

**Representative Gregory H. Hughes** proposes the following substitute bill:

**PROPERTY TAX AMENDMENTS**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Merlynn T. Newbold**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions in the Minimum School Program Act and the Property 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;
- ▶ increases the statewide minimum basic tax rate;
- ▶ requires the Legislature to increase the value of the weighted pupil unit for purposes of determining school districts' income tax funding by an amount equal to the amount of revenue generated statewide by the increase in the minimum basic levy rate;
- ▶ creates a local school district discretionary levy and a capital discretionary levy;
- ▶ sets the tax rates for the local school district discretionary levy and the capital discretionary levy for the first taxable year;
- ▶ provides procedures for setting the certified tax rates for the levies 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;



- 26           ▶ repeals provisions that require a school district in a county of the first class or in a
- 27 divided school district to levy a property tax of at least .0006 per dollar of taxable
- 28 value;
- 29           ▶ defines terms; and
- 30           ▶ makes technical changes.

**31 Monies Appropriated in this Bill:**

32           None

**33 Other Special Clauses:**

34           This bill takes effect on January 1, 2010.

**35 Utah Code Sections Affected:**

36 AMENDS:

- 37           **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30
- 38           **11-13-302**, as last amended by Laws of Utah 2008, Chapters 236 and 382
- 39           **20A-1-203**, as last amended by Laws of Utah 2008, Chapter 16
- 40           **53A-1a-106**, as last amended by Laws of Utah 2003, Chapter 221
- 41           **53A-1a-513**, as last amended by Laws of Utah 2008, Chapters 382 and 397
- 42           **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236
- 43           **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236
- 44           **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297
- 45           **53A-2-206**, as last amended by Laws of Utah 2008, Chapter 382
- 46           **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233
- 47           **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72
- 48           **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397
- 49           **53A-17a-105**, as last amended by Laws of Utah 2008, Chapter 382
- 50           **53A-17a-127**, as last amended by Laws of Utah 2008, Chapter 397
- 51           **53A-17a-133**, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236
- 52           **53A-17a-135**, as last amended by Laws of Utah 2008, Chapter 1
- 53           **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
- 54           **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
- 55           **53A-21-101.5**, as enacted by Laws of Utah 2008, Chapter 236
- 56           **59-2-924**, as last amended by Laws of Utah 2008, Chapters 61, 118, 231, 236, 330, 360,

57 and 382

58 **59-2-926**, as last amended by Laws of Utah 2008, Chapter 330

59 **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382

60 ENACTS:

61 **53A-17a-163**, Utah Code Annotated 1953

62 **53A-17a-164**, Utah Code Annotated 1953

63 REPEALS:

64 **53A-2-118.3**, as enacted by Laws of Utah 2008, Chapter 236

65 **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236

66 **53A-16-107.1**, as enacted by Laws of Utah 2008, Chapter 236

67 **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236

68 **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2

69 **53A-17a-134**, as last amended by Laws of Utah 2008, Chapter 231

70 **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72

71 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305

72 **59-2-924.3**, as enacted by Laws of Utah 2008, Chapter 236

73 **59-2-924.4**, as enacted by Laws of Utah 2008, Chapter 236



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

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

77 **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**  
78 **of television owners and users -- Collection of license fees.**

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

84 (2) In areas so remote from regular transmission points of the large television stations  
85 that television reception is impossible without special equipment and adequate, economical and  
86 proper television is not available to the public by private sources, said local authorities may  
87 also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain

88 television transmission and relay facilities, all users or owners of television sets within the  
89 jurisdiction of said local authorities, and may provide for the collection of the license fees by  
90 suit or otherwise and may also enforce obedience to such ordinances with such fine and  
91 imprisonment as the local authorities [~~deem~~] consider proper; provided that the punishment for  
92 any violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment  
93 not exceeding one day for each \$5.00 of said fine, if the fine is not paid.

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

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

97 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
98 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

99 (1) (a) Each project entity created under this chapter that owns a project and that sells  
100 any capacity, service, or other benefit from it to an energy supplier or suppliers whose tangible  
101 property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad  
102 valorem property tax, shall pay an annual fee in lieu of ad valorem property tax as provided in  
103 this section to each taxing jurisdiction within which the project or any part of it is located.

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

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

107 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
108 impact alleviation payments under contracts or determination orders provided for in Sections  
109 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the  
110 candidate in which the date of commercial operation of the last generating unit, other than any  
111 generating unit providing additional project capacity, of the project occurs, or, in the case of  
112 any facilities providing additional project capacity, with the fiscal year of the candidate  
113 following the fiscal year of the candidate in which the date of commercial operation of the  
114 generating unit providing the additional project capacity occurs; and

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

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

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

124 (i) a levy mandated by the state for the state minimum school program under Section  
125 53A-17a-135; and

126 (ii) local levies for capital outlay, maintenance, transportation, and other purposes  
127 under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127,~~  
128 ~~53A-17a-133~~, ~~53A-17a-134, 53A-17a-143, and 53A-17a-145~~], 53A-17a-163, and  
129 53A-17a-164.

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

131 (i) the project entity shall pay to the school district an annual fee for the state minimum  
132 school program at the rate imposed by the school district and authorized by the Legislature  
133 under Subsection 53A-17a-135(1); and

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

136 (A) an annual fee; or

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

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

144 (b) As used in this section, "tax rate," when applied in respect to a school district,  
145 includes any assessment to be made by the school district under Subsection (2) or Section  
146 63M-5-302.

147 (c) There is to be credited against the annual fee due a taxing jurisdiction for each year,  
148 an amount equal to the debt service, if any, payable in that year by the project entity on bonds,  
149 the proceeds of which were used to provide public facilities and services for impact alleviation

150 in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

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

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

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

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

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

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

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

164 (A) the project entity; and

165 (B) any county that:

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

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

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

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

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

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

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

- 181 (I) for that year; and
- 182 (II) using the same measure of value as is used for taxable property in the state.
- 183 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax  
184 Commission in accordance with rules made by the State Tax Commission.
- 185 (c) Payments of the annual fees shall be made from:
  - 186 (i) the proceeds of bonds issued for the project; and
  - 187 (ii) revenues derived by the project entity from the project.
- 188 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or  
189 other benefits of the project whose tangible property is not exempted by Utah Constitution  
190 Article XIII, Section 3, from the payment of ad valorem property tax shall require each  
191 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,  
192 its share, determined in accordance with the terms of the contract, of these fees.
  - 193 (ii) It is the responsibility of the project entity to enforce the obligations of the  
194 purchasers.
- 195 (5) (a) The responsibility of the project entity to make payment of the annual fees is  
196 limited to the extent that there is legally available to the project entity, from bond proceeds or  
197 revenues, monies to make these payments, and the obligation to make payments of the annual  
198 fees is not otherwise a general obligation or liability of the project entity.
- 199 (b) No tax lien may attach upon any property or money of the project entity by virtue of  
200 any failure to pay all or any part of an annual fee.
- 201 (c) The project entity or any purchaser may contest the validity of an annual fee to the  
202 same extent as if the payment was a payment of the ad valorem property tax itself.
- 203 (d) The payments of an annual fee shall be reduced to the extent that any contest is  
204 successful.
- 205 (6) (a) The annual fee described in Subsection (1):
  - 206 (i) shall be paid by a public agency that:
    - 207 (A) is not a project entity; and
    - 208 (B) owns an interest in a facility providing additional project capacity if the interest is  
209 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and
  - 210 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in  
211 accordance with Subsection (6)(b).

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

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

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

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

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

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

225 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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

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



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

245 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - [~~Procedure~~]  
 246 Procedures;

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

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

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

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

254 (viii) an election of town officers of a newly incorporated town under Subsection  
 255 10-2-125(9).

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

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

259 (ii) the purpose for the local special election.

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

261 **53A-1a-106. School district and individual school powers.**

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

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

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

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

272 (iii) implement a public school choice program to give parents, students, and teachers  
 273 greater flexibility in designing and choosing among programs with different focuses through

274 schools within the same district and other districts, subject to space availability, demographics,  
275 and legal and performance criteria;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

306 **53A-1a-513. Funding for charter schools.**

307 (1) As used in this section:

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

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

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

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

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

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

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

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

322 53A-17a-163; and

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

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

325 [~~(E)~~] (C) a capital [~~outlay~~] discretionary levy imposed under Section [~~53A-16-107]~~

326 53A-17a-164; and

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

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

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

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

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

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

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

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

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

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

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

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

349 (i) .55 for kindergarten pupils;

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

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

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

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

356 (A) district per pupil local revenues; or

357 (B) charter school students' average local revenues.

358 (ii) For the purpose of allocating school district revenues under Subsection (4)(a)(i), a  
359 kindergarten student who is enrolled in less than a full-day kindergarten program is weighted as  
360 .55 of a student.

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

363 (b) The State Board of Education shall:

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

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

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

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

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

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

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

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

382 (B) statewide average debt service revenues.

383 (iii) If the total of a school district's allocation for a charter school student under  
384 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than  
385 \$1427, the state shall provide an additional supplement so that a charter school receives at least  
386 \$1427 per student under this Subsection (4).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

421 Section 6. Section **53A-2-114** is amended to read:

422 **53A-2-114. Additional levies -- School board options to abolish or continue after**  
423 **consolidation.**

424 (1) If a school district which has approved an additional levy under Section  
425 [~~53A-16-110,~~ 53A-17a-133[, ~~53A-17a-134,~~ or ~~53A-17a-145~~] or 53A-17a-163 is consolidated  
426 with a district which does not have such a levy, the board of education of the consolidated  
427 district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated  
428 district.

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

432 Section 7. Section **53A-2-115** is amended to read:

433 **53A-2-115. Additional levies in transferred territory -- Transferee board option**  
 434 **to abolish or continue.**

435 If two or more districts undergo restructuring that results in a district receiving territory  
 436 that increases the population of the district by at least 25%, and if the transferred territory was,  
 437 at the time of transfer, subject to an additional levy under Section [~~53A-16-110~~;  
 438 53A-17a-133[, ~~53A-17a-134~~, or ~~53A-17a-145~~] or 53A-17a-163, the board of education of the  
 439 transferee district may abolish the levy or apply the levy in whole or in part to the entire  
 440 restructured district. Any such levy made applicable to the entire district may continue in force  
 441 for no more than five years, unless approved by the electors of the restructured district in the  
 442 manner set forth in Section [~~53A-16-110~~] 53A-17a-133.

443 Section 8. Section **53A-2-118.2** is amended to read:

444 **53A-2-118.2. New school district property tax -- Limitations.**

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

448 (b) The remaining school district retains authority to impose property taxes on the  
 449 existing school district, including the territory of the new school district, until the fiscal year in  
 450 which the new school district assumes responsibility for providing student instruction.

451 (2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1  
 452 assumes responsibility for student instruction any portion of the territory within the new school  
 453 district was subject to a levy pursuant to Section [~~53A-16-110 or~~] 53A-17a-133 or  
 454 53A-17a-163, the new school district's board may:

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

456 (ii) impose a levy on the new school district as provided in Section [~~53A-16-110 or~~]  
 457 53A-17a-133 or 53A-17a-163; or

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

459 (b) If the new school district's board applies a levy to the new school district pursuant

460 to Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by  
461 the voters of the existing district or districts at the time of the vote to create the new school  
462 district.

463 Section 9. Section **53A-2-206** is amended to read:

464 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**  
465 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**  
466 **student agencies.**

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

470 (a) a student enrolled under an interstate compact, established between the State Board  
471 of Education and the state education authority of another state, under which a student from one  
472 compact state would be permitted to enroll in a public school in the other compact state on the  
473 same basis as a resident student of the receiving state; or

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

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

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

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

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

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

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

490 (A) the number of foreign exchange students enrolled in public schools in the state on



491 October 1 of the previous fiscal year; or

492 (B) 328 foreign exchange students.

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

497 (d) Notwithstanding Sections 53A-17a-133 [~~and 53A-17a-134~~] or 53A-17a-163,  
498 weighted pupil units in the grades 1-12 basic program for foreign exchange students, as  
499 determined by Subsections (2)(b) and (c), may not be included for the purposes of determining  
500 a school district's state guarantee money under the voted [~~or board leeway programs~~] local  
501 discretionary levy or board local discretionary levy.

502 (e) Notwithstanding Section 53A-17a-125, foreign exchange students may not be  
503 included in enrollment when calculating student growth for the purpose of adjusting the annual  
504 appropriation for retirement and Social Security.

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

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

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

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

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

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

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

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

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

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

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

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

534 (vi) that each exchange student will be given in the exchange student's native language  
535 names and telephone numbers of agency representatives and others who could be called at any  
536 time if a serious problem occurs; and

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

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

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

546 Section 10. Section **53A-2-214** is amended to read:

547 **53A-2-214. Online students' participation in extracurricular activities.**

548 (1) As used in this section:

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

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

552 (i) participates in an online education program sponsored or supported by the State

553 Board of Education, a school district, or charter school; and  
554 (ii) generates funding for the school district or school pursuant to Subsection  
555 53A-17a-103[~~(5)~~](4) and rules of the State Board of Education.

556 (2) An online student is eligible to participate in extracurricular activities at:  
557 (a) the school within whose attendance boundaries the student's custodial parent or  
558 legal guardian resides; or  
559 (b) the public school from which the student withdrew for the purpose of participating  
560 in an online education program.

561 (3) A school other than a school described in Subsection (2)(a) or (b) may allow an  
562 online student to participate in extracurricular activities other than:  
563 (a) interschool competitions of athletic teams sponsored and supported by a public  
564 school; or  
565 (b) interschool contests or competitions for music, drama, or forensic groups or teams  
566 sponsored and supported by a public school.

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

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

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

574 (b) The rules shall provide that:  
575 (i) online school students pay the same fees as other students to participate in  
576 extracurricular activities;  
577 (ii) online school students are eligible for fee waivers pursuant to Section 53A-12-103;  
578 (iii) for each online school student who participates in an extracurricular activity at a  
579 school district school, the online school shall pay a share of the school district's costs for the  
580 extracurricular activity; and  
581 (iv) an online school's share of the costs of an extracurricular activity shall reflect state  
582 and local tax revenues expended, except capital facilities expenditures, for an extracurricular  
583 activity in a school district or school divided by total student enrollment of the school district

584 or school.

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

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

591 Section 11. Section **53A-3-415** is amended to read:

592 **53A-3-415. School board policy on detaining students after school.**

593 (1) Each local school board shall establish a policy on detaining students after regular  
594 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]  
595 53A-11-901.

596 (2) The policy shall apply to elementary school students, grades kindergarten through  
597 six. The board shall receive input from teachers, school administrators, and parents and  
598 guardians of the affected students before adopting the policy.

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

602 Section 12. Section **53A-17a-103** is amended to read:

603 **53A-17a-103. Definitions.**

604 As used in this chapter:

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

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

611 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
612 previous year from imposing a minimum basic tax rate, as specified in Subsection  
613 53A-17a-135(1)[~~(a)~~]; and

614 (ii) the product of:

615 (A) new growth, as defined in:  
616 (I) Section 59-2-924; and  
617 (II) rules of the State Tax Commission; and  
618 (B) the minimum basic tax rate certified by the State Tax Commission for the previous  
619 year.

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

622 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County  
623 Assessment; and  
624 (ii) semiconductor manufacturing equipment.

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

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

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

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

633 [~~(3) "Leeway program" or "leeway" means a state-supported voted leeway program or  
634 board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.~~]

635 [~~(4)~~ (3) "Pupil in average daily membership (ADM)" means a full-day equivalent  
636 pupil.

637 [~~(5)~~ (4) (a) "State-supported minimum school program" or "minimum school  
638 program" means public school programs for kindergarten, elementary, and secondary schools  
639 as described in this Subsection [~~(5)~~ (4).

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

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

644 (ii) Education, enhanced by utilization of technologically enriched delivery systems,  
645 when approved by local school boards, shall receive full support by the State Board of

646 Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing  
647 commercial advertising.

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

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

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

651 ~~[(6)]~~ (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of  
652 factors that is computed in accordance with this chapter for the purpose of determining the  
653 costs of a program on a uniform basis for each district.

654 Section 13. Section **53A-17a-105** is amended to read:

655 **53A-17a-105. Action required for underestimated or overestimated weighted**  
656 **pupil units -- Action required for underestimating or overestimating local contributions.**

657 (1) If the number of weighted pupil units in a program is underestimated in Section  
658 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so  
659 that the amount paid does not exceed the estimated amount by program.

660 (2) If the number of weighted pupil units in a program is overestimated in Section  
661 53A-17a-104, the state superintendent of public instruction shall either increase the amount  
662 paid in that program per weighted pupil unit or transfer the unused amount in that program to  
663 another program included in the minimum school program.

664 (3) (a) If surplus funds are transferred to another program, the state superintendent, if  
665 the state superintendent determines certain districts have greater need for additional funds, may  
666 designate the districts as well as the programs to which the transferred funds will be allocated.

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

669 (4) The limitation on the proceeds from local tax rates for ~~[operation and maintenance]~~  
670 all programs under this chapter is subject to modification by local school boards under Sections  
671 53A-17a-133 and ~~[53A-17a-134]~~ 53A-17a-163 and to special tax rates authorized by this  
672 chapter, and shall be adjusted accordingly.

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

676 (6) (a) If local contributions from the basic tax rate ~~[for operation and maintenance~~

677 ~~programs]~~ are underestimated, the excess is applied;

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

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

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

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

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

693 Section 14. Section **53A-17a-127** is amended to read:

694 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**  
695 **routes -- Additional local tax.**

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

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

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

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

705 (2) If a school district implements double sessions as an alternative to new building  
706 construction, with the approval of the State Board of Education, those affected elementary  
707 school students residing less than 1-1/2 miles from school may be transported one way to or

708 from school because of safety factors relating to darkness or other hazardous conditions as  
709 determined by the local school board.

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

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

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

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

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

717 (b) The State Board of Education shall distribute appropriated transportation funds  
718 based on the prior year's eligible transportation costs as legally reported under Subsection  
719 53A-17a-126(3).

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

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

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

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

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

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

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

737 ~~[(b) A local school board may use revenue from the tax to pay for transporting~~  
738 ~~participating students to interscholastic activities, night activities, and educational field trips~~



739 approved by the board and for the replacement of school buses.]

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

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

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

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

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

752 Section 15. Section **53A-17a-133** is amended to read:

753 **53A-17a-133. Voted local discretionary levy -- Election requirements -- State**  
754 **guarantee -- Reconsideration of levy authorization.**

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

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

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

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

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

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

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

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

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

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

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

787 (4) (a) An election to modify ~~[an]~~ existing ~~[voted leeway program]~~ authority to impose  
788 a voted local discretionary levy is not a reconsideration of the existing ~~[program]~~ authority  
789 unless the proposition submitted to the electors expressly so states.

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

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

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

799 (5) Notwithstanding Section 59-2-918, a school district may budget an increased  
800 amount of ad valorem property tax revenue derived from a voted ~~[leeway]~~ local discretionary

801 levy imposed under this section in addition to revenue from new growth as defined in  
802 Subsection 59-2-924(4), without having to comply with the advertisement requirements of  
803 Section 59-2-918, if:

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

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

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

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

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

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

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

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

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

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

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

831 "A vote in favor of this tax means that (name of the school district) may increase

832 revenue from this property tax without advertising the increase for the next five years."

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

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

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

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

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

844 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or  
845 after January 1, 2010, a school district may levy a tax rate in accordance with this section  
846 without complying with the requirements of Subsections (8)(a) and (b) if the school district  
847 imposed a tax in accordance with this section at any time during the taxable year beginning on  
848 January 1, 2009 and ending on December 31, 2009.

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

852 Section 16. Section **53A-17a-135** is amended to read:

853 **53A-17a-135. Minimum basic tax rate.**

854 (1) (a) ~~[In]~~ Except as provided in Subsection (1)(b), in order to qualify for receipt of  
855 the state contribution toward the basic program and as its contribution toward its costs of the  
856 basic program, each school district shall impose a minimum basic tax rate of .00200 per dollar  
857 of taxable value [that generates \$260,731,750 in revenues statewide].

858 ~~[(b) The preliminary estimate for the 2008-09 minimum basic tax rate is .00125.]~~

859 ~~[(c) The State Tax Commission shall certify on or before June 22 the rate that~~  
860 ~~generates \$260,731,750 in revenues statewide.]~~

861 ~~[(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in~~  
862 ~~Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.]~~

863 (b) Notwithstanding Subsection (1)(a), for a calendar year beginning on or after  
864 January 1, 2011, the minimum basic tax rate per dollar of taxable value shall be the greater of:

865 (i) .00200 per dollar of taxable value; or

866 (ii) the certified revenue levy for that calendar year as defined in Section 53A-17a-103.

867 (2) (a) The state shall contribute to each district toward the cost of the basic program in  
868 the district that portion which exceeds the proceeds of the levy authorized under Subsection  
869 (1).

870 (b) In accord with the state strategic plan for public education and to fulfill its  
871 responsibility for the development and implementation of that plan, the Legislature instructs  
872 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each  
873 of the coming five years to develop budgets that will fully fund student enrollment growth.

874 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the  
875 cost of the basic program in a school district, no state contribution shall be made to the basic  
876 program.

877 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of  
878 the basic program shall be paid into the Uniform School Fund as provided by law.

879 (4) For fiscal year 2010-11, the Legislature shall increase the dollar amount described  
880 in Subsection 53A-17a-103(1) by an amount equal to the difference between:

881 (a) the amount of revenue generated statewide from the imposition of the minimum  
882 basic tax rate of .00200 per dollar of taxable value during calendar year 2010; and

883 (b) the amount of revenue that would have been generated from the imposition of the  
884 certified revenue levy statewide for the same calendar year.

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

886 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**  
887 **allocations from the Federal Impact Aid Program.**

888 (1) In addition to the revenues received from the levy imposed by each school district  
889 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~  
890 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between  
891 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~  
892 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this  
893 source for the next preceding fiscal year.

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

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

898 ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from  
 899 ~~[this special tax rate plus allocation from Public Law 81-874]~~ a distribution from the  
 900 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal  
 901 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from  
 902 ~~[Public Law 81-874]~~ the Federal Impact Aid Program for the next preceding fiscal year, the  
 903 excess funds are carried into the next succeeding fiscal year and become in that year a part of  
 904 the district's contribution to its basic program for operation and maintenance under the state  
 905 minimum school finance law.

906 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be  
 907 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's  
 908 required contribution to its basic program.

909 ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state  
 910 minimum school program funds as though the reduction in the tax rate had not been made.

911 Section 18. Section **53A-17a-150** is amended to read:

912 **53A-17a-150. K-3 Reading Improvement Program.**

913 (1) As used in this section:

914 (a) "Program" means the K-3 Reading Improvement Program~~[-and]~~.

915 (b) "Program monies" means:

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

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

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

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

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

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

- 928 (i) assessment;
- 929 (ii) intervention strategies;
- 930 (iii) professional development;
- 931 (iv) reading performance standards; and
- 932 (v) specific measurable goals that are based upon gain scores.

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

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

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

- 939 (a) the Base Level Program;
- 940 (b) the Guarantee Program; and
- 941 (c) the Low Income Students Program.

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

- 944 (a) 8% to the Base Level Program;
- 945 (b) 46% to the Guarantee Program; and
- 946 (c) 46% to the Low Income Students Program.

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

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

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

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

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

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

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

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

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

972 (d) To fully participate in the Low Income Students Program, a school district shall~~[-~~  
973 ~~(i) levy a tax rate of .000065 under Section 53A-17a-151; (ii)]~~ allocate to the program other  
974 monies available to the school district, except monies provided by the state, equal to the  
975 amount of revenue that would be generated by a tax rate of .000065~~[-or].~~

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

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

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

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



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

990 (ii) not less than \$0.

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

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

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

1000 (12) (a) Each school district and charter school shall use program monies for reading  
1001 proficiency improvement in grades kindergarten through grade three.

1002 (b) Program monies may not be used to supplant funds for existing programs, but may  
1003 be used to augment existing programs.

1004 (13) (a) Each school district and charter school shall annually submit a report to the  
1005 State Board of Education accounting for the expenditure of program monies in accordance with  
1006 its plan for reading proficiency improvement.

1007 (b) If a school district or charter school uses program monies in a manner that is  
1008 inconsistent with Subsection (12), the school district or charter school is liable for reimbursing  
1009 the State Board of Education for the amount of program monies improperly used, up to the  
1010 amount of program monies received from the State Board of Education.

1011 (14) (a) The State Board of Education shall make rules to implement the program.

1012 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter  
1013 school to annually report progress in meeting goals stated in the district's or charter school's  
1014 plan for student reading proficiency as measured by gain scores.

1015 (ii) If a school district or charter school does not meet or exceed the goals, the school  
1016 district or charter school shall prepare a new plan which corrects deficiencies. The new plan  
1017 must be approved by the State Board of Education before the school district or charter school

1018 receives an allocation for the next year.

1019 ~~[(15) If after 36 months of program operation, a school district fails to meet goals~~  
1020 ~~stated in the district's plan for student reading proficiency as measured by gain scores, the~~  
1021 ~~school district shall terminate any levy imposed under Section 53A-17a-151.]~~

1022 Section 19. Section **53A-17a-163** is enacted to read:

1023 **53A-17a-163. Board local discretionary levy.**

1024 (1) As used in this section:

1025 (a) "Basic levy increment" means an amount equal to the difference of:

1026 (i) an amount equal to the difference of:

1027 (A) the amount of revenue that would be generated within a school district by the  
1028 imposition of the certified revenue levy described in Section 53A-17a-103 for the current  
1029 calendar year; and

1030 (B) the estimated amount of revenue to be generated within the school district by the  
1031 imposition of the minimum basic tax rate levied in accordance with Section 53A-17a-135  
1032 during the current calendar year; and

1033 (ii) the school district's estimated WPU distribution from the basic levy increase  
1034 described in Subsection (1)(i) during the current taxable year.

1035 (b) "Board local discretionary levy" means, for the taxable year beginning on January  
1036 1, 2010, a tax rate equal to the sum of the tax rates imposed by a school district from the  
1037 following levies:

1038 (i) Section 11-2-7;

1039 (ii) Section 53A-17a-127;

1040 (iii) Section 53A-17a-134;

1041 (iv) Section 53A-17a-143;

1042 (v) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
1043 budgeted for textbooks, supplies, maintenance, and operations;

1044 (vi) Section 53A-17a-151; and

1045 (vii) Section 63G-7-704.

1046 (c) "Board property tax revenue" means an amount equal to the difference of the  
1047 following:

1048 (i) an amount of revenue equal to the sum of:

- 1049            (A) the amount of revenue generated during the taxable year beginning on January 1,  
1050 2009, from the sum of the following levies of a school district:
- 1051            (I) Section 11-2-7;  
1052            (II) Section 53A-17a-127;  
1053            (III) Section 53A-17a-134;  
1054            (IV) Section 53A-17a-143;  
1055            (V) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
1056 budgeted for textbooks, supplies, maintenance, and operations;
- 1057            (VI) Section 53A-17a-151; and  
1058            (VII) Section 63G-7-704; and
- 1059            (B) new growth as defined in Subsection 59-2-924(4)(c); minus  
1060            (ii) the school district's estimated WPU distribution from the basic levy increase  
1061 described in Subsection (1)(i) during the current calendar year.
- 1062            (d) "Certified tax rate" means a school district's certified tax rate calculated in  
1063 accordance with Section 59-2-924.
- 1064            (e) "Contributing school district" means a school district that in a fiscal year receives  
1065 less revenue from its WPU distribution from the basic levy increase than the amount of revenue  
1066 generated within its school district during the same fiscal year from the imposition of the  
1067 minimum basic levy rate increase.
- 1068            (f) "Increased revenue generated statewide from the minimum basic levy" means an  
1069 amount equal to the difference of:
- 1070            (i) the estimated amount of revenue generated statewide by the imposition of the  
1071 minimum basic tax rate levied in accordance with Section 53A-17a-135 during the current  
1072 calendar year; and
- 1073            (ii) the amount of revenue that would be generated statewide by the imposition of the  
1074 certified revenue levy during the current calendar year.
- 1075            (g) "Minimum basic levy rate increase" means the rate equal to the difference of:  
1076            (i) the minimum basic tax rate levied during the current year; and  
1077            (ii) the certified revenue levy tax rate for the current year.
- 1078            (h) "Receiving school district" means a school district that in a fiscal year receives  
1079 more revenue from its WPU distribution from the basic levy increase than the amount of

1080 revenue generated within its school district during the same fiscal year from the imposition of  
1081 the minimum basic levy rate increase.

1082 (i) "WPU distribution from the basic levy increase" means the revenue distributed to a  
1083 school district from the minimum school program under Title 53A, Chapter 17a, Part 1,  
1084 Minimum School Program, as a result of the increased revenue generated statewide from the  
1085 minimum basic levy rate increase.

1086 (2) (a) Subject to the other requirements of this section, for a taxable year beginning on  
1087 or after January 1, 2010, a local school board may levy a tax to fund the school district's  
1088 general fund.

1089 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
1090 .0012 per dollar of taxable value in any fiscal year.

1091 (3) For fiscal year 2010-11, a school district is exempt from the public notice and  
1092 hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's board local  
1093 discretionary levy if the school district budgets an amount of ad valorem property tax revenue  
1094 equal to or less than the school district's board property tax revenue.

1095 (4) (a) For a fiscal year beginning on or after fiscal year 2011-12, a receiving school  
1096 district is exempt from the public notice and hearing requirements of Sections 59-2-918 and  
1097 59-2-919 for the receiving school district's board local discretionary levy if the receiving school  
1098 district budgets an amount of ad valorem property tax revenue equal to or less than the  
1099 receiving school district's board property tax revenue.

1100 (b) For a fiscal year beginning on or after fiscal year 2011-12, a contributing school  
1101 district is exempt from the public notice and hearing requirements of Sections 59-2-918 and  
1102 59-2-919 for the contributing school district's board local discretionary levy if the contributing  
1103 school district budgets an amount of ad valorem property tax revenue equal to or less than:

1104 (i) the school district's board property tax revenue; minus

1105 (ii) the school district's basic levy increment.

1106 Section 20. Section **53A-17a-164** is enacted to read:

1107 **53A-17a-164. Capital discretionary levy -- First class county required levy.**

1108 (1) As used in this section:

1109 (a) "Capital aggregate tax rate" means a tax rate equal to the sum of the tax rates  
1110 imposed by a school district from the following levies:

1111 (i) Section 53A-16-107; and  
 1112 (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
 1113 budgeted for debt service or capital outlay.

1114 (b) "Capital property tax revenue" means an amount equal to an amount equal to the  
 1115 sum of the following:

1116 (i) the amount of revenue generated during the taxable year beginning on January 1,  
 1117 2009, from the sum of the following levies of a school district:

1118 (A) Section 53A-16-107; and

1119 (B) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
 1120 budgeted for debt service or capital outlay; and

1121 (ii) new growth as defined in Subsection 59-2-924(4)(c).

1122 (c) "Certified tax rate" means a school district's certified tax rate calculated in  
 1123 accordance with Section 59-2-924.

1124 (2) (a) Subject to the other requirements of this section, for taxable years beginning on  
 1125 or after January 1, 2010, a local school board may levy a tax to fund the school district's capital  
 1126 projects.

1127 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
 1128 .0030 per dollar of taxable value in any fiscal year.

1129 (3) For fiscal year 2010-11, a school district is exempt from the public notice and  
 1130 hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's board local  
 1131 discretionary levy if the school district budgets an amount of ad valorem property tax revenue  
 1132 equal to or less than the school district's capital property tax revenue.

1133 Section 21. Section **53A-21-101.5** is amended to read:

1134 **53A-21-101.5. Definitions.**

1135 As used in this chapter:

1136 (1) "ADM" or "pupil in average daily membership" is as defined in Section  
 1137 53A-17a-103.

1138 (2) "Combined capital levy rate" means a rate that includes the sum of the following  
 1139 property tax levies:

1140 (a) the capital [~~outlay~~] discretionary levy authorized in Section [~~53A-16-107~~]  
 1141 53A-17a-164; and

1142 ~~[(b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is~~  
1143 ~~budgeted for debt service or capital outlay;]~~

1144 ~~[(c)]~~ (b) the debt service levy authorized in Section 11-14-310~~[-and].~~

1145 ~~[(d) the voted capital outlay leeway authorized in Section 53A-16-110.]~~

1146 (3) "Derived net taxable value" means the quotient of:

1147 (a) the total current property tax collections from April 1 through the following March  
1148 31 for a school district; divided by

1149 (b) the school district's total tax rate for the calendar year preceding the March 31  
1150 referenced in Subsection (3)(a).

1151 (4) "Highest combined capital levy rate" means the highest combined capital levy rate  
1152 imposed by any school district within the state for a fiscal year.

1153 (5) "Property tax base per ADM" means the quotient of:

1154 (a) a school district's derived net taxable value; divided by

1155 (b) the school district's ADM for the same year.

1156 (6) "Property tax yield per ADM" means:

1157 (a) the product of:

1158 (i) a school district's derived net taxable value; and

1159 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced  
1160 in Subsection (3)(a); divided by

1161 (b) the school district's ADM for the same fiscal year.

1162 (7) "Statewide average property tax base per ADM" means the quotient of:

1163 (a) the sum of all school districts' derived net taxable value; divided by

1164 (b) the sum of all school districts' ADM statewide for the same year.

1165 Section 22. Section **59-2-924** is amended to read:

1166 **59-2-924. Report of valuation of property to county auditor and commission --**

1167 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**

1168 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1169 (1) Before June 1 of each year, the county assessor of each county shall deliver to the  
1170 county auditor and the commission the following statements:

1171 (a) a statement containing the aggregate valuation of all taxable real property assessed  
1172 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

1173 (b) a statement containing the taxable value of all personal property assessed by a  
1174 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

1175 (2) The county auditor shall, on or before June 8, transmit to the governing body of  
1176 each taxing entity:

1177 (a) the statements described in Subsections (1)(a) and (b);

1178 (b) an estimate of the revenue from personal property;

1179 (c) the certified tax rate; and

1180 (d) all forms necessary to submit a tax levy request.

1181 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem  
1182 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior  
1183 year.

1184 (b) For purposes of this Subsection (3):

1185 (i) "Ad valorem property tax revenues" do not include:

1186 (A) collections from redemptions;

1187 (B) interest;

1188 (C) penalties; and

1189 (D) revenue received by a taxing entity from personal property that is:

1190 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1191 (II) semiconductor manufacturing equipment.

1192 (ii) "Aggregate taxable value of all property taxed" means:

1193 (A) the aggregate taxable value of all real property assessed by a county assessor in  
1194 accordance with Part 3, County Assessment, for the current year;

1195 (B) the aggregate taxable year end value of all personal property assessed by a county  
1196 assessor in accordance with Part 3, County Assessment, for the prior year; and

1197 (C) the aggregate taxable value of all real and personal property assessed by the  
1198 commission in accordance with Part 2, Assessment of Property, for the current year.

1199 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be  
1200 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the  
1201 taxing entity by the amount calculated under Subsection (3)(c)(ii).

1202 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall  
1203 calculate an amount as follows:

- 1204 (A) calculate for the taxing entity the difference between:
- 1205 (I) the aggregate taxable value of all property taxed; and
- 1206 (II) any redevelopment adjustments for the current calendar year;
- 1207 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
- 1208 amount determined by increasing or decreasing the amount calculated under Subsection
- 1209 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
- 1210 equalization period for the three calendar years immediately preceding the current calendar
- 1211 year;
- 1212 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
- 1213 product of:
- 1214 (I) the amount calculated under Subsection (3)(c)(ii)(B); and
- 1215 (II) the percentage of property taxes collected for the five calendar years immediately
- 1216 preceding the current calendar year; and
- 1217 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
- 1218 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)
- 1219 any new growth as defined in this section:
- 1220 (I) within the taxing entity; and
- 1221 (II) for the following calendar year:
- 1222 (Aa) for new growth from real property assessed by a county assessor in accordance
- 1223 with Part 3, County Assessment and all property assessed by the commission in accordance
- 1224 with Section 59-2-201, the current calendar year; and
- 1225 (Bb) for new growth from personal property assessed by a county assessor in
- 1226 accordance with Part 3, County Assessment, the prior calendar year.
- 1227 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all
- 1228 property taxed:
- 1229 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in
- 1230 Subsection (3)(b)(ii);
- 1231 (B) does not include the total taxable value of personal property contained on the tax
- 1232 rolls of the taxing entity that is:
- 1233 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1234 (II) semiconductor manufacturing equipment; and



1235 (C) for personal property assessed by a county assessor in accordance with Part 3,  
1236 County Assessment, the taxable value of personal property is the year end value of the personal  
1237 property contained on the prior year's tax rolls of the entity.

1238 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
1239 January 1, 2007, the value of taxable property does not include the value of personal property  
1240 that is:

1241 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1242 County Assessment; and

1243 (B) semiconductor manufacturing equipment.

1244 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after  
1245 January 1, 2007, the percentage of property taxes collected does not include property taxes  
1246 collected from personal property that is:

1247 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1248 County Assessment; and

1249 (B) semiconductor manufacturing equipment.

1250 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
1251 January 1, 2009, the value of taxable property does not include the value of personal property  
1252 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County  
1253 Assessment.

1254 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1255 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
1256 year.

1257 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1258 the commission shall make rules determining the calculation of ad valorem property tax  
1259 revenues budgeted by a taxing entity.

1260 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by  
1261 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are  
1262 calculated for purposes of Section 59-2-913.

1263 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall  
1264 be calculated as follows:

1265 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax

1266 rate is zero;

1267 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1268 (A) in a county of the first, second, or third class, the levy imposed for municipal-type  
1269 services under Sections 17-34-1 and 17-36-9; and

1270 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
1271 purposes and such other levies imposed solely for the municipal-type services identified in  
1272 Section 17-34-1 and Subsection 17-36-3(22); and

1273 (iii) for debt service voted on by the public, the certified tax rate shall be the actual  
1274 levy imposed by that section, except that the certified tax rates for the following levies shall be  
1275 calculated in accordance with Section 59-2-913 and this section:

1276 (A) school [~~leeways~~] levies provided for under Sections [~~11-2-7, 53A-16-110,~~  
1277 ~~53A-17a-125, 53A-17a-127,~~] 53A-17a-133[, ~~53A-17a-134, 53A-17a-143, 53A-17a-145, and~~  
1278 ~~53A-21-103~~], 53A-17a-163, and 53A-17a-164; and

1279 (B) levies to pay for the costs of state legislative mandates or judicial or administrative  
1280 orders under Section 59-2-1604.

1281 (f) (i) A judgment levy imposed under Section [~~59-2-1328 or~~] 59-2-1330 shall be  
1282 established at that rate which is sufficient to generate only the revenue required to satisfy one  
1283 or more eligible judgments, as defined in Section 59-2-102.

1284 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be  
1285 considered in establishing the taxing entity's aggregate certified tax rate.

1286 [~~(g) The ad valorem property tax revenue generated by the capital outlay levy described~~  
1287 ~~in Section 53A-16-107 within a taxing entity in a county of the first class:]~~

1288 [~~(i) may not be considered in establishing the school district's aggregate certified tax~~  
1289 ~~rate; and]~~

1290 [~~(ii) shall be included by the commission in establishing a certified tax rate for that~~  
1291 ~~capital outlay levy determined in accordance with the calculation described in Subsection~~  
1292 ~~59-2-913(3).]~~

1293 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1294 (i) the taxable value of real property assessed by a county assessor contained on the  
1295 assessment roll;

1296 (ii) the taxable value of real and personal property assessed by the commission; and

1297 (iii) the taxable year end value of personal property assessed by a county assessor  
1298 contained on the prior year's assessment roll.

1299 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the  
1300 assessment roll does not include new growth as defined in Subsection (4)(c).

1301 (c) "New growth" means:

1302 (i) the difference between the increase in taxable value of the following property of the  
1303 taxing entity from the previous calendar year to the current year:

1304 (A) real property assessed by a county assessor in accordance with Part 3, County  
1305 Assessment; and

1306 (B) property assessed by the commission under Section 59-2-201; plus

1307 (ii) the difference between the increase in taxable year end value of personal property  
1308 of the taxing entity from the year prior to the previous calendar year to the previous calendar  
1309 year; minus

1310 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

1311 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the  
1312 taxing entity does not include the taxable value of personal property that is:

1313 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county  
1314 assessor in accordance with Part 3, County Assessment; and

1315 (ii) semiconductor manufacturing equipment.

1316 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

1317 (i) the amount of increase to locally assessed real property taxable values resulting  
1318 from factoring, reappraisal, or any other adjustments; or

1319 (ii) the amount of an increase in the taxable value of property assessed by the  
1320 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
1321 taxable value prescribed by:

1322 (A) the Legislature;

1323 (B) a court;

1324 (C) the commission in an administrative rule; or

1325 (D) the commission in an administrative order.

1326 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal  
1327 property on the prior year's assessment roll does not include:

- 1328 (i) new growth as defined in Subsection (4)(c); or
- 1329 (ii) the total taxable year end value of personal property contained on the prior year's
- 1330 tax rolls of the taxing entity that is:
- 1331 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1332 (B) semiconductor manufacturing equipment.
- 1333 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.
- 1334 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
- 1335 auditor of:
- 1336 (i) its intent to exceed the certified tax rate; and
- 1337 (ii) the amount by which it proposes to exceed the certified tax rate.
- 1338 (c) The county auditor shall notify all property owners of any intent to exceed the
- 1339 certified tax rate in accordance with Subsection 59-2-919(3).

1340 Section 23. Section **59-2-926** is amended to read:

1341 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1342 If the state authorizes a levy [~~pursuant to Section 53A-17a-135 that exceeds the~~  
1343 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy]~~ pursuant to  
1344 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the  
1345 state shall publish a notice no later than ten days after the last day of the annual legislative  
1346 general session that meets the following requirements:

1347 (1) The Office of the Legislative Fiscal Analyst shall advertise that the state authorized  
1348 a levy that generates revenue in excess of the previous year's ad valorem tax revenue, plus new  
1349 growth, but exclusive of revenue from collections from redemptions, interest, and penalties in a  
1350 newspaper of general circulation in the state. The advertisement shall be no less than 1/4 page  
1351 in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch  
1352 border. The advertisement may not be placed in that portion of the newspaper where legal  
1353 notices and classified advertisements appear. The advertisement shall be run once.

1354 (2) The form and content of the notice shall be substantially as follows:

1355 "NOTICE OF TAX INCREASE

1356 The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to  
1357 \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following  
1358 sources (include all of the following provisions):

1359 (a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause  
1360 of adjustment or increased revenues, such as reappraisals or factoring orders);

1361 (b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the  
1362 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);  
1363 and

1364 (c) a home valued at \$100,000 in the state of Utah which based on last year's (~~levy for~~  
1365 ~~the basic state-supported school program,~~] levy for the Property Tax Valuation Agency Fund,  
1366 or both) paid \$\_\_\_\_\_ in property taxes would pay the following:

1367 (i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue  
1368 exclusive of new growth; and

1369 (ii) \$\_\_\_\_\_ under the increased property tax revenues exclusive of new growth  
1370 budgeted by the state of Utah."

1371 Section 24. Section **63G-7-704** is amended to read:

1372 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**  
1373 **or insurance premiums.**

1374 (1) For purposes of this section, "political subdivision" does not include a school  
1375 district.

1376 ~~(1)~~ (2) Notwithstanding any provision of law to the contrary, a political subdivision  
1377 may levy an annual property tax sufficient to pay:

1378 (a) any claim, settlement, or judgment;

1379 (b) the costs to defend against any claim, settlement, or judgment; or

1380 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
1381 settlements, or judgments that may be reasonably anticipated.

1382 ~~(2)~~ (3) (a) The payments authorized to pay for punitive damages or to pay the  
1383 premium for authorized insurance is money spent for a public purpose within the meaning of  
1384 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the  
1385 maximum levy as otherwise restricted by law is exceeded.

1386 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable  
1387 property.

1388 (c) The revenues derived from this levy may not be used for any purpose other than  
1389 those specified in this section.

1390           Section 25. **Repealer.**  
1391           This bill repeals:  
1392           Section **53A-2-118.3, Imposition of the capital outlay levy in qualifying divided**  
1393 **school districts.**  
1394           Section **53A-16-107, Capital outlay levy -- Maintenance of school facilities --**  
1395 **Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**  
1396           Section **53A-16-107.1, School capital outlay in counties of the first class --**  
1397 **Allocation.**  
1398           Section **53A-16-110, Special tax to buy school building sites, build and furnish**  
1399 **schoolhouses, or improve school property.**  
1400           Section **53A-16-111, Payment of judgments and warrants -- Special tax.**  
1401           Section **53A-17a-134, Board-approved leeway -- Purpose -- State support --**  
1402 **Disapproval.**  
1403           Section **53A-17a-145, Additional levy by district for debt service, school sites,**  
1404 **buildings, buses, textbooks, and supplies.**  
1405           Section **53A-17a-151, Board leeway for reading improvement.**  
1406           Section **59-2-924.3, Adjustment of the calculation of the certified tax rate for a**  
1407 **school district imposing a capital outlay levy in a county of the first class.**  
1408           Section **59-2-924.4, Adjustment of the calculation of the certified tax rate for**  
1409 **certain divided school districts.**  
1410           Section 26. **Effective date.**  
1411           This bill takes effect on January 1, 2010.