unit for each .0001 of the first .0016
876 per dollar of taxable value.

877 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
878 of taxable value under Subsection (3)(a) shall apply to ~~[the board-approved leeway]~~ a portion
879 of the board local discretionary levy authorized in Section ~~[53A-17a-134]~~ 53A-17a-163, so that
880 the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district
881 levies a tax rate under both programs.

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

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

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

892 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in
893 the certified tax rate.

894 (4) (a) An election to modify ~~[an]~~ existing ~~[voted leeway program]~~ authority to impose
895 a voted local discretionary levy is not a reconsideration of the existing ~~[program]~~ authority

unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the district of authority to continue ~~[an] the existing [program]~~ levy.

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

(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue ~~[an existing voted leeway program]~~ imposing an existing voted local discretionary levy previously authorized by the voters as a voted leeway program.

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

(a) the voted ~~[leeway]~~ local discretionary levy is approved:

(i) in accordance with ~~[Section 53A-16-110]~~ Subsections (8) and (9) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted ~~[leeway]~~ local discretionary levy; and

(b) for a voted ~~[leeway]~~ local discretionary levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with the requirements of Subsection (7).

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

(a) the levy exceeds the certified tax rate as the result of a school district budgeting an increased amount of ad valorem property tax revenue derived from a voted ~~[leeway]~~ local discretionary levy imposed under this section;

(b) if the voted ~~[leeway]~~ local discretionary levy was approved:

(i) in accordance with ~~[Section 53A-16-110]~~ Subsections (8) and (9) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted ~~[leeway]~~ local discretionary levy; and

(c) for a voted ~~[leeway]~~ local discretionary levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with requirements of Subsection (7).

(7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the electors regarding the adoption or modification of ~~[a voted leeway program]~~ the authority to impose a voted local discretionary levy shall contain the following statement:

"A vote in favor of this tax means that (name of the school district) may increase revenue from this property tax without advertising the increase for the next five years."

(8) (a) Before imposing a property tax levy pursuant to this section, a school district shall submit an opinion question to the school district's registered voters voting on the imposition of the tax rate so that each registered voter has the opportunity to express the registered voter's opinion on whether the tax rate should be imposed.

(b) The election required by this Subsection (8) shall be held:

(i) at a regular general election conducted in accordance with the procedures and requirements of Title 20A, Election Code, governing regular elections;

(ii) at a municipal general election conducted in accordance with the procedures and requirements of Section 20A-1-202; or

(iii) at a local special election conducted in accordance with the procedures and requirements of Section 20A-1-203.

(c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or after January 1, 2010, a school district may levy a tax rate in accordance with this section without complying with the requirements of Subsections (8)(a) and (b) if:

(i) the school district imposed a tax in accordance with this section at any time during the taxable year beginning on January 1, 2009 and ending on December 31, 2009; and

(ii) the authorization to impose the voted local discretionary levy was approved in accordance with former Section 53A-16-110 on or after January 1, 2003.

958 (9) If a school district determines that a majority of the school district's registered
959 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
960 rate in accordance with Subsection (8), the school district may impose the tax rate.

961 Section 19. Section **53A-17a-143** is amended to read:

962 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**
963 **allocations from the Federal Impact Aid Program.**

964 (1) In addition to the revenues received from the levy imposed by each school district
965 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~
966 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between
967 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~
968 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this
969 source for the next preceding fiscal year.

970 ~~[(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~
971 ~~any fiscal year.]~~

972 ~~[(3) This authorization terminates for each district at the end of the third year it is~~
973 ~~used.]~~

974 ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from
975 ~~[this special tax rate]~~ a distribution from the Legislature pursuant to Subsection (1) plus
976 ~~[allocation]~~ the school district's allocations from [Public Law 81-874] the Federal Impact Aid
977 Program for that fiscal year exceeds the amount allocated to the district from ~~[Public Law~~
978 ~~81-874]~~ the Federal Impact Aid Program for the next preceding fiscal year, the excess funds are
979 carried into the next succeeding fiscal year and become in that year a part of the district's
980 contribution to its basic program for operation and maintenance under the state minimum
981 school finance law.

982 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be
983 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's
984 required contribution to its basic program.

985 ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state
986 minimum school program funds as though the reduction in the tax rate had not been made.

987 Section 20. Section **53A-17a-150** is amended to read:

988 **53A-17a-150. K-3 Reading Improvement Program.**

(1) As used in this section:

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

(b) "program monies" means:

~~[(i) school district revenue from the levy authorized under Section 53A-17a-151;]~~

~~[(i)]~~ (i) school district revenue allocated to the program from other monies available to the school district, except monies provided by the state, for the purpose of receiving state funds under this section; and

~~[(iii)]~~ (ii) monies appropriated by the Legislature to the program.

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

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

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

(i) assessment;

(ii) intervention strategies;

(iii) professional development;

(iv) reading performance standards; and

(v) specific measurable goals that are based upon gain scores.

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

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

(5) There is created within the K-3 Reading Achievement Program three funding programs:

(a) the Base Level Program;

(b) the Guarantee Program; and

(c) the Low Income Students Program.

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

1020 (a) 8% to the Base Level Program;
1021 (b) 46% to the Guarantee Program; and
1022 (c) 46% to the Low Income Students Program.

1023 (7) (a) To participate in the Base Level Program, a school district or charter school
1024 shall submit a reading proficiency improvement plan to the State Board of Education as
1025 provided in Subsection (4) and must receive approval of the plan from the board.

1026 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying
1027 elementary charter schools combined shall receive a base amount.

1028 (ii) The base amount for the qualifying elementary charter schools combined shall be
1029 allocated among each school in an amount proportionate to:

1030 (A) each existing charter school's prior year fall enrollment in grades kindergarten
1031 through grade 3; and

1032 (B) each new charter school's estimated fall enrollment in grades kindergarten through
1033 grade 3.

1034 (8) (a) A school district that applies for program monies in excess of the Base Level
1035 Program funds shall choose to first participate in either the Guarantee Program or the Low
1036 Income Students Program.

1037 (b) A school district must fully participate in either the Guarantee Program or the Low
1038 Income Students Program before it may elect to either fully or partially participate in the other
1039 program.

1040 (c) To fully participate in the Guarantee Program, a school district shall~~[(i) levy a tax~~
1041 ~~rate of .000056 under Section 53A-17a-151; (ii)]~~ allocate to the program other monies
1042 available to the school district, except monies provided by the state, equal to the amount of
1043 revenue that would be generated by a tax rate of .000056~~[-or].~~

1044 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1045 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1046 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1047 ~~tax rate of .000056.]~~

1048 (d) To fully participate in the Low Income Students Program, a school district shall~~[-~~
1049 ~~(i) levy a tax rate of .000065 under Section 53A-17a-151; (ii)]~~ allocate to the program other
1050 monies available to the school district, except monies provided by the state, equal to the

amount of revenue that would be generated by a tax rate of .000065[~~or~~].

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

(e) (i) The State Board of Education shall verify that a school district allocates the monies required in accordance with Subsections (8)(c) and (d) before it distributes funds in accordance with this section.

(ii) The State Tax Commission will provide the State Board of Education the information the State Board of Education needs to comply with Subsection (8)(e)(i).

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

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

(ii) not less than \$0.

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

(10) The State Board of Education shall distribute Low Income Students Program funds in an amount proportionate to the number of students in each school district or charter school who qualify for free or reduced price school lunch multiplied by two.

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

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

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

(13) (a) Each school district and charter school shall annually submit a report to the State Board of Education accounting for the expenditure of program monies in accordance with

its plan for reading proficiency improvement.

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

(14) (a) The State Board of Education shall make rules to implement the program.

(b) (i) The rules under Subsection (14)(a) shall require each school district or charter school to annually report progress in meeting goals stated in the district's or charter school's plan for student reading proficiency as measured by gain scores.

(ii) If a school district or charter school does not meet or exceed the goals, the school district or charter school shall prepare a new plan which corrects deficiencies. The new plan must be approved by the State Board of Education before the school district or charter school receives an allocation for the next year.

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

Section 21. Section **53A-17a-163** is enacted to read:

53A-17a-163. Board local discretionary levy -- Required .0006 levy for first class county school districts.

(1) As used in this section:

(a) "Board aggregate tax rate" means a tax rate equal to the sum of the tax rates imposed by a school district from the following levies:

(i) Section 11-2-7;

(ii) Section 53A-16-107;

(iii) Section 53A-16-111;

(iv) Section 53A-17a-127;

(v) Section 53A-17a-134;

(vi) Section 53A-17a-143;

(vii) Section 53A-17a-145;

(viii) Section 53A-17a-151; and

(ix) Section 63G-7-704.

1113 (b) "Board property tax revenue" means an amount equal to the difference between:
1114 (i) an amount equal to the sum of the following:
1115 (A) the amount of revenue generated during the taxable year beginning January 1,
1116 2009, from the sum of the following levies of a school district:
1117 (I) Section 11-2-7;
1118 (II) Section 53A-16-107;
1119 (III) Section 53A-16-111;
1120 (IV) Section 53A-17a-127;
1121 (V) Section 53A-17a-134;
1122 (VI) Section 53A-17a-143;
1123 (VII) Section 53A-17a-145;
1124 (VIII) Section 53A-17a-151; and
1125 (IX) Section 63G-7-704; and
1126 (B) new growth as defined in Subsection 59-2-924(4)(c); and
1127 (ii) the amount of revenue the school district receives during fiscal year 2010-11 from
1128 the allocations described in Subsection 53A-17a-164(1).
1129 (c) "Certified tax rate" means a school district's certified tax rate calculated in
1130 accordance with Section 59-2-924.
1131 (2) (a) Subject to the other requirements of this section, for taxable years beginning on
1132 or after January 1, 2010, a local school board may levy a tax to fund the school district's
1133 general fund.
1134 (b) Except as provided in Subsection (2)(c), a tax rate imposed by a school district
1135 pursuant to this section may not exceed .0042 per dollar of taxable value in any fiscal year.
1136 (c) Notwithstanding Subsection (2)(b), a tax rate imposed by a school district pursuant
1137 to this section may not exceed .0052 per dollar of taxable value in any fiscal year if the school
1138 district had a board aggregate tax rate of .003990 per dollar of taxable value or more during the
1139 taxable year beginning on January 1, 2008 and ending on December 31, 2008.
1140 (3) Beginning with fiscal year 2010-11, a school district is exempt from the public
1141 notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's
1142 board local discretionary levy if the school district budgets an amount of ad valorem property
1143 tax revenue equal to or less than the school district's board property tax revenue.

(4) Beginning January 1, 2010, in order to qualify for receipt of the state contribution toward the minimum school program described in Section 53A-17a-104, a local school board in a county of the first class shall impose a board local discretionary levy of at least .0006 per dollar of taxable value.

(5) (a) The county treasurer of a county of the first class shall distribute revenues generated by the .0006 portion of the board local discretionary levy required in Subsection (4) to school districts within the county in accordance with Section 53A-16-107.1.

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

Section 22. Section **53A-17a-164** is enacted to read:

53A-17a-164. ~~H→ [Homeowner Protection Program--]~~ ~~←H~~ Increase in the Uniform School

Fund -- Use of funds received by a school district -- Property tax offset.

(1) The revenue deposited into the Uniform School Fund under Subsection 59-12-103(13) ~~H→ [as part of the Homeowner Protection Program;]~~ ~~←H~~ shall be allocated to school districts based on a school district's total weighted pupil units compared to the total weighted pupil units for all districts in the state.

(2) Any money allocated to a school district in accordance with this section shall be used first to pay for bonds issued by a school district:

(a) prior to January 1, 2010; and

(b) in accordance with Title 11, Chapter 14, Local Government Bonding Act.

(3) After making the payments required in Subsection (2), the remaining monies received by a school district described in Subsection (1) shall be used by the school district to replace the revenue decrease from the school district's decreased aggregate certified tax rate as a result of the repeal of the school district's authority to levy the following property taxes as repealed or amended by the Legislature during the 2009 General Session:

(a) Section 11-2-7;

(b) Section 11-14-103;

(c) Section 53A-16-107;

(d) Section 53A-16-110;

1175 (e) Section 53A-16-111;

1176 (f) Section 53A-17a-127;

1177 (g) Section 53A-17a-134;

1178 (h) Section 53A-17a-143;

1179 (i) Section 53A-17a-145;

1180 (j) Section 53A-17a-151; and

1181 (k) Section 63G-30d-704.

1182 (4) Beginning with fiscal year 2010-11, the State Board of Education shall deduct an
 1183 amount equal to the amount of the revenue a charter school receives during the same fiscal year
 1184 from the allocations described in Subsection (1) from the state funds the charter school is
 1185 authorized to receive under Title 53A, Chapter 17a, Minimum School Program Act.

1186 Section 23. Section **53A-21-501** is amended to read:

1187 **53A-21-501. State contribution to capital outlay programs.**

1188 (1) As an ongoing appropriation subject to future budget constraints, there is
 1189 appropriated from the Uniform School Fund for fiscal year ~~[2008-09]~~ 2009-10, \$27,288,900 to
 1190 the State Board of Education for the capital outlay programs created in this chapter.

1191 (2) Of the monies appropriated in Subsection (1), the State Board of Education shall
 1192 distribute~~[- (a) \$24,358,000 in accordance with the Capital Outlay Foundation Program~~
 1193 ~~pursuant to Section 53A-21-202; and (b) \$2,930,900]~~ ~~It~~ **→** [\$27,288,000] \$27,288,900 **←** ~~It~~ in
 1193a accordance with the

1194 Capital Outlay Enrollment Growth Program pursuant to Section 53A-21-302.

1195 Section 24. Section **59-2-404** is amended to read:

1196 **59-2-404. Uniform fee on aircraft -- Collection of fee by commission --**
 1197 **Distribution of fees.**

1198 (1) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
 1199 beginning on January 1, 2009, an aircraft, required to be registered with the state is:

1200 (a) exempt from the tax imposed by Section 59-2-103; and

1201 (b) in lieu of the tax imposed by Section 59-2-103, subject to a uniform statewide fee
 1202 of \$25.

1203 (2) (a) The uniform fee shall be collected by the commission with the registration fee
 1204 and distributed to the county in ~~[which the aircraft is based]~~ accordance with Subsection (3).

1205 (b) A based aircraft is an aircraft which is hangared, tied down, or parked at the airport

for a plurality of the year.

(3) (a) ~~[The uniform fees received by a county under Subsection (2) shall be distributed to each taxing entity within the county]~~ Forty-five percent of the uniform fees received by a county under Subsection (2) shall be distributed to each taxing entity within the county that is not a school district in the same proportion in which revenues collected from the ad valorem property tax are distributed.

(b) Each taxing entity described in Subsection (3)(a) that receives revenues from the uniform fee imposed by this section shall distribute the revenues in the same proportion in which revenues collected from the ad valorem property tax are distributed.

(c) Fifty-five percent of the revenues collected in a county from the uniform fee shall be distributed by the county to each school district within the county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of October 1 enrollment counts.

(4) The commission shall promulgate rules to implement this section.

Section 25. Section **59-2-405** is amended to read:

59-2-405. Uniform fee on tangible personal property required to be registered with the state -- Distribution of revenues -- Appeals.

(1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2, Subsection (6).

(2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a statewide uniform fee in lieu of the ad valorem tax on:

(i) motor vehicles required to be registered with the state that weigh 12,001 pounds or more;

(ii) motorcycles as defined in Section 41-1a-102 that are required to be registered with the state;

(iii) watercraft required to be registered with the state;

(iv) recreational vehicles required to be registered with the state; and

(v) all other tangible personal property required to be registered with the state before it is used on a public highway, on a public waterway, on public land, or in the air.

(b) The following tangible personal property is exempt from the statewide uniform fee

1237 imposed by this section:

1238 (i) aircraft;

1239 (ii) state-assessed commercial vehicles;

1240 (iii) tangible personal property subject to a uniform fee imposed by:

1241 (A) Section 59-2-405.1;

1242 (B) Section 59-2-405.2; or

1243 (C) Section 59-2-405.3; and

1244 (iv) personal property that is exempt from state or county ad valorem property taxes

1245 under the laws of this state or of the federal government.

1246 (3) Beginning on January 1, 1999, the uniform fee is 1.5% of the fair market value of
1247 the personal property, as established by the commission.

1248 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is
1249 brought into the state and is required to be registered in Utah shall, as a condition of
1250 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
1251 the state of origin have been paid for the current calendar year.

1252 (5) (a) ~~[The]~~ Forty-five percent of the revenues collected in each county from the
1253 uniform fee shall be distributed by the county to each taxing entity that is not a school district
1254 in which the property described in Subsection (2) is located in the same proportion in which
1255 revenue collected from ad valorem real property tax is distributed.

1256 (b) ~~[Each]~~ A taxing entity that is not a school district shall distribute the revenues
1257 received under Subsection (5)(a) in the same proportion in which revenue collected from ad
1258 valorem real property tax is distributed.

1259 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
1260 be distributed by the county to each school district within the county in proportion to the school
1261 district's percentage of the total current year enrollment in all of the school districts within the
1262 county, as of October 1 enrollment counts.

1263 (6) An appeal relating to the uniform fee imposed on the tangible personal property
1264 described in Subsection (2) shall be filed pursuant to Section 59-2-1005.

1265 Section 26. Section **59-2-405.1** is amended to read:

1266 **59-2-405.1. Uniform fee on certain vehicles weighing 12,000 pounds or less --**

1267 **Distribution of revenues -- Appeals.**

1268 (1) The property described in Subsection (2) is exempt from ad valorem property taxes
 1269 pursuant to Utah Constitution Article XIII, Section 2, Subsection (6).

1270 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
 1271 statewide uniform fee in lieu of the ad valorem tax on:

1272 (i) motor vehicles as defined in Section 41-1a-102 that:

1273 (A) are required to be registered with the state; and

1274 (B) weigh 12,000 pounds or less; and

1275 (ii) state-assessed commercial vehicles required to be registered with the state that

1276 weigh 12,000 pounds or less.

1277 (b) The following tangible personal property is exempt from the statewide uniform fee
 1278 imposed by this section:

1279 (i) aircraft;

1280 (ii) tangible personal property subject to a uniform fee imposed by:

1281 (A) Section 59-2-405;

1282 (B) Section 59-2-405.2; or

1283 (C) Section 59-2-405.3; and

1284 (iii) tangible personal property that is exempt from state or county ad valorem property
 1285 taxes under the laws of this state or of the federal government.

1286 (3) (a) Except as provided in Subsections (3)(b) and (c), beginning on January 1, 1999,
 1287 the uniform fee for purposes of this section is as follows:

1288	Age of Vehicle	Uniform Fee
1289	12 or more years	\$10
1290	9 or more years but less than 12 years	\$50
1291	6 or more years but less than 9 years	\$80
1292	3 or more years but less than 6 years	\$110
1293	Less than 3 years	\$150

1294 (b) For registrations under Section 41-1a-215.5, beginning on January 1, 2007, the
 1295 uniform fee for purposes of this section is as follows:

1296	Age of Vehicle	Uniform Fee
1297	12 or more years	\$5
1298	9 or more years but less than 12 years	\$25

1299	6 or more years but less than 9 years	\$40
1300	3 or more years but less than 6 years	\$55
1301	Less than 3 years	\$75

1302 (c) Notwithstanding Subsections (3)(a) and (b), beginning on September 1, 2001, for a
 1303 motor vehicle issued a temporary sports event registration certificate in accordance with
 1304 Section 41-3-306, the uniform fee for purposes of this section is \$5 for the event period
 1305 specified on the temporary sports event registration certificate regardless of the age of the
 1306 motor vehicle.

1307 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is
 1308 brought into the state and is required to be registered in Utah shall, as a condition of
 1309 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
 1310 the state of origin have been paid for the current calendar year.

1311 (5) (a) ~~[The]~~ Forty-five percent of the revenues collected in ~~[each]~~ a county from the
 1312 uniform fee shall be distributed by the county to each taxing entity that is not a school district
 1313 in which the property described in Subsection (2) is located in the same proportion in which
 1314 revenue collected from ad valorem real property tax is distributed.

1315 (b) ~~[Each]~~ A taxing entity that is not a school district shall distribute the revenues
 1316 received under Subsection (5)(a) in the same proportion in which revenue collected from ad
 1317 valorem real property tax is distributed.

1318 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
 1319 be distributed by the county to each school district within the county in proportion to the school
 1320 district's percentage of the total current year enrollment in all of the school districts within the
 1321 county, as of October 1 enrollment counts.

1322 Section 27. Section **59-2-405.2** is amended to read:

1323 **59-2-405.2. Definitions -- Uniform statewide fee on certain tangible personal**
 1324 **property -- Distribution of revenues -- Rulemaking authority -- Determining the length of**
 1325 **a vessel.**

1326 (1) As used in this section:

1327 (a) (i) Except as provided in Subsection (1)(a)(ii), "all-terrain vehicle" means a motor
 1328 vehicle that:

1329 (A) is an:

- 1330 (I) all-terrain type I vehicle as defined in Section 41-22-2; or
1331 (II) all-terrain type II vehicle as defined in Section 41-22-2;
1332 (B) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
1333 Vehicles; and
1334 (C) has:
1335 (I) an engine with more than 150 cubic centimeters displacement;
1336 (II) a motor that produces more than five horsepower; or
1337 (III) an electric motor; and
1338 (ii) notwithstanding Subsection (1)(a)(i), "all-terrain vehicle" does not include a
1339 snowmobile.
1340 (b) "Camper" means a camper:
1341 (i) as defined in Section 41-1a-102; and
1342 (ii) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1343 Registration.
1344 (c) (i) "Canoe" means a vessel that:
1345 (A) is long and narrow;
1346 (B) has curved sides; and
1347 (C) is tapered:
1348 (I) to two pointed ends; or
1349 (II) to one pointed end and is blunt on the other end; and
1350 (ii) "canoe" includes:
1351 (A) a collapsible inflatable canoe;
1352 (B) a kayak;
1353 (C) a racing shell; or
1354 (D) a rowing scull.
1355 (d) "Dealer" is as defined in Section 41-1a-102.
1356 (e) "Jon boat" means a vessel that:
1357 (i) has a square bow; and
1358 (ii) has a flat bottom.
1359 (f) "Motor vehicle" is as defined in Section 41-22-2.
1360 (g) "Other motorcycle" means a motor vehicle that:

1361 (i) is:
1362 (A) a motorcycle as defined in Section 41-1a-102; and
1363 (B) designed primarily for use and operation over unimproved terrain;
1364 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1365 Registration; and
1366 (iii) has:
1367 (A) an engine with more than 150 cubic centimeters displacement; or
1368 (B) a motor that produces more than five horsepower.
1369 (h) (i) "Other trailer" means a portable vehicle without motive power that is primarily
1370 used:
1371 (A) to transport tangible personal property; and
1372 (B) for a purpose other than a commercial purpose; and
1373 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
1374 purposes of Subsection (1)(h)(i)(B), the commission may by rule define what constitutes a
1375 purpose other than a commercial purpose.
1376 (i) "Outboard motor" is as defined in Section 41-1a-102.
1377 (j) "Personal watercraft" means a personal watercraft:
1378 (i) as defined in Section 73-18-2; and
1379 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State
1380 Boating Act.
1381 (k) (i) "Pontoon" means a vessel that:
1382 (A) is:
1383 (I) supported by one or more floats; and
1384 (II) propelled by either inboard or outboard power; and
1385 (B) is not:
1386 (I) a houseboat; or
1387 (II) a collapsible inflatable vessel; and
1388 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1389 commission may by rule define the term "houseboat."
1390 (l) "Qualifying adjustment, exemption, or reduction" means an adjustment, exemption,
1391 or reduction:

- 1392 (i) of all or a portion of a qualifying payment;
1393 (ii) granted by a county during the refund period; and
1394 (iii) received by a qualifying person.
- 1395 (m) (i) "Qualifying payment" means the payment made:
1396 (A) of a uniform statewide fee in accordance with this section:
1397 (I) by a qualifying person;
1398 (II) to a county; and
1399 (III) during the refund period; and
1400 (B) on an item of qualifying tangible personal property; and
1401 (ii) if a qualifying person received a qualifying adjustment, exemption, or reduction for
1402 an item of qualifying tangible personal property, the qualifying payment for that qualifying
1403 tangible personal property is equal to the difference between:
1404 (A) the payment described in this Subsection (1)(m) for that item of qualifying tangible
1405 personal property; and
1406 (B) the amount of the qualifying adjustment, exemption, or reduction.
- 1407 (n) "Qualifying person" means a person that paid a uniform statewide fee:
1408 (i) during the refund period;
1409 (ii) in accordance with this section; and
1410 (iii) on an item of qualifying tangible personal property.
- 1411 (o) "Qualifying tangible personal property" means a:
1412 (i) qualifying vehicle; or
1413 (ii) qualifying watercraft.
- 1414 (p) "Qualifying vehicle" means:
1415 (i) an all-terrain vehicle with an engine displacement that is 100 or more cubic
1416 centimeters but 150 or less cubic centimeters;
1417 (ii) an other motorcycle with an engine displacement that is 100 or more cubic
1418 centimeters but 150 or less cubic centimeters;
1419 (iii) a small motor vehicle with an engine displacement that is 100 or more cubic
1420 centimeters but 150 or less cubic centimeters;
1421 (iv) a snowmobile with an engine displacement that is 100 or more cubic centimeters
1422 but 150 or less cubic centimeters; or

- 1423 (v) a street motorcycle with an engine displacement that is 100 or more cubic
1424 centimeters but 150 or less cubic centimeters.
- 1425 (q) "Qualifying watercraft" means a:
- 1426 (i) canoe;
- 1427 (ii) collapsible inflatable vessel;
- 1428 (iii) jon boat;
- 1429 (iv) pontoon;
- 1430 (v) sailboat; or
- 1431 (vi) utility boat.
- 1432 (r) "Refund period" means the time period:
- 1433 (i) beginning on January 1, 2006; and
- 1434 (ii) ending on December 29, 2006.
- 1435 (s) "Sailboat" means a sailboat as defined in Section 73-18-2.
- 1436 (t) (i) "Small motor vehicle" means a motor vehicle that:
- 1437 (A) is required to be registered in accordance with Title 41, Motor Vehicles; and
- 1438 (B) has:
- 1439 (I) an engine with 150 or less cubic centimeters displacement; or
- 1440 (II) a motor that produces five or less horsepower; and
- 1441 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1442 commission may by rule develop a process for an owner of a motor vehicle to certify whether
- 1443 the motor vehicle has:
- 1444 (A) an engine with 150 or less cubic centimeters displacement; or
- 1445 (B) a motor that produces five or less horsepower.
- 1446 (u) "Snowmobile" means a motor vehicle that:
- 1447 (i) is a snowmobile as defined in Section 41-22-2;
- 1448 (ii) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
- 1449 Vehicles; and
- 1450 (iii) has:
- 1451 (A) an engine with more than 150 cubic centimeters displacement; or
- 1452 (B) a motor that produces more than five horsepower.
- 1453 (v) "Street motorcycle" means a motor vehicle that:

1454 (i) is:
1455 (A) a motorcycle as defined in Section 41-1a-102; and
1456 (B) designed primarily for use and operation on highways;
1457 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1458 Registration; and
1459 (iii) has:
1460 (A) an engine with more than 150 cubic centimeters displacement; or
1461 (B) a motor that produces more than five horsepower.
1462 (w) "Tangible personal property owner" means a person that owns an item of
1463 qualifying tangible personal property.
1464 (x) "Tent trailer" means a portable vehicle without motive power that:
1465 (i) is constructed with collapsible side walls that:
1466 (A) fold for towing by a motor vehicle; and
1467 (B) unfold at a campsite;
1468 (ii) is designed as a temporary dwelling for travel, recreational, or vacation use;
1469 (iii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1470 Registration; and
1471 (iv) does not require a special highway movement permit when drawn by a
1472 self-propelled motor vehicle.
1473 (y) (i) Except as provided in Subsection (1)(y)(ii), "travel trailer" means a travel trailer:
1474 (A) as defined in Section 41-1a-102; and
1475 (B) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1476 Registration; and
1477 (ii) notwithstanding Subsection (1)(y)(i), "travel trailer" does not include:
1478 (A) a camper; or
1479 (B) a tent trailer.
1480 (z) (i) "Utility boat" means a vessel that:
1481 (A) has:
1482 (I) two or three bench seating;
1483 (II) an outboard motor; and
1484 (III) a hull made of aluminum, fiberglass, or wood; and

- 1485 (B) does not have:
- 1486 (I) decking;
- 1487 (II) a permanent canopy; or
- 1488 (III) a floor other than the hull; and
- 1489 (ii) notwithstanding Subsection (1)(z)(i), "utility boat" does not include a collapsible
- 1490 inflatable vessel.
- 1491 (aa) "Vessel" means a vessel:
- 1492 (i) as defined in Section 73-18-2, including an outboard motor of the vessel; and
- 1493 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State
- 1494 Boating Act.
- 1495 (2) (a) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
- 1496 beginning on January 1, 2006, the tangible personal property described in Subsection (2)(b) is:
- 1497 (i) exempt from the tax imposed by Section 59-2-103; and
- 1498 (ii) in lieu of the tax imposed by Section 59-2-103, subject to uniform statewide fees as
- 1499 provided in this section.
- 1500 (b) The following tangible personal property applies to Subsection (2)(a) if that
- 1501 tangible personal property is required to be registered with the state:
- 1502 (i) an all-terrain vehicle;
- 1503 (ii) a camper;
- 1504 (iii) an other motorcycle;
- 1505 (iv) an other trailer;
- 1506 (v) a personal watercraft;
- 1507 (vi) a small motor vehicle;
- 1508 (vii) a snowmobile;
- 1509 (viii) a street motorcycle;
- 1510 (ix) a tent trailer;
- 1511 (x) a travel trailer; and
- 1512 (xi) a vessel if that vessel is less than 31 feet in length as determined under Subsection
- 1513 (6).
- 1514 (3) For purposes of this section, the uniform statewide fees are:
- 1515 (a) for an all-terrain vehicle, an other motorcycle, or a snowmobile:

1516	Age of All-Terrain Vehicle, Other Motorcycle, or Snowmobile	Uniform Statewide Fee
1517	12 or more years	\$10
1518	9 or more years but less than 12 years	\$20
1519	6 or more years but less than 9 years	\$30
1520	3 or more years but less than 6 years	\$35
1521	Less than 3 years	\$45
1522	(b) for a camper or a tent trailer:	
1523	Age of Camper or Tent Trailer	Uniform Statewide Fee
1524	12 or more years	\$10
1525	9 or more years but less than 12 years	\$25
1526	6 or more years but less than 9 years	\$35
1527	3 or more years but less than 6 years	\$50
1528	Less than 3 years	\$70
1529	(c) for an other trailer:	
1530	Age of Other Trailer	Uniform Statewide Fee
1531	12 or more years	\$10
1532	9 or more years but less than 12 years	\$15
1533	6 or more years but less than 9 years	\$20
1534	3 or more years but less than 6 years	\$25
1535	Less than 3 years	\$30
1536	(d) for a personal watercraft:	
1537	Age of Personal Watercraft	Uniform Statewide Fee
1538	12 or more years	\$10
1539	9 or more years but less than 12 years	\$25
1540	6 or more years but less than 9 years	\$35
1541	3 or more years but less than 6 years	\$45
1542	Less than 3 years	\$55
1543	(e) for a small motor vehicle:	
1544	Age of Small Motor Vehicle	Uniform Statewide Fee
1545	6 or more years	\$10
1546	3 or more years but less than 6 years	\$15

1547	Less than 3 years	\$25
1548	(f) for a street motorcycle:	
1549	Age of Street Motorcycle	Uniform Statewide Fee
1550	12 or more years	\$10
1551	9 or more years but less than 12 years	\$35
1552	6 or more years but less than 9 years	\$50
1553	3 or more years but less than 6 years	\$70
1554	Less than 3 years	\$95
1555	(g) for a travel trailer:	
1556	Age of Travel Trailer	Uniform Statewide Fee
1557	12 or more years	\$20
1558	9 or more years but less than 12 years	\$65
1559	6 or more years but less than 9 years	\$90
1560	3 or more years but less than 6 years	\$135
1561	Less than 3 years	\$175
1562	(h) \$10 regardless of the age of the vessel if the vessel is:	
1563	(i) less than 15 feet in length;	
1564	(ii) a canoe;	
1565	(iii) a jon boat; or	
1566	(iv) a utility boat;	
1567	(i) for a collapsible inflatable vessel, pontoon, or sailboat, regardless of age:	
1568	Length of Vessel	Uniform Statewide Fee
1569	15 feet or more in length but less than 19 feet in length	\$15
1570	19 feet or more in length but less than 23 feet in length	\$25
1571	23 feet or more in length but less than 27 feet in length	\$40
1572	27 feet or more in length but less than 31 feet in length	\$75
1573	(j) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,	
1574	sailboat, or utility boat, that is 15 feet or more in length but less than 19 feet in length:	
1575	Age of Vessel	Uniform Statewide Fee
1576	12 or more years	\$25
1577	9 or more years but less than 12 years	\$65

1578	6 or more years but less than 9 years	\$80
1579	3 or more years but less than 6 years	\$110
1580	Less than 3 years	\$150

1581 (k) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 1582 sailboat, or utility boat, that is 19 feet or more in length but less than 23 feet in length:

1583	Age of Vessel	Uniform Statewide Fee
1584	12 or more years	\$50
1585	9 or more years but less than 12 years	\$120
1586	6 or more years but less than 9 years	\$175
1587	3 or more years but less than 6 years	\$220
1588	Less than 3 years	\$275

1589 (l) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 1590 sailboat, or utility boat, that is 23 feet or more in length but less than 27 feet in length:

1591	Age of Vessel	Uniform Statewide Fee
1592	12 or more years	\$100
1593	9 or more years but less than 12 years	\$180
1594	6 or more years but less than 9 years	\$240
1595	3 or more years but less than 6 years	\$310
1596	Less than 3 years	\$400

1597 (m) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 1598 sailboat, or utility boat, that is 27 feet or more in length but less than 31 feet in length:

1599	Age of Vessel	Uniform Statewide Fee
1600	12 or more years	\$120
1601	9 or more years but less than 12 years	\$250
1602	6 or more years but less than 9 years	\$350
1603	3 or more years but less than 6 years	\$500
1604	Less than 3 years	\$700

1605 (4) Notwithstanding Section 59-2-407, tangible personal property subject to the
 1606 uniform statewide fees imposed by this section that is brought into the state shall, as a
 1607 condition of registration, be subject to the uniform statewide fees unless all property taxes or
 1608 uniform fees imposed by the state of origin have been paid for the current calendar year.

(5) (a) ~~[The]~~ Forty-five percent of the revenues collected in ~~[each]~~ a county from the uniform statewide fees imposed by this section shall be distributed by the county to each taxing entity that is not a school district in which each item of tangible personal property subject to the uniform statewide fees is located in the same proportion in which revenues collected from the ad valorem property tax are distributed.

(b) ~~[Each]~~ A taxing entity described in Subsection (5)(a) that receives revenues from the uniform statewide fees imposed by this section shall distribute the revenues in the same proportion in which revenues collected from the ad valorem property tax are distributed.

(c) Fifty-five percent of the revenues collected in a county from the uniform fee shall be distributed by the county to each school district within the county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of October 1 enrollment counts.

(6) (a) For purposes of the uniform statewide fee imposed by this section, the length of a vessel shall be determined as provided in this Subsection (6).

(b) (i) Except as provided in Subsection (6)(b)(ii), the length of a vessel shall be measured as follows:

(A) the length of a vessel shall be measured in a straight line; and

(B) the length of a vessel is equal to the distance between the bow of the vessel and the stern of the vessel.

(ii) Notwithstanding Subsection (6)(b)(i), the length of a vessel may not include the length of:

(A) a swim deck;

(B) a ladder;

(C) an outboard motor; or

(D) an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C) as determined by the commission by rule.

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define what constitutes an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C).

(c) The length of a vessel:

(i) (A) for a new vessel, is the length:

(I) listed on the manufacturer's statement of origin if the length of the vessel measured under Subsection (6)(b) is equal to the length of the vessel listed on the manufacturer's statement of origin; or

(II) listed on a form submitted to the commission by a dealer in accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to the length of the vessel listed on the manufacturer's statement of origin; or

(B) for a vessel other than a new vessel, is the length:

(I) corresponding to the model number if the length of the vessel measured under Subsection (6)(b) is equal to the length of the vessel determined by reference to the model number; or

(II) listed on a form submitted to the commission by an owner of the vessel in accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to the length of the vessel determined by reference to the model number; and

(ii) (A) is determined at the time of the:

(I) first registration as defined in Section 41-1a-102 that occurs on or after January 1, 2006; or

(II) first renewal of registration that occurs on or after January 1, 2006; and

(B) may be determined after the time described in Subsection (6)(c)(ii)(A) only if the commission requests that a dealer or an owner submit a form to the commission in accordance with Subsection (6)(d).

(d) (i) A form under Subsection (6)(c) shall:

(A) be developed by the commission;

(B) be provided by the commission to:

(I) a dealer; or

(II) an owner of a vessel;

(C) provide for the reporting of the length of a vessel;

(D) be submitted to the commission at the time the length of the vessel is determined in accordance with Subsection (6)(c)(~~ii~~);

(E) be signed by:

(I) if the form is submitted by a dealer, that dealer; or

(II) if the form is submitted by an owner of the vessel, an owner of the vessel; and

1671 (F) include a certification that the information set forth in the form is true.

1672 (ii) A certification made under Subsection (6)(d)(i)(F) is considered as if made under
1673 oath and subject to the same penalties as provided by law for perjury.

1674 (iii) (A) A dealer or an owner that submits a form to the commission under Subsection
1675 (6)(c) is considered to have given the dealer's or owner's consent to an audit or review by:

1676 (I) the commission;

1677 (II) the county assessor; or

1678 (III) the commission and the county assessor.

1679 (B) The consent described in Subsection (6)(d)(iii)(A) is a condition to the acceptance
1680 of any form.

1681 (7) (a) A county that collected a qualifying payment from a qualifying person during
1682 the refund period shall issue a refund to the qualifying person as described in Subsection (7)(b)
1683 if:

1684 (i) the difference described in Subsection (7)(b) is \$1 or more; and

1685 (ii) the qualifying person submitted a form in accordance with Subsections (7)(c) and
1686 (d).

1687 (b) The refund amount shall be calculated as follows:

1688 (i) for a qualifying vehicle, the refund amount is equal to the difference between:

1689 (A) the qualifying payment the qualifying person paid on the qualifying vehicle during
1690 the refund period; and

1691 (B) the amount of the statewide uniform fee:

1692 (I) for that qualifying vehicle; and

1693 (II) that the qualifying person would have been required to pay:

1694 (Aa) during the refund period; and

1695 (Bb) in accordance with this section had Laws of Utah 2006, Fifth Special Session,
1696 Chapter 3, Section 1, been in effect during the refund period; and

1697 (ii) for a qualifying watercraft, the refund amount is equal to the difference between:

1698 (A) the qualifying payment the qualifying person paid on the qualifying watercraft
1699 during the refund period; and

1700 (B) the amount of the statewide uniform fee:

1701 (I) for that qualifying watercraft;

1702 (II) that the qualifying person would have been required to pay:
1703 (Aa) during the refund period; and
1704 (Bb) in accordance with this section had Laws of Utah 2006, Fifth Special Session,
1705 Chapter 3, Section 1, been in effect during the refund period.
1706 (c) Before the county issues a refund to the qualifying person in accordance with
1707 Subsection (7)(a) the qualifying person shall submit a form to the county to verify the
1708 qualifying person is entitled to the refund.
1709 (d) (i) A form under Subsection (7)(c) or (8) shall:
1710 (A) be developed by the commission;
1711 (B) be provided by the commission to the counties;
1712 (C) be provided by the county to the qualifying person or tangible personal property
1713 owner;
1714 (D) provide for the reporting of the following:
1715 (I) for a qualifying vehicle:
1716 (Aa) the type of qualifying vehicle; and
1717 (Bb) the amount of cubic centimeters displacement;
1718 (II) for a qualifying watercraft:
1719 (Aa) the length of the qualifying watercraft;
1720 (Bb) the age of the qualifying watercraft; and
1721 (Cc) the type of qualifying watercraft;
1722 (E) be signed by the qualifying person or tangible personal property owner; and
1723 (F) include a certification that the information set forth in the form is true.
1724 (ii) A certification made under Subsection (7)(d)(i)(F) is considered as if made under
1725 oath and subject to the same penalties as provided by law for perjury.
1726 (iii) (A) A qualifying person or tangible personal property owner that submits a form to
1727 a county under Subsection (7)(c) or (8) is considered to have given the qualifying person's
1728 consent to an audit or review by:
1729 (I) the commission;
1730 (II) the county assessor; or
1731 (III) the commission and the county assessor.
1732 (B) The consent described in Subsection (7)(d)(iii)(A) is a condition to the acceptance

1733 of any form.

1734 (e) The county shall make changes to the commission's records with the information
1735 received by the county from the form submitted in accordance with Subsection (7)(c).

1736 (8) A county shall change its records regarding an item of qualifying tangible personal
1737 property if the tangible personal property owner submits a form to the county in accordance
1738 with Subsection (7)(d).

1739 (9) (a) For purposes of this Subsection (9) "owner of tangible personal property" means
1740 a person that was required to pay a uniform statewide fee:

1741 (i) during the refund period;

1742 (ii) in accordance with this section; and

1743 (iii) on an item of tangible personal property subject to the uniform statewide fees
1744 imposed by this section.

1745 (b) A county that collected revenues from uniform statewide fees imposed by this
1746 section during the refund period shall notify an owner of tangible personal property:

1747 (i) of the tangible personal property classification changes made to this section
1748 pursuant to Laws of Utah 2006, Fifth Special Session, Chapter 3, Section 1;

1749 (ii) that the owner of tangible personal property may obtain and file a form to modify
1750 the county's records regarding the owner's tangible personal property; and

1751 (iii) that the owner may be entitled to a refund pursuant to Subsection (7).

1752 Section 28. Section **59-2-405.3** is amended to read:

1753 **59-2-405.3. Uniform statewide fee on motor homes -- Distribution of revenues.**

1754 (1) For purposes of this section, "motor home" means:

1755 (a) a motor home, as defined in Section 13-14-102, that is required to be registered
1756 with the state; or

1757 (b) a self-propelled vehicle that is:

1758 (i) modified for primary use as a temporary dwelling for travel, recreational, or
1759 vacation use; and

1760 (ii) required to be registered with the state.

1761 (2) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
1762 beginning on January 1, 2006, a motor home is:

1763 (a) exempt from the tax imposed by Section 59-2-103; and

(b) in lieu of the tax imposed by Section 59-2-103, subject to a uniform statewide fee as provided in Subsection (3).

(3) The uniform statewide fee described in Subsection (2)(b) is:

(a) beginning on January 1, 2006, and ending December 31, 2007, 1.25% of the fair market value of the motor home, as established by the commission; and

(b) beginning on January 1, 2008, 1% of the fair market value of the motor home, as established by the commission.

(4) Notwithstanding Section 59-2-407, a motor home subject to the uniform statewide fee imposed by this section that is brought into the state shall, as a condition of registration, be subject to the uniform statewide fee unless all property taxes or uniform fees imposed by the state of origin have been paid for the current calendar year.

(5) (a) ~~[Each]~~ A county shall distribute 45% of the revenue collected by the county from the uniform statewide fee imposed by this section to each taxing entity that is not a school district in which each motor home subject to the uniform statewide fee is located in the same proportion in which revenue collected from the ad valorem property tax is distributed.

(b) ~~[Each]~~ A taxing entity described in Subsection (5)(a) that receives revenue from the uniform statewide fee imposed by this section shall distribute the revenue in the same proportion in which revenue collected from the ad valorem property tax is distributed.

(c) Fifty-five percent of the revenues collected in a county from the uniform fee shall be distributed by the county to each school district within the county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of October 1 enrollment counts.

(6) An appeal relating to the uniform statewide fee imposed on a motor home by this section shall be filed pursuant to Section 59-2-1005.

Section 29. Section **59-2-919.2** is enacted to read:

59-2-919.2. Property tax increases prohibited.

(1) For purposes of this section:

(a) "Calendar year taxing entity" means a taxing entity that operates under a January 1 through December 31 fiscal year.

(b) "Certified tax rate" means a taxing entity's certified tax rate calculated in accordance with Section 59-2-924.

(c) "Divided school district" means a school district from which a new school district is created in accordance with Section 53A-2-118 or 53A-2-118.1.

(d) "Fiscal year taxing entity" means a taxing entity that operates under a July 1 through June 30 fiscal year.

(e) "New school district" is as defined in Section 53A-2-117.

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

(g) "Remaining school district" is as defined in Section 53A-2-117.

(2) Except as provided in Subsection (4), for taxable years beginning on or after January 1, 2009, and ending on or before December 31, 2011, a fiscal year taxing entity may not levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate.

(3) For taxable years beginning on or after January 1, 2010, and ending on or before December 31, 2012, a calendar year taxing entity may not levy a tax rate that exceeds the calendar year taxing entity's certified tax rate.

(4) Notwithstanding Subsection (2), this section does not apply to a new school district or remaining school district for a budget set for the qualifying fiscal year.

Section 30. Section **59-2-924** is amended to read:

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

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

(a) a statement containing the aggregate valuation of all taxable real property assessed by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

(b) a statement containing the taxable value of all personal property assessed by a county assessor in accordance with Part 3, County Assessment, from the prior year end values.

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

(a) the statements described in Subsections (1)(a) and (b);

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

(c) the certified tax rate; and

1826 (d) all forms necessary to submit a tax levy request.

1827 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem

1828 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior

1829 year.

1830 (b) For purposes of this Subsection (3):

1831 (i) "Ad valorem property tax revenues" do not include:

1832 (A) collections from redemptions;

1833 (B) interest;

1834 (C) penalties; and

1835 (D) revenue received by a taxing entity from personal property that is:

1836 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1837 (II) semiconductor manufacturing equipment.

1838 (ii) "Aggregate taxable value of all property taxed" means:

1839 (A) the aggregate taxable value of all real property assessed by a county assessor in

1840 accordance with Part 3, County Assessment, for the current year;

1841 (B) the aggregate taxable year end value of all personal property assessed by a county

1842 assessor in accordance with Part 3, County Assessment, for the prior year; and

1843 (C) the aggregate taxable value of all real and personal property assessed by the

1844 commission in accordance with Part 2, Assessment of Property, for the current year.

1845 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be

1846 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the

1847 taxing entity by the amount calculated under Subsection (3)(c)(ii).

1848 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall

1849 calculate an amount as follows:

1850 (A) calculate for the taxing entity the difference between:

1851 (I) the aggregate taxable value of all property taxed; and

1852 (II) any redevelopment adjustments for the current calendar year;

1853 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an

1854 amount determined by increasing or decreasing the amount calculated under Subsection

1855 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the

1856 equalization period for the three calendar years immediately preceding the current calendar

1857 year;

1858 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the

1859 product of:

1860 (I) the amount calculated under Subsection (3)(c)(ii)(B); and

1861 (II) the percentage of property taxes collected for the five calendar years immediately

1862 preceding the current calendar year; and

1863 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an

1864 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)

1865 any new growth as defined in this section:

1866 (I) within the taxing entity; and

1867 (II) for the following calendar year:

1868 (Aa) for new growth from real property assessed by a county assessor in accordance

1869 with Part 3, County Assessment and all property assessed by the commission in accordance

1870 with Section 59-2-201, the current calendar year; and

1871 (Bb) for new growth from personal property assessed by a county assessor in

1872 accordance with Part 3, County Assessment, the prior calendar year.

1873 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all

1874 property taxed:

1875 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in

1876 Subsection (3)(b)(ii);

1877 (B) does not include the total taxable value of personal property contained on the tax

1878 rolls of the taxing entity that is:

1879 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1880 (II) semiconductor manufacturing equipment; and

1881 (C) for personal property assessed by a county assessor in accordance with Part 3,

1882 County Assessment, the taxable value of personal property is the year end value of the personal

1883 property contained on the prior year's tax rolls of the entity.

1884 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after

1885 January 1, 2007, the value of taxable property does not include the value of personal property

1886 that is:

1887 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,

1888 County Assessment; and

1889 (B) semiconductor manufacturing equipment.

1890 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after
1891 January 1, 2007, the percentage of property taxes collected does not include property taxes
1892 collected from personal property that is:

1893 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
1894 County Assessment; and

1895 (B) semiconductor manufacturing equipment.

1896 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
1897 January 1, 2009, the value of taxable property does not include the value of personal property
1898 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County
1899 Assessment.

1900 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1901 the commission may prescribe rules for calculating redevelopment adjustments for a calendar
1902 year.

1903 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1904 the commission shall make rules determining the calculation of ad valorem property tax
1905 revenues budgeted by a taxing entity.

1906 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by
1907 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are
1908 calculated for purposes of Section 59-2-913.

1909 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall
1910 be calculated as follows:

1911 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax
1912 rate is zero;

1913 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1914 (A) in a county of the first, second, or third class, the levy imposed for municipal-type
1915 services under Sections 17-34-1 and 17-36-9; and

1916 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
1917 purposes and such other levies imposed solely for the municipal-type services identified in
1918 Section 17-34-1 and Subsection 17-36-3(22); and

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

(A) school ~~[leeways]~~ levies provided for under Sections ~~[11-2-7, 53A-16-110, 53A-17a-125, 53A-17a-127,]~~ 53A-17a-133[, ~~53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103]~~ and 53A-17a-163; and

(B) levies to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1604.

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

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

(g) The ad valorem property tax revenue generated by the ~~[capital outlay]~~ board local discretionary levy described in Section ~~[53A-16-107]~~ 53A-17a-163 within a taxing entity in a county of the first class:

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

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

(4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

(ii) the taxable value of real and personal property assessed by the commission; and

(iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.

(b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the assessment roll does not include new growth as defined in Subsection (4)(c).

(c) "New growth" means:

(i) the difference between the increase in taxable value of the following property of the

1950 taxing entity from the previous calendar year to the current year:

1951 (A) real property assessed by a county assessor in accordance with Part 3, County

1952 Assessment; and

1953 (B) property assessed by the commission under Section 59-2-201; plus

1954 (ii) the difference between the increase in taxable year end value of personal property

1955 of the taxing entity from the year prior to the previous calendar year to the previous calendar

1956 year; minus

1957 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

1958 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the

1959 taxing entity does not include the taxable value of personal property that is:

1960 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county

1961 assessor in accordance with Part 3, County Assessment; and

1962 (ii) semiconductor manufacturing equipment.

1963 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

1964 (i) the amount of increase to locally assessed real property taxable values resulting

1965 from factoring, reappraisal, or any other adjustments; or

1966 (ii) the amount of an increase in the taxable value of property assessed by the

1967 commission under Section 59-2-201 resulting from a change in the method of apportioning the

1968 taxable value prescribed by:

1969 (A) the Legislature;

1970 (B) a court;

1971 (C) the commission in an administrative rule; or

1972 (D) the commission in an administrative order.

1973 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal

1974 property on the prior year's assessment roll does not include:

1975 (i) new growth as defined in Subsection (4)(c); or

1976 (ii) the total taxable year end value of personal property contained on the prior year's

1977 tax rolls of the taxing entity that is:

1978 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and

1979 (B) semiconductor manufacturing equipment.

1980 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

1981 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
 1982 auditor of:

1983 (i) its intent to exceed the certified tax rate; and

1984 (ii) the amount by which it proposes to exceed the certified tax rate.

1985 (c) The county auditor shall notify all property owners of any intent to exceed the
 1986 certified tax rate in accordance with Subsection 59-2-919(3).

1987 Section 31. Section **59-2-924.3** is amended to read:

1988 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
 1989 **district imposing a capital outlay levy in a county of the first class.**

1990 (1) As used in this section:

1991 (a) [~~"Capital outlay~~] "Board local discretionary levy increment" means the amount of
 1992 revenue equal to the difference between:

1993 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 1994 within a school district during a fiscal year; and

1995 (ii) the amount of revenue the school district received during the same fiscal year from
 1996 the distribution described in Subsection 53A-16-107.1(1).

1997 (b) "Contributing school district" means a school district in a county of the first class
 1998 that in a fiscal year receives less revenue from the distribution described in Subsection
 1999 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
 2000 within the school district of .0006 per dollar of taxable value.

2001 (c) "Receiving school district" means a school district in a county of the first class that
 2002 in a fiscal year receives more revenue from the distribution described in Subsection
 2003 53A-16-107.1(1) than it would have received during the same fiscal year from a levy imposed
 2004 within the school district of .0006 per dollar of taxable value.

2005 [~~(2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay~~
 2006 ~~certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the~~
 2007 ~~receiving school district's estimated capital outlay increment for the current fiscal year.]~~

2008 [~~(3)~~] (2) Beginning with fiscal year 2010-11, a receiving school district shall decrease
 2009 its [~~capital outlay~~] board local discretionary levy certified tax rate under Subsection
 2010 59-2-924(3)(g)(ii) by the amount required to offset the receiving school district's [~~capital~~
 2011 ~~outlay~~] estimated board local discretionary levy increment for the prior fiscal year.

[4] (3) For fiscal year ~~[2009-10]~~ 2010-11, a contributing school district is exempt from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's ~~[capital outlay]~~ board local discretionary levy certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the ~~[capital outlay]~~ board local discretionary levy described in Section ~~[53A-16-107]~~ 53A-17a-163; and

(b) the increased amount of ad valorem property tax revenue described in Subsection [4] (3)(a) is less than or equal to that contributing school district's estimated ~~[capital outlay]~~ board local discretionary increment for the current fiscal year.

[5] (4) Beginning with fiscal year ~~[2010-11]~~ 2011-12, a contributing school district is exempt from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's ~~[capital outlay]~~ board local discretionary levy certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the ~~[capital outlay]~~ board local discretionary levy described in Section ~~[53A-16-107]~~ 53A-17a-163; and

(b) the increased amount of ad valorem property tax revenue described in Subsection [5] (4)(a) is less than or equal to that contributing school district's ~~[capital outlay]~~ board local discretionary increment for the prior year.

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

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the ~~[capital outlay]~~ board local discretionary levy described in Section ~~[53A-16-107]~~ 53A-17a-163; and

(b) the increased amount of ad valorem property tax revenue described in Subsection [6] (5)(a) is less than or equal to the difference between:

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

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

~~[(7)] (6)~~ Regardless of the amount a school district receives from the revenue collected from the .0006 portion of the ~~[capital outlay]~~ board local discretionary levy required in Subsection ~~[53A-16-107(3)]~~ 53A-17a-163(4), the revenue generated within the school district from the .0006 portion of the ~~[capital outlay]~~ board local discretionary levy required in Subsection ~~[53A-16-107(3)]~~ 53A-17a-163(4) shall be considered to be budgeted ad valorem property tax revenues of the school district that levies the .0006 portion of the ~~[capital outlay]~~ board local discretionary levy for purposes of calculating the school district's certified tax rate in accordance with Subsection 59-2-924(3)(g)(ii).

Section 32. Section **59-2-924.4** is amended to read:

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

(1) As used in this section:

(a) ~~["Capital outlay"]~~ "Board local discretionary levy increment" means the amount of revenue equal to the difference between:

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

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

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

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

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

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

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

(iii) located in a qualifying divided school district.

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

(i) located within a county of the second through sixth class; and
(ii) with a new school district created under Section 53A-2-118.1 that begins to provide educational services after July 1, 2008.

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

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

(2) A receiving divided school district shall decrease its certified tax rate calculated in accordance with Section 59-2-924 by the amount required to offset the receiving divided school district's ~~[capital outlay]~~ board local discretionary levy increment for the prior fiscal year.

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

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

(b) the increased amount of ad valorem property tax revenue described in Subsection (3)(a) is less than or equal to that contributing divided school district's ~~[capital outlay]~~ board local discretionary levy increment for the prior year.

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

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

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

2105 (4)(a) is less than or equal to the difference between:

2106 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
2107 imposed within the contributing divided school district during the current taxable year; and

2108 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
2109 imposed within the contributing divided school district during the prior taxable year.

2110 (5) Regardless of the amount a school district receives from the revenue collected from
2111 the .0006 portion of the ~~[capital outlay]~~ board local discretionary levy described in Section
2112 53A-2-118.3, the revenue generated within the school district from the .0006 portion of the
2113 ~~[capital outlay]~~ board local discretionary levy described in Section 53A-2-118.3 shall be
2114 considered to be budgeted ad valorem property tax revenues of the school district that levies
2115 the .0006 portion of the capital outlay levy for purposes of calculating the school district's
2116 certified tax rate in accordance with Section 59-2-924.

2117 Section 33. Section **59-12-103** is amended to read:

2118 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
2119 **tax revenues.**

2120 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
2121 charged for the following transactions:

2122 (a) retail sales of tangible personal property made within the state;

2123 (b) amounts paid for:

2124 (i) telecommunications service, other than mobile telecommunications service, that
2125 originates and terminates within the boundaries of this state;

2126 (ii) mobile telecommunications service that originates and terminates within the
2127 boundaries of one state only to the extent permitted by the Mobile Telecommunications
2128 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

2129 (iii) an ancillary service associated with a:

2130 (A) telecommunications service described in Subsection (1)(b)(i); or

2131 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

2132 (c) sales of the following for commercial use:

2133 (i) gas;

2134 (ii) electricity;

2135 (iii) heat;

- 2136 (iv) coal;
- 2137 (v) fuel oil; or
- 2138 (vi) other fuels;
- 2139 (d) sales of the following for residential use:
- 2140 (i) gas;
- 2141 (ii) electricity;
- 2142 (iii) heat;
- 2143 (iv) coal;
- 2144 (v) fuel oil; or
- 2145 (vi) other fuels;
- 2146 (e) sales of prepared food;
- 2147 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2148 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 2149 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 2150 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 2151 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 2152 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 2153 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 2154 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 2155 exhibition, cultural, or athletic activity;
- 2156 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2157 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 2158 (i) the tangible personal property; and
- 2159 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2160 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 2161 of that tangible personal property;
- 2162 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 2163 assisted cleaning or washing of tangible personal property;
- 2164 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 2165 accommodations and services that are regularly rented for less than 30 consecutive days;
- 2166 (j) amounts paid or charged for laundry or dry cleaning services;

2167 (k) amounts paid or charged for leases or rentals of tangible personal property if within
2168 this state the tangible personal property is:

2169 (i) stored;

2170 (ii) used; or

2171 (iii) otherwise consumed;

2172 (l) amounts paid or charged for tangible personal property if within this state the
2173 tangible personal property is:

2174 (i) stored;

2175 (ii) used; or

2176 (iii) consumed;

2177 (m) amounts paid or charged for prepaid telephone calling cards; and

2178 (n) amounts paid or charged for a sale:

2179 (i) (A) of a product that:

2180 (I) is transferred electronically; and

2181 (II) would be subject to a tax under this chapter if the product was transferred in a
2182 manner other than electronically; or

2183 (B) of a repair or renovation of a product that:

2184 (I) is transferred electronically; and

2185 (II) would be subject to a tax under this chapter if the product was transferred in a
2186 manner other than electronically; and

2187 (ii) regardless of whether the sale provides:

2188 (A) a right of permanent use of the product; or

2189 (B) a right to use the product that is less than a permanent use, including a right:

2190 (I) for a definite or specified length of time; and

2191 (II) that terminates upon the occurrence of a condition.

2192 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
2193 is imposed on a transaction described in Subsection (1) equal to the sum of:

2194 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

2195 (A) [~~4.70%~~] 6.15%; and

2196 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
2197 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

2198 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
2199 State Sales and Use Tax Act; and

2200 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
2201 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
2202 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
2203 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2204 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2205 transaction under this chapter other than this part.

2206 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
2207 on a transaction described in Subsection (1)(d) equal to the sum of:

2208 (i) a state tax imposed on the transaction at a tax rate of 2%; and

2209 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2210 transaction under this chapter other than this part.

2211 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
2212 on amounts paid or charged for food and food ingredients equal to the sum of:

2213 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
2214 a tax rate of 1.75%; and

2215 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2216 amounts paid or charged for food and food ingredients under this chapter other than this part.

2217 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
2218 tangible personal property other than food and food ingredients, a state tax and a local tax is
2219 imposed on the entire bundled transaction equal to the sum of:

2220 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2221 (I) the tax rate described in Subsection (2)(a)(i)(A); and

2222 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
2223 Sales and Use Tax Act, if the location of the transaction as determined under Sections
2224 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
2225 Additional State Sales and Use Tax Act; and

2226 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
2227 Sales and Use Tax Act, if the location of the transaction as determined under Sections
2228 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

(ii) Subject to Subsection (2)(d)(iii), for a bundled transaction other than a bundled transaction described in Subsection (2)(d)(i):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iii) For purposes of Subsection (2)(d)(ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(e) Subject to Subsections (2) (f) and (g), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i);

(iii) Subsection (2)(c)(i); or

(iv) Subsection (2)(d)(i)(A)(I).

(f) (i) A tax rate increase shall take effect on the first day of the first billing period that

2260 begins after the effective date of the tax rate increase if the billing period for the transaction
2261 begins before the effective date of a tax rate increase imposed under:

- 2262 (A) Subsection (2)(a)(i)(A);
- 2263 (B) Subsection (2)(b)(i);
- 2264 (C) Subsection (2)(c)(i); or
- 2265 (D) Subsection (2)(d)(i)(A)(I).

2266 (ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last
2267 billing period that began before the effective date of the repeal of the tax or the tax rate
2268 decrease if the billing period for the transaction begins before the effective date of the repeal of
2269 the tax or the tax rate decrease imposed under:

- 2270 (A) Subsection (2)(a)(i)(A);
- 2271 (B) Subsection (2)(b)(i);
- 2272 (C) Subsection (2)(c)(i); or
- 2273 (D) Subsection (2)(d)(i)(A)(I).

2274 (g) (i) For a tax rate described in Subsection (2) (g)(ii), if a tax due on a catalogue sale
2275 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
2276 or change in a tax rate takes effect:

- 2277 (A) on the first day of a calendar quarter; and
- 2278 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

2279 (ii) Subsection (2) (g)(i) applies to the tax rates described in the following:

- 2280 (A) Subsection (2)(a)(i)(A);
- 2281 (B) Subsection (2)(b)(i);
- 2282 (C) Subsection (2)(c)(i); or
- 2283 (D) Subsection (2)(d)(i)(A)(I).

2284 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
2285 the commission may by rule define the term "catalogue sale."

2286 (3) (a) The following state taxes shall be deposited into the General Fund:

- 2287 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 2288 (ii) the tax imposed by Subsection (2)(b)(i);
- 2289 (iii) the tax imposed by Subsection (2)(c)(i); or
- 2290 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

2291 (b) The following local taxes shall be distributed to a county, city, or town as provided
2292 in this chapter:

- 2293 (i) the tax imposed by Subsection (2)(a)(ii);
- 2294 (ii) the tax imposed by Subsection (2)(b)(ii);
- 2295 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 2296 (iv) the tax imposed by Subsection (2)(d)(i)(B).

2297 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2298 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
2299 through (g):

2300 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

- 2301 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 2302 (B) for the fiscal year; or

2303 (ii) \$17,500,000.

2304 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
2305 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
2306 Department of Natural Resources to:

2307 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
2308 protect sensitive plant and animal species; or

2309 (B) award grants, up to the amount authorized by the Legislature in an appropriations
2310 act, to political subdivisions of the state to implement the measures described in Subsections
2311 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

2312 (ii) Money transferred to the Department of Natural Resources under Subsection
2313 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
2314 person to list or attempt to have listed a species as threatened or endangered under the
2315 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2316 (iii) At the end of each fiscal year:

2317 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2318 Conservation and Development Fund created in Section 73-10-24;

2319 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2320 Program Subaccount created in Section 73-10c-5; and

2321 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

2322 Program Subaccount created in Section 73-10c-5.

2323 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2324 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
2325 created in Section 4-18-6.

2326 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
2327 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
2328 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
2329 water rights.

2330 (ii) At the end of each fiscal year:

2331 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2332 Conservation and Development Fund created in Section 73-10-24;

2333 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2334 Program Subaccount created in Section 73-10c-5; and

2335 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2336 Program Subaccount created in Section 73-10c-5.

2337 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2338 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
2339 Fund created in Section 73-10-24 for use by the Division of Water Resources.

2340 (ii) In addition to the uses allowed of the Water Resources Conservation and
2341 Development Fund under Section 73-10-24, the Water Resources Conservation and
2342 Development Fund may also be used to:

2343 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2344 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2345 quantifying surface and ground water resources and describing the hydrologic systems of an
2346 area in sufficient detail so as to enable local and state resource managers to plan for and
2347 accommodate growth in water use without jeopardizing the resource;

2348 (B) fund state required dam safety improvements; and

2349 (C) protect the state's interest in interstate water compact allocations, including the
2350 hiring of technical and legal staff.

2351 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2352 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount

2353 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2354 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2355 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
2356 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2357 (i) provide for the installation and repair of collection, treatment, storage, and
2358 distribution facilities for any public water system, as defined in Section 19-4-102;

2359 (ii) develop underground sources of water, including springs and wells; and

2360 (iii) develop surface water sources.

2361 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2362 2006, the difference between the following amounts shall be expended as provided in this
2363 Subsection (5), if that difference is greater than \$1:

2364 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
2365 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

2366 (ii) \$17,500,000.

2367 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2368 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
2369 credits; and

2370 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2371 restoration.

2372 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2373 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
2374 created in Section 73-10-24.

2375 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2376 remaining difference described in Subsection (5)(a) shall be:

2377 (A) transferred each fiscal year to the Division of Water Resources as dedicated
2378 credits; and

2379 (B) expended by the Division of Water Resources for cloud-seeding projects
2380 authorized by Title 73, Chapter 15, Modification of Weather.

2381 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2382 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
2383 created in Section 73-10-24.

(d) After making the transfers required by Subsections (5)(b) and (c), 94% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) Any unexpended monies described in Subsection (5)(d) that remain in the Water Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

(f) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.

(g) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in the Transportation Fund created by Section 72-2-102.

(7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies, beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed

2415 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
2416 transactions under Subsection (1).

2417 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
2418 have been paid off and the highway projects completed that are intended to be paid from
2419 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
2420 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
2421 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
2422 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
2423 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2424 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
2425 Subsection (7)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
2426 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund
2427 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
2428 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a
2429 portion of the approximately 17% of sales and use tax revenues generated annually by the sales
2430 and use tax on vehicles and vehicle-related products:

- 2431 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 2432 (ii) the tax imposed by Subsection (2)(b)(i);
- 2433 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2434 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

2435 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
2436 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
2437 highway projects completed that are intended to be paid from revenues deposited in the
2438 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
2439 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
2440 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
2441 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
2442 which represents a portion of the approximately 17% of sales and use tax revenues generated
2443 annually by the sales and use tax on vehicles and vehicle-related products:

- 2444 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 2445 (ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

(9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

(b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal year beginning on or after July 1, 2009, the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

(c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2008-09, \$915,000 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

(11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).

(ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).

(b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii), and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general

obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).

(ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).

(12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1) to be expended to address chokepoints in construction management.

(b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into the Transportation Fund any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).

(13) (a) Notwithstanding Subsection (3)(a), beginning on July 1, 2010, the Division of Finance shall deposit into the Uniform School Fund a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1.45% tax rate on the taxable transactions under Subsection (1).

(b) For purposes of this Subsection (13), taxable transactions under Subsection (1) do not include:

(i) taxable transactions on a transaction described in Subsection (1)(d); or

(ii) the amounts paid or charged for food and food ingredients.

(c) The revenue deposited into the Uniform School Fund under Subsection (13)(a) shall be allocated to school districts in accordance with Section 53A-17a-164.

2508 Section 34. Section **59-12-1201** is amended to read:

2509 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
2510 **collection, and enforcement of tax -- Administrative fee -- Deposits.**

2511 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all
2512 short-term leases and rentals of motor vehicles not exceeding 30 days.

2513 (b) The tax imposed in this section is in addition to all other state, county, or municipal
2514 fees and taxes imposed on rentals of motor vehicles.

2515 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
2516 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

2517 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
2518 take effect on the first day of the first billing period:

2519 (A) that begins after the effective date of the tax rate increase; and

2520 (B) if the billing period for the transaction begins before the effective date of a tax rate
2521 increase imposed under Subsection (1).

2522 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
2523 rate decrease shall take effect on the first day of the last billing period:

2524 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
2525 and

2526 (B) if the billing period for the transaction begins before the effective date of the repeal
2527 of the tax or the tax rate decrease imposed under Subsection (1).

2528 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

2529 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

2530 (b) the motor vehicle is rented as a personal household goods moving van; or

2531 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
2532 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
2533 insurance agreement.

2534 (4) (a) (i) The tax authorized under this section shall be administered, collected, and
2535 enforced in accordance with:

2536 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
2537 Tax Collection; and

2538 (B) Chapter 1, General Taxation Policies.

2539 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
2540 Subsections 59-12-103(4) through ~~(9)~~ (13) or Section 59-12-107.1 or 59-12-123.

2541 (b) The commission may retain a maximum of 1-1/2% of the tax collected under this
2542 section for the costs of rendering its services under this section.

2543 (c) Except as provided under Subsection (4)(b), all revenue received by the
2544 commission under this section shall be deposited daily with the state treasurer and credited
2545 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section
2546 72-2-117.

2547 Section 35. Section **63G-7-704** is amended to read:

2548 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**
2549 **or insurance premiums.**

2550 (1) For purposes of this section, "political subdivision" does not include a school
2551 district.

2552 ~~[(1)]~~ (2) Notwithstanding any provision of law to the contrary, a political subdivision
2553 may levy an annual property tax sufficient to pay:

2554 (a) any claim, settlement, or judgment;

2555 (b) the costs to defend against any claim, settlement, or judgment; or

2556 (c) for the establishment and maintenance of a reserve fund for the payment of claims,
2557 settlements, or judgments that may be reasonably anticipated.

2558 ~~[(2)]~~ (3) (a) The payments authorized to pay for punitive damages or to pay the
2559 premium for authorized insurance is money spent for a public purpose within the meaning of
2560 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the
2561 maximum levy as otherwise restricted by law is exceeded.

2562 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable
2563 property.

2564 (c) The revenues derived from this levy may not be used for any purpose other than
2565 those specified in this section.

2566 Section 36. **Repealer.**

2567 This bill repeals:

2568 Section **53A-16-107, Capital outlay levy -- Maintenance of school facilities --**
2569 **Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**

2570 Section **53A-16-110**, Special tax to buy school building sites, build and furnish
2571 schoolhouses, or improve school property.
2572 Section **53A-16-111**, Payment of judgments and warrants -- Special tax.
2573 Section **53A-17a-134**, Board-approved leeway -- Purpose -- State support --
2574 **Disapproval.**
2575 Section **53A-17a-145**, Additional levy by district for debt service, school sites,
2576 buildings, buses, textbooks, and supplies.
2577 Section **53A-17a-151**, Board leeway for reading improvement.
2578 Section **53A-21-101.5**, Definitions.
2579 Section **53A-21-201**, Capital Outlay Foundation Program -- Creation --
2580 **Definitions.**
2581 Section **53A-21-202**, Capital Outlay Foundation Program -- Distribution formulas
2582 -- Allocations.
2583 Section 37. **Effective date -- Retrospective operation.**
2584 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2010.
2585 (2) Section 59-2-919.2 has retrospective operation for a taxable year beginning on or
2586 after January 1, 2009.

Legislative Review Note
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Office of Legislative Research and General Counsel