

PUBLIC SCHOOL FUNDING

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ repeals the authority of school districts to levy certain property taxes;
- ▶ creates a board local discretionary levy and a capital discretionary levy for school districts;
- ▶ sets the tax rates for a board local discretionary levy and a capital discretionary levy for the first taxable year;
- ▶ provides that in setting the tax rate for a board local discretionary levy in the first year, the amount of tax revenue that may be generated is reduced by the amount of sales and use tax revenue the school district receives;
- ▶ prohibits a fiscal year taxing entity from imposing a property tax rate higher than the fiscal year taxing entity's certified tax rate for taxable years beginning on or after January 1, 2010, and ending on or before December 1, 2011;
- ▶ prohibits a calendar year taxing entity from imposing a property tax rate higher than the calendar year taxing entity's certified tax rate for the taxable year beginning on January 1, 2011, and ending on December 31, 2011;



- 28 ▶ modifies the distribution of revenue from uniform fees on certain property;
- 29 ▶ increases the sales and use tax by 0.1%;
- 30 ▶ dedicates the revenue generated by a 0.1% sales and use tax to the Uniform School
- 31 Fund;
- 32 ▶ defines terms; and
- 33 ▶ makes technical changes.

34 Monies Appropriated in this Bill:

35 None

36 Other Special Clauses:

37 This bill provides an effective date and provides retrospective operation for Section
38 59-2-919.3.

39 Utah Code Sections Affected:

40 AMENDS:

- 41 **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30
- 42 **11-13-302**, as last amended by Laws of Utah 2008, Chapters 236 and 382
- 43 **20A-1-203**, as last amended by Laws of Utah 2008, Chapter 16
- 44 **53A-1a-106**, as last amended by Laws of Utah 2003, Chapter 221
- 45 **53A-1a-513**, as last amended by Laws of Utah 2009, Chapter 391
- 46 **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236
- 47 **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236
- 48 **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297
- 49 **53A-2-118.3**, as enacted by Laws of Utah 2008, Chapter 236
- 50 **53A-2-206**, as last amended by Laws of Utah 2008, Chapter 382
- 51 **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233
- 52 **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72
- 53 **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236
- 54 **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236
- 55 **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397
- 56 **53A-17a-104**, as last amended by Laws of Utah 2009, Chapters 4 and 391
- 57 **53A-17a-105**, as last amended by Laws of Utah 2009, Chapter 183
- 58 **53A-17a-127**, as last amended by Laws of Utah 2009, Chapter 391

- 59 **53A-17a-133**, as last amended by Laws of Utah 2009, Chapters 204 and 391
- 60 **53A-17a-134**, as last amended by Laws of Utah 2009, Chapter 391
- 61 **53A-17a-136**, as renumbered and amended by Laws of Utah 1991, Chapter 72
- 62 **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
- 63 **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72
- 64 **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
- 65 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305
- 66 **53A-21-101.5**, as enacted by Laws of Utah 2008, Chapter 236
- 67 **59-2-404**, as last amended by Laws of Utah 2008, Chapter 206
- 68 **59-2-405**, as last amended by Laws of Utah 2008, Chapter 210
- 69 **59-2-405.1**, as last amended by Laws of Utah 2008, Chapter 210
- 70 **59-2-405.2**, as last amended by Laws of Utah 2009, Chapter 169
- 71 **59-2-405.3**, as enacted by Laws of Utah 2005, Chapter 217
- 72 **59-2-904**, as last amended by Laws of Utah 1993, Chapter 4
- 73 **59-2-924**, as last amended by Laws of Utah 2009, Chapters 152, 204, 356, and 388
- 74 **59-2-924.3**, as last amended by Laws of Utah 2009, Chapter 204
- 75 **59-2-924.4**, as last amended by Laws of Utah 2009, Chapter 204
- 76 **59-12-103**, as last amended by Laws of Utah 2009, Chapters 203, 344, and 385
- 77 **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382

78 ENACTS:

- 79 **53A-16-113**, Utah Code Annotated 1953
- 80 **53A-17a-164**, Utah Code Annotated 1953
- 81 **53A-17a-165**, Utah Code Annotated 1953
- 82 **59-2-919.3**, Utah Code Annotated 1953

83 RENUMBERS AND AMENDS:

- 84 **53A-16-114**, (Renumbered from 53A-16-107.1, as enacted by Laws of Utah 2008,
- 85 Chapter 236)

86 REPEALS:

- 87 **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2



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

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

91 **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**
92 **of television owners and users -- Collection of license fees -- Exception for a school**
93 **district.**

94 (1) (a) All expenses incurred in the equipment, operation and maintenance of such
95 recreational facilities and activities shall be paid from the treasuries of the respective cities,
96 towns, counties, or school districts~~[, and]~~.

97 (b) Except as provided in Subsection (3), the governing bodies of the same may
98 annually appropriate, and cause to be raised by taxation, money for such purposes.

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

109 (3) Beginning January 1, 2011, a local school board may not levy a tax in accordance
110 with this action.

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

112 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
113 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

122 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
123 impact alleviation payments under contracts or determination orders provided for in Sections
124 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the
125 candidate in which the date of commercial operation of the last generating unit, other than any
126 generating unit providing additional project capacity, of the project occurs, or, in the case of
127 any facilities providing additional project capacity, with the fiscal year of the candidate
128 following the fiscal year of the candidate in which the date of commercial operation of the
129 generating unit providing the additional project capacity occurs; and

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

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

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

139 (i) a levy mandated by the state for the state minimum school program under Section
140 53A-17a-135; and

141 (ii) local levies for capital outlay, maintenance, transportation, and other purposes
142 under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,~~
143 ~~53A-17a-134, 53A-17a-143, and 53A-17a-145]~~ 53A-16-113, 53A-17a-133, and 53A-17a-164.

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

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

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

150 (A) an annual fee; or

151 (B) impact alleviation payments under contracts or determination orders provided for

152 in Sections 11-13-305 and 11-13-306.

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

158 (b) As used in this section, "tax rate," when applied in respect to a school district,
159 includes any assessment to be made by the school district under Subsection (2) or Section
160 63M-5-302.

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

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

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

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

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

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

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

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

178 (A) the project entity; and

179 (B) any county that:

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

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

- 183 (ii) The agreement described in Subsection (4)(b)(i):
- 184 (A) shall specify each year for which the fee base determined by the agreement shall be
- 185 used for purposes of an annual fee; and
- 186 (B) may not modify any provision of this chapter except the method by which the fee
- 187 base of a project is determined for purposes of an annual fee.
- 188 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
- 189 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in
- 190 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
- 191 jurisdiction.
- 192 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
- 193 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
- 194 portion of the project for which there is not an agreement:
- 195 (I) for that year; and
- 196 (II) using the same measure of value as is used for taxable property in the state.
- 197 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
- 198 Commission in accordance with rules made by the State Tax Commission.
- 199 (c) Payments of the annual fees shall be made from:
- 200 (i) the proceeds of bonds issued for the project; and
- 201 (ii) revenues derived by the project entity from the project.
- 202 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
- 203 other benefits of the project whose tangible property is not exempted by Utah Constitution
- 204 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
- 205 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
- 206 its share, determined in accordance with the terms of the contract, of these fees.
- 207 (ii) It is the responsibility of the project entity to enforce the obligations of the
- 208 purchasers.
- 209 (5) (a) The responsibility of the project entity to make payment of the annual fees is
- 210 limited to the extent that there is legally available to the project entity, from bond proceeds or
- 211 revenues, monies to make these payments, and the obligation to make payments of the annual
- 212 fees is not otherwise a general obligation or liability of the project entity.
- 213 (b) No tax lien may attach upon any property or money of the project entity by virtue of

214 any failure to pay all or any part of an annual fee.

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

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

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

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

221 (A) is not a project entity; and

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

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

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

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

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

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

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

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

239 **20A-1-203. Calling and purpose of special elections.**

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

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

244 (b) Except as otherwise provided in this title, local special elections shall be conducted

245 using the procedures for regular municipal elections.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

268 (viii) an election of town officers of a newly incorporated town under Subsection
269 10-2-125(9).

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

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

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

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

275 **53A-1a-106. School district and individual school powers.**

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

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

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

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

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

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

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

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

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

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

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

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

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

306 (C) involving students, parents, and school personnel in preparing and implementing

307 SEPs and SEOPs.

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

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

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

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

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

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

320 **53A-1a-513. Funding for charter schools.**

321 (1) As used in this section:

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

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

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

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

330 (b) "District per pupil local revenues" means:

331 (i) for fiscal year 2011-12, the amount determined as follows, using data from the most
332 recently published school district annual financial reports and state superintendent's annual
333 report:

334 [~~(i)~~] (A) calculate the sum of a school district's revenue received during the prior year
335 from:

336 [~~(A)~~] (I) a voted levy imposed under Section 53A-17a-133;

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

338 ~~[(C)]~~ (III) 10% of the cost of the basic program levy imposed under Section
339 53A-17a-145;

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

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

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

343 ~~[(H)]~~ (B) divide the sum calculated under Subsection (1)(b)(i)~~(A)~~ by the sum of:

344 ~~[(A)]~~ (I) a school district's average daily membership; and

345 ~~[(B)]~~ (II) the average daily membership of a school district's resident students who
346 attend charter schools~~[-]; and~~

347 (ii) for a fiscal year beginning on or after fiscal year 2012-13:

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

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

350 (II) a board local discretionary levy imposed under Section 53A-17a-164; and

351 (III) a capital discretionary levy imposed under Section 53A-16-113;

352 (B) subtract from the sum calculated under Subsection (1)(b)(ii)(A) the following
353 expenditures made from revenue generated by a board local discretionary levy:

354 (I) expenditures for recreational facilities and activities authorized under Title 11,
355 Chapter 2, Playgrounds;

356 (II) expenditures for pupil transportation that are less than or equal to the amount of
357 revenue generated by a tax rate of .0003 per dollar of taxable value; and

358 (III) expenditures for the K-3 Reading Improvement Program that are less than or equal
359 to the amount of revenue generated by a tax rate of .000121 per dollar of taxable value; and

360 (C) divide the remainder calculated under Subsection (1)(b)(ii)(B) by the sum of:

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

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

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

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

368 (i) sum the revenues of each school district from the debt service levy imposed under

369 Section 11-14-310; and

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

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

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

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

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

381 (i) .55 for kindergarten pupils;

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

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

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

385 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
386 resident student of the school district who is enrolled in a charter school on October 1 equal to
387 25% of the lesser of:

388 (A) district per pupil local revenues; or

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

390 (ii) For the purpose of allocating school district revenues under Subsection (4)(a)(i) in
391 fiscal year 2008-09 only, a kindergarten student who is enrolled in less than a full-day
392 kindergarten program is weighted as .55 of a student.

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

395 (b) The State Board of Education shall:

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

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

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

- 403 (i) unrestricted revenues available to the school district; or
- 404 (ii) the revenue sources listed in [~~Subsections~~] Subsection (1)(b)(i)(A) [~~through (F)~~] or
405 (1)(b)(ii)(A) based on the portion of the allocations to charter schools attributed to each of the
406 revenue sources listed in [~~Subsections~~] Subsection (1)(b)(i)(A) [~~through (F)~~] or (1)(b)(ii)(A).

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

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

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

414 (B) statewide average debt service revenues.

415 (iii) If the total of a school district's allocation for a charter school student under
416 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
417 \$1427, the state shall provide an additional supplement so that a charter school receives at least
418 \$1427 per student under this Subsection (4).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

451 **53A-2-114. Additional levies -- School board options to abolish or continue after**
452 **consolidation.**

453 (1) If a school district which has approved an additional levy under Section
454 [~~53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~] 53A-17a-133 is consolidated with
455 a district which does not have such a levy, the board of education of the consolidated district
456 may choose to abolish the levy, or apply it in whole or in part to the entire consolidated district.

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

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

461 **53A-2-115. Additional levies in transferred territory -- Transferee board option**

462 **to abolish or continue.**

463 If two or more districts undergo restructuring that results in a district receiving territory
464 that increases the population of the district by at least 25%, and if the transferred territory was,
465 at the time of transfer, subject to an additional levy under Section [~~53A-16-110, 53A-17a-133,~~
466 ~~53A-17a-134, or 53A-17a-145~~] 53A-17a-133, the board of education of the transferee district
467 may abolish the levy or apply the levy in whole or in part to the entire restructured district.
468 Any such levy made applicable to the entire district may continue in force for no more than five
469 years, unless approved by the electors of the restructured district in the manner set forth in
470 Section [~~53A-16-110~~] 53A-17a-133.

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

472 **53A-2-118.2. New school district property tax -- Limitations.**

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

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

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

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

484 (ii) impose a levy on the new school district as provided in Section [~~53A-16-110 or~~]
485 53A-17a-133; or

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

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

491 Section 9. Section **53A-2-118.3** is amended to read:

492 **53A-2-118.3. Imposition of the capital discretionary levy in qualifying divided**

493 **school districts.**

494 (1) For purposes of this section:

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

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

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

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

501 (2) Beginning with the qualifying taxable year, in order to qualify for receipt of the
502 state contribution toward the minimum school program described in Section 53A-17a-104, a
503 school district within a qualifying divided school district shall impose a capital [~~outlay~~]
504 discretionary levy described in Section [~~53A-16-107~~] 53A-16-113 of at least .0006 per dollar of
505 taxable value.

506 (3) The county treasurer of a county with a qualifying divided school district shall
507 distribute revenues generated by the .0006 portion of the capital [~~outlay~~] discretionary levy
508 required in Subsection (2) to the school districts located within the boundaries of the qualifying
509 divided school district as follows:

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

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

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

523 (5) On or before December 31 of each year, the State Board of Education shall provide

524 a county treasurer with audited enrollment information from the fall enrollment audit necessary
525 to distribute revenues as required by this section.

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

530 Section 10. Section **53A-2-206** is amended to read:

531 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**
532 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**
533 **student agencies.**

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

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

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

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

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

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

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

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

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

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

559 (B) 328 foreign exchange students.

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

564 (d) Notwithstanding [~~Sections~~] Section 53A-17a-133 [~~and 53A-17a-134~~] or
565 53A-17a-164, weighted pupil units in the grades 1-12 basic program for foreign exchange
566 students, as determined by Subsections (2)(b) and (c), may not be included for the purposes of
567 determining a school district's state guarantee money under the voted or [~~board fee~~ way
568 programs] board local discretionary levies.

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

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

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

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

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

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

584 (6) (a) A local school board or charter school governing board shall require each
585 approved exchange student agency to provide it with a sworn affidavit of compliance prior to

586 the beginning of each school year.

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

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

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

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

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

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

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

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

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

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

613 Section 11. Section **53A-2-214** is amended to read:

614 **53A-2-214. Online students' participation in extracurricular activities.**

615 (1) As used in this section:

616 (a) "Online education" means the use of information and communication technologies

617 to deliver educational opportunities to a student in a location other than a school.

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

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

621 (ii) generates funding for the school district or school pursuant to Subsection
622 53A-17a-103~~(5)~~(4) and rules of the State Board of Education.

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

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

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

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

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

632 (b) interschool contests or competitions for music, drama, or forensic groups or teams
633 sponsored and supported by a public school.

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

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

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

641 (b) The rules shall provide that:

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

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

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

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

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

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

658 Section 12. Section **53A-3-415** is amended to read:

659 **53A-3-415. School board policy on detaining students after school.**

660 (1) Each local school board shall establish a policy on detaining students after regular
661 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]
662 53A-11-901.

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

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

669 Section 13. Section **53A-16-107** is amended to read:

670 **53A-16-107. Capital outlay levy -- Maintenance of school facilities -- Authority to**
671 **use proceeds of .0002 tax rate -- Restrictions and procedure.**

672 (1) [~~Subject to~~] Except as provided in Subsection (3), a local school board may
673 annually impose a capital outlay levy not to exceed .0024 per dollar of taxable value to be used
674 for:

- 675 (a) capital outlay;
- 676 (b) debt service; and
- 677 (c) subject to Subsection (2), school facility maintenance.

678 (2) (a) A local school board may utilize the proceeds of a maximum of .0002 per dollar

679 of taxable value of the local school board's annual capital outlay levy for the maintenance of
680 school facilities in the school district.

681 (b) A local school board that uses the option provided under Subsection (2)(a) shall:

682 (i) maintain the same level of expenditure for maintenance in the current year as it did
683 in the preceding year, plus the annual average percentage increase applied to the maintenance
684 and operation budget for the current year; and

685 (ii) identify the expenditure of capital outlay funds for maintenance by a district project
686 number to ensure that the funds are expended in the manner intended.

687 (c) The State Board of Education shall establish by rule the expenditure classification
688 for maintenance under this program using a standard classification system.

689 ~~[(3) Beginning January 1, 2009, in order to qualify for receipt of the state contribution~~
690 ~~toward the minimum school program described in Section 53A-17a-104, a local school board~~
691 ~~in a county of the first class shall impose a capital outlay levy of at least .0006 per dollar of~~
692 ~~taxable value.]~~

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

696 ~~[(b) If a school district in a county of the first class imposes a capital outlay levy~~
697 ~~pursuant to this section which exceeds .0006 per dollar of taxable value, the county treasurer of~~
698 ~~a county of the first class shall distribute revenues generated by the portion of the capital outlay~~
699 ~~levy which exceeds .0006 to the school district imposing the levy.]~~

700 (3) Beginning January 1, 2011, a local school board may not levy a tax in accordance
701 with this section.

702 Section 14. Section **53A-16-110** is amended to read:

703 **53A-16-110. Special tax to buy school building sites, build and furnish**
704 **schoolhouses, or improve school property.**

705 (1) (a) [A] Except as provided in Subsection (6), a local school board may, by
706 following the process for special elections established in Sections 20A-1-203 and 20A-1-204,
707 call a special election to determine whether a special property tax should be levied for one or
708 more years to buy building sites, build and furnish schoolhouses, or improve the school
709 property under its control.

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

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

714 (3) If a majority of those voting on the proposition vote in favor of the tax, it is levied
715 in addition to a levy authorized under Section 53A-17a-145 and computed on the valuation of
716 the county assessment roll for that year.

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

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

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

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

725 (6) Beginning January 1, 2011, a local school board may not levy a tax in accordance
726 with this section.

727 Section 15. Section **53A-16-113** is enacted to read:

728 **53A-16-113. Capital discretionary levy -- First class county required levy.**

729 (1) (a) Subject to the other requirements of this section, for taxable years beginning on
730 or after January 1, 2011, a local school board may levy a tax to fund the school district's capital
731 projects.

732 (b) A tax rate imposed by a school district pursuant to this section may not exceed
733 .0030 per dollar of taxable value in any fiscal year.

734 (2) For fiscal year 2011-12, a school district is exempt from the public notice and
735 hearing requirements of Section 59-2-919 for the school district's capital discretionary levy
736 imposed under Subsection (1) if the school district budgets an amount of ad valorem property
737 tax revenue equal to or less than the sum of the following:

738 (a) the amount of revenue generated during the taxable year beginning on January 1,
739 2010, from the sum of the following levies of a school district:

740 (i) a capital outlay levy imposed under Section 53A-16-107; and

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

743 (b) revenue from new growth as defined in Subsection 59-2-924(4)(c).

744 (3) Beginning January 1, 2011, in order to qualify for receipt of the state contribution
745 toward the minimum school program described in Section 53A-17a-104, a local school board
746 in a county of the first class shall impose a capital discretionary levy of at least .0006 per dollar
747 of taxable value.

748 (4) (a) The county treasurer of a county of the first class shall distribute revenues
749 generated by the .0006 portion of the capital discretionary levy required in Subsection (3) to
750 school districts within the county in accordance with Section 53A-16-114.

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

755 Section 16. Section **53A-16-114**, which is renumbered from Section 53A-16-107.1 is
756 renumbered and amended to read:

757 ~~[53A-16-107.1].~~ **53A-16-114. School capital outlay in counties of the first**
758 **class -- Allocation.**

759 (1) The county treasurer of a county of the first class shall distribute revenues
760 generated by the .0006 portion of the capital ~~[outlay]~~ discretionary levy required in ~~[Subsection~~
761 ~~53A-16-107(3)]~~ Section 53A-16-113 to school districts located within the county of the first
762 class as follows:

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

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

771 (2) If a new school district is created or school district boundaries are adjusted, the

772 enrollment and average annual enrollment growth for each affected school district shall be
773 calculated on the basis of enrollment in school district schools located within that school
774 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

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

778 (4) On or before March 31 of each year, a county treasurer in a county of the first class
779 shall distribute the revenue generated within the county of the first class during the prior
780 calendar year from the capital ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~
781 53A-16-113.

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

783 **53A-17a-103. Definitions.**

784 As used in this chapter:

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

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

791 (i) the amount of ad valorem property tax revenue to be generated statewide in the
792 previous year from imposing a minimum basic tax rate, as specified in Subsection
793 53A-17a-135(1)~~(a)~~; and

794 (ii) the product of:

795 (A) new growth, as defined in:

796 (I) Section 59-2-924; and

797 (II) rules of the State Tax Commission; and

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

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

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

803 Assessment; and

804 (ii) semiconductor manufacturing equipment.

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

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

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

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

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

815 [~~(4)~~] (3) "Pupil in average daily membership (ADM)" means a full-day equivalent
816 pupil.

817 [~~(5)~~] (4) (a) "State-supported minimum school program" or "minimum school
818 program" means public school programs for kindergarten, elementary, and secondary schools
819 as described in this Subsection [~~(5)~~] (4).

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

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

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

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

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

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

831 [~~(6)~~] (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of
832 factors that is computed in accordance with this chapter for the purpose of determining the
833 costs of a program on a uniform basis for each district.

834 Section 18. Section **53A-17a-104** is amended to read:

835 **53A-17a-104. Amount of state's contribution toward minimum school program.**

836 (1) The total contribution of the state toward the cost of the minimum school program
837 may not exceed the sum of \$2,137,352,586 for the fiscal year beginning July 1, 2009, except as
838 otherwise provided by the Legislature through supplemental appropriations.

839 (2) There is appropriated from state and local funds for fiscal year 2009-10 for
840 distribution to school districts and charter schools, in accordance with this chapter, monies for
841 the following purposes and in the following amounts:

842 (a) basic program - kindergarten, \$68,424,504 (26,552 WPU);

843 (b) basic program - grades 1-12, \$1,291,316,661 (501,093 WPU);

844 (c) basic program - professional staff, \$118,627,041 (46,033 WPU);

845 (d) basic program - administrative costs, \$4,174,740 (1,620 WPU);

846 (e) basic program - necessarily existent small schools and units for consolidated
847 schools, \$19,711,473 (7,649 WPU);

848 (f) special education - regular program - add-on WPU for students with disabilities,
849 \$160,029,123 (62,099 WPU);

850 (g) preschool special education program, \$22,623,483 (8,779 WPU);

851 (h) self-contained regular WPU, \$35,632,179 (13,827 WPU);

852 (i) extended year program for severely disabled, \$992,145 (385 WPU);

853 (j) special education programs in state institutions and district impact aid, \$4,398,939
854 (1,707 WPU);

855 (k) career and technical education district programs, \$68,656,434 (26,642 WPU),
856 including \$1,174,084 for summer career and technical education agriculture programs;

857 (l) class size reduction, \$90,537,741 (35,133 WPU);

858 (m) Social Security and retirement programs, \$13,407,831;

859 (n) pupil transportation to and from school, \$65,646,865, of which not less than
860 \$2,584,435 shall be allocated to the Utah Schools for the Deaf and Blind to pay for
861 transportation costs of the schools' students;

862 (o) guarantee transportation levy, \$500,000;

863 (p) Interventions for Student Success Block Grant Program, \$15,000,000;

864 (q) highly impacted schools, \$4,610,907;

- 865 (r) at-risk programs, \$28,270,141;
 866 (s) adult education, \$9,266,146;
 867 (t) accelerated learning programs, \$3,566,081;
 868 (u) concurrent enrollment, \$8,705,286;
 869 (v) High-ability Student Initiative Program, \$495,000;
 870 (w) English Language Learner Family Literacy Centers, \$1,800,000;
 871 (x) electronic high school, \$2,000,000;
 872 (y) School LAND Trust Program, \$20,000,000;
 873 (z) state supplement to local property taxes for charter schools, pursuant to Section
 874 53A-1a-513, \$45,288,446;
 875 (aa) charter school administrative costs, \$3,677,000;
 876 (bb) K-3 Reading Improvement Program, \$15,000,000;
 877 (cc) Public Education Job Enhancement Program, \$2,187,000;
 878 (dd) educator salary adjustments, \$148,260,200;
 879 (ee) Teacher Salary Supplement Restricted Account, \$3,700,000;
 880 (ff) library books and electronic resources, \$500,000;
 881 (gg) school nurses, \$900,000;
 882 (hh) critical languages, \$230,000;
 883 (ii) extended year for special educators, \$2,610,000;
 884 (jj) USTAR Centers, \$6,210,000;
 885 (kk) state-supported [~~voted leeway~~] voted local discretionary levy guarantee,
 886 \$278,396,150;
 887 (ll) state-supported board [~~leeway~~] local discretionary levy guarantee, \$73,324,640; and
 888 (mm) state-supported board leeway for K-3 Reading Improvement Program,
 889 \$15,000,000.

890 Section 19. Section **53A-17a-105** is amended to read:

891 **53A-17a-105. Action required for underestimated or overestimated weighted**
 892 **pupil units -- Action required for underestimating or overestimating local contributions.**

893 (1) If the number of weighted pupil units in a program is underestimated in Section
 894 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so
 895 that the amount paid does not exceed the estimated amount by program.

896 (2) If the number of weighted pupil units in a program is overestimated in Section
897 53A-17a-104, the state superintendent of public instruction shall either increase the amount
898 paid in that program per weighted pupil unit or transfer the unused amount in that program to
899 another program included in the minimum school program.

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

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

905 (4) The limitation on the proceeds from local tax rates for ~~[operation and maintenance]~~
906 programs under this chapter is subject to modification by local school boards under Sections
907 53A-17a-133 and ~~[53A-17a-134]~~ 53A-17a-164 and to special tax rates authorized by this
908 chapter, and shall be adjusted accordingly.

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

912 (6) (a) If local contributions from the basic tax rate ~~[for operation and maintenance~~
913 ~~programs]~~ are underestimated, the excess is applied first to support the value of the weighted
914 pupil unit as set by the Legislature for total weighted pupil units generated by the districts and
915 those costs of Social Security and retirement, transportation, and the state guarantees for the
916 board and voted ~~leeway~~ local discretionary levies that occur as a result of the additional
917 generated weighted pupil units, following internal adjustments by the state superintendent as
918 provided in this section.

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

926 (7) As an exception to Section 63J-1-601, the state fiscal officer may not close out

927 appropriations from the Uniform School Fund at the end of a fiscal year.

928 Section 20. Section **53A-17a-127** is amended to read:

929 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**
930 **routes.**

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

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

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

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

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

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

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

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

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

950 (b) The State Board of Education shall distribute appropriated transportation funds
951 based on the prior year's eligible transportation costs as legally reported under Subsection
952 53A-17a-126(3).

953 (c) The State Board of Education shall annually review the allowance per mile and the
954 allowance per hour and adjust the allowances to reflect current economic conditions.

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

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

958 economic routes.

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

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

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

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

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

972 (b) (i) If a local school board expends an amount of revenue equal to at least .0002 per
973 dollar of taxable value of the school district's board local discretionary levy for the uses
974 described in Subsection (6)(c), the state may contribute an amount not to exceed 85% of the
975 state average cost per mile, contingent upon the Legislature appropriating funds for a state
976 contribution.

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

979 (c) In order to receive the guarantee described in Subsection (6)(b), a local school
980 board shall expend the revenue described in Subsection (6)(b)(i) to pay for transporting
981 participating students to interscholastic activities, night activities, and educational field trips
982 approved by the local school board and for the replacement of school buses.

983 ~~[(d) (i) The amount of state guarantee money which a school district would otherwise~~
984 ~~be entitled to receive under Subsection (6)(c)(b)(i) may not be reduced for the sole reason that~~
985 ~~the district's levy is reduced as a consequence of changes in the certified tax rate under Section~~
986 ~~59-2-924 due to changes in property valuation.]~~

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

989 Section 21. Section ~~53A-17a-133~~ is amended to read:

990 **53A-17a-133. Voted local discretionary levy -- Election requirements -- State**
991 **guarantee -- Reconsideration of levy authorization.**

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

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

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

1000 ~~[(b) The district may maintain a school program which exceeds the cost of the program~~
1001 ~~referred to in Section 53A-17a-145 with this voted leeway.]~~

1002 ~~[(c) In]~~ (b) Except as provided in Subsection (2)(c), in order to receive state support
1003 the first year, a district must receive voter approval no later than December 1 of the year prior
1004 to implementation.

1005 (c) Beginning on or after January 1, 2011, a school district may receive state support in
1006 accordance with Subsection (3) without complying with the requirements of Subsection (2)(b),
1007 if the local school board imposed a tax in accordance with this section during the taxable year
1008 beginning on January 1, 2010 and ending on December 31, 2010.

1009 (3) (a) ~~[Under the voted leeway program]~~ In addition to the revenue a school district
1010 collects from the imposition of a levy pursuant to this section, the state shall contribute an
1011 amount sufficient to guarantee \$25.25 per weighted pupil unit for each .0001 of the first .0016
1012 per dollar of taxable value.

1013 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
1014 of taxable value under Subsection (3)(a) shall apply to ~~[the board-approved leeway]~~ a portion
1015 of the board local discretionary levy authorized in Section ~~[53A-17a-134]~~ 53A-17a-164, so that
1016 the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district
1017 levies a tax rate under both programs.

1018 (c) (i) Beginning July 1, 2009, the \$25.25 guarantee under Subsections (3)(a) and (b)
1019 shall be indexed each year to the value of the weighted pupil unit by making the value of the

1020 guarantee equal to .009798 times the value of the prior year's weighted pupil unit.

1021 (ii) ~~[The]~~ Except as provided in Subsection (3)(c)(iii), the guarantee shall increase by
1022 .0005 times the value of the prior year's weighted pupil unit for each succeeding year [until the
1023 guarantee is equal to].

1024 (iii) The guarantee described in Subsection (3)(c)(i) may not exceed .010544 times the
1025 value of the prior year's weighted pupil unit.

1026 (d) (i) The amount of state guarantee money to which a school district would otherwise
1027 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's
1028 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
1029 pursuant to changes in property valuation.

1030 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in
1031 the certified tax rate.

1032 (4) (a) An election to modify ~~[an] existing [voted leeway program]~~ authority to impose
1033 a voted local discretionary levy is not a reconsideration of the existing ~~[program]~~ authority
1034 unless the proposition submitted to the electors expressly so states.

1035 (b) A majority vote opposing a modification does not deprive the district of authority to
1036 continue ~~[an] the existing [program]~~ levy.

1037 (c) If adoption of a ~~[leeway program]~~ voted local discretionary levy is contingent upon
1038 an offset reducing other local school board levies, the board must allow the electors, in an
1039 election, to consider modifying or discontinuing the ~~[program]~~ imposition of the levy prior to a
1040 subsequent increase in other levies that would increase the total local school board levy.

1041 (d) Nothing contained in this section terminates, without an election, the authority of a
1042 school district to continue ~~[an existing voted leeway program]~~ imposing an existing voted local
1043 discretionary levy previously authorized by the voters as a voted leeway program.

1044 (5) Notwithstanding Section 59-2-919, a school district may budget an increased
1045 amount of ad valorem property tax revenue derived from a voted ~~[leeway]~~ local discretionary
1046 levy imposed under this section in addition to revenue from new growth as defined in
1047 Subsection 59-2-924(4), without having to comply with the notice requirements of Section
1048 59-2-919, if:

1049 (a) the voted ~~[leeway]~~ local discretionary levy is approved:

1050 (i) in accordance with ~~[Section 53A-16-110]~~ Subsections (8) and (9) on or after

1051 January 1, 2003; and

1052 (ii) within the four-year period immediately preceding the year in which the school
1053 district seeks to budget an increased amount of ad valorem property tax revenue derived from
1054 the voted [~~leeway~~] local discretionary levy; and

1055 (b) for a voted [~~leeway~~] local discretionary levy approved or modified in accordance
1056 with this section on or after January 1, 2009, the school district complies with the requirements
1057 of Subsection (7).

1058 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
1059 section that exceeds the certified tax rate without having to comply with the notice
1060 requirements of Section 59-2-919 if:

1061 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
1062 increased amount of ad valorem property tax revenue derived from a voted [~~leeway~~] local
1063 discretionary levy imposed under this section;

1064 (b) if the voted [~~leeway~~] local discretionary levy was approved:

1065 (i) in accordance with [~~Section 53A-16-110~~] Subsections (8) and (9) on or after
1066 January 1, 2003; and

1067 (ii) within the four-year period immediately preceding the year in which the school
1068 district seeks to budget an increased amount of ad valorem property tax revenue derived from
1069 the voted [~~leeway~~] local discretionary levy; and

1070 (c) for a voted [~~leeway~~] local discretionary levy approved or modified in accordance
1071 with this section on or after January 1, 2009, the school district complies with the requirements
1072 of Subsection (7).

1073 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the
1074 electors regarding the adoption or modification of a voted leeway program shall contain the
1075 following statement:

1076 "A vote in favor of this tax means that (name of the school district) may increase
1077 revenue from this property tax without advertising the increase for the next five years."

1078 (8) (a) Before imposing a property tax levy pursuant to this section, a school district
1079 shall submit an opinion question to the school district's registered voters voting on the
1080 imposition of the tax rate so that each registered voter has the opportunity to express the
1081 registered voter's opinion on whether the tax rate should be imposed.

1082 (b) The election required by this Subsection (8) shall be held:

1083 (i) at a regular general election conducted in accordance with the procedures and
1084 requirements of Title 20A, Election Code, governing regular elections;

1085 (ii) at a municipal general election conducted in accordance with the procedures and
1086 requirements of Section 20A-1-202; or

1087 (iii) at a local special election conducted in accordance with the procedures and
1088 requirements of Section 20A-1-203.

1089 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or
1090 after January 1, 2011, a school district may levy a tax rate in accordance with this section
1091 without complying with the requirements of Subsections (8)(a) and (b) if the school district
1092 imposed a tax in accordance with this section at any time during the taxable year beginning on
1093 January 1, 2010, and ending on December 31, 2010.

1094 (9) If a school district determines that a majority of the school district's registered
1095 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
1096 rate in accordance with Subsection (8), the school district may impose the tax rate.

1097 Section 22. Section **53A-17a-134** is amended to read:

1098 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

1099 (1) ~~[Each]~~ Except as provided in Subsection (9), a local school board may levy a tax
1100 rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of
1101 the basic school program as follows:

1102 (a) a local school board shall use the monies generated by the tax for class size
1103 reduction within the school district;

1104 (b) if a local school board determines that the average class size in the school district is
1105 not excessive, it may use the monies for other school purposes but only if the board has
1106 declared the use for other school purposes in a public meeting prior to levying the tax rate; and

1107 (c) a district may not use the monies for other school purposes under Subsection (1)(b)
1108 until it has certified in writing that its class size needs are already being met and has identified
1109 the other school purposes for which the monies will be used to the State Board of Education
1110 and the state board has approved their use for other school purposes.

1111 (2) (a) The state shall contribute an amount sufficient to guarantee \$25.25 per weighted
1112 pupil unit for each .0001 per dollar of taxable value.

1113 (b) The guarantee shall increase in the same manner as provided for the voted leeway
1114 guarantee in Subsections 53A-17a-133(3)(c)(i) and (ii).

1115 (c) (i) The amount of state guarantee money to which a school district would otherwise
1116 be entitled to under this Subsection (2) may not be reduced for the sole reason that the district's
1117 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
1118 pursuant to changes in property valuation.

1119 (ii) Subsection (2)(c)(i) applies for a period of five years following any such change in
1120 the certified tax rate.

1121 (3) The levy authorized under this section is not in addition to the maximum rate of
1122 .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax
1123 rate under that section.

1124 (4) As an exception to Section 53A-17a-133, the board-authorized levy does not
1125 require voter approval, but the board may require voter approval if requested by a majority of
1126 the board.

1127 (5) An election to consider disapproval of the board-authorized levy is required, if
1128 within 60 days after the levy is established by the board, referendum petitions signed by the
1129 number of legal voters required in Section 20A-7-301, who reside within the school district, are
1130 filed with the school district.

1131 (6) (a) A local school board shall establish its board-approved levy by April 1 to have
1132 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an
1133 election is required under this section, the levy applies to the fiscal year beginning July 1 of the
1134 next calendar year.

1135 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall
1136 occur at a general election in even-numbered years, except that a vote required under this
1137 section in odd-numbered years shall occur at a special election held on a day in odd-numbered
1138 years that corresponds to the general election date. The school district shall pay for the cost of
1139 a special election.

1140 (7) (a) Modification or termination of a voter-approved leeway rate authorized under
1141 this section is governed by Section 53A-17a-133.

1142 (b) A board-authorized leeway rate may be modified or terminated by a majority vote
1143 of the board subject to disapproval procedures specified in this section.

1144 (8) A board levy election does not require publication of a voter information pamphlet.

1145 (9) Beginning January 1, 2011, a local school board may not levy a tax in accordance
1146 with this section.

1147 Section 23. Section **53A-17a-136** is amended to read:

1148 **53A-17a-136. Cost of operation and maintenance of minimum school program --**
1149 **Division between state and school districts.**

1150 (1) The total cost of operation and maintenance of the minimum school program in the
1151 state is divided between the state and school districts as follows:

1152 (a) Each school district shall impose a minimum basic tax rate on all taxable, tangible
1153 property in the school district and shall contribute the tax proceeds toward the cost of the basic
1154 program as provided in this chapter.

1155 (b) Each school district may also impose a levy for the purpose of participating in the
1156 ~~[leeway]~~ levy programs provided in ~~[this chapter]~~ Section 53A-17a-133 or 53A-17a-164.

1157 (c) The state shall contribute the balance of the total costs.

1158 (2) The contributions by the school districts and by the state are computed separately
1159 for the purpose of determining their respective contributions to the basic program and to the
1160 ~~[leeway]~~ levy programs provided in ~~[this chapter]~~ Sections 53A-17a-133 and 53A-17a-164.

1161 Section 24. Section **53A-17a-143** is amended to read:

1162 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**
1163 **allocations from the Federal Impact Aid Program.**

1164 (1) In addition to the revenues received from the levy imposed by each school district
1165 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~
1166 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between
1167 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~
1168 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this
1169 source for the next preceding fiscal year.

1170 ~~[(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~
1171 ~~any fiscal year.]~~

1172 ~~[(3) This authorization terminates for each district at the end of the third year it is~~
1173 ~~used.]~~

1174 ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from

1175 [~~this special tax rate plus allocation from Public Law 81-874~~] a distribution from the
 1176 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal
 1177 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from
 1178 [~~Public Law 81-874~~] the Federal Impact Aid Program for the next preceding fiscal year, the
 1179 excess funds are carried into the next succeeding fiscal year and become in that year a part of
 1180 the district's contribution to its basic program for operation and maintenance under the state
 1181 minimum school finance law.

1182 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be
 1183 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's
 1184 required contribution to its basic program.

1185 ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state
 1186 minimum school program funds as though the reduction in the tax rate had not been made.

1187 Section 25. Section **53A-17a-145** is amended to read:

1188 **53A-17a-145. Additional levy by district for debt service, school sites, buildings,**
 1189 **buses, textbooks, and supplies.**

1190 (1) ~~[A]~~ Except as provided in Subsection (5), a school district may elect to increase its
 1191 tax rate by up to 10% of the cost of the basic program.

1192 (2) The proceeds from the increase may only be used for debt service, the construction
 1193 or remodeling of school buildings, or the purchase of school sites, buses, equipment, textbooks,
 1194 and supplies.

1195 (3) This section does not prohibit a district from exercising the authority granted by
 1196 other laws relating to tax rates.

1197 (4) This increase in the tax rate is not included in determining the apportionment of the
 1198 State School Fund, and is in addition to other tax rates authorized by law.

1199 (5) Beginning January 1, 2011, a school district may not:

1200 (a) levy a tax rate in accordance with this section; or

1201 (b) increase its tax rate as described in Subsection (1).

1202 Section 26. Section **53A-17a-150** is amended to read:

1203 **53A-17a-150. K-3 Reading Improvement Program.**

1204 (1) As used in this section:

1205 (a) "Program" means the K-3 Reading Improvement Program~~[; and]~~.

1206 (b) "Program monies" means:
1207 [~~(i) school district revenue from the levy authorized under Section 53A-17a-151;~~]
1208 [~~(ii)~~] (i) school district revenue allocated to the program from [~~other~~] monies available
1209 to the school district, except monies provided by the state, for the purpose of receiving state
1210 funds under this section; and
1211 [~~(iii)~~] (ii) monies appropriated by the Legislature to the program.

1212 (2) The K-3 Reading Improvement Program consists of program monies and is created
1213 to achieve the state's goal of having third graders reading at or above grade level.

1214 (3) Subject to future budget constraints, the Legislature may annually appropriate
1215 money to the K-3 Reading Improvement Program.

1216 (4) (a) Prior to using program monies, a school district or charter school shall submit a
1217 plan to the State Board of Education for reading proficiency improvement that incorporates the
1218 following components:

- 1219 (i) assessment;
- 1220 (ii) intervention strategies;
- 1221 (iii) professional development;
- 1222 (iv) reading performance standards; and
- 1223 (v) specific measurable goals that are based upon gain scores.

1224 (b) The State Board of Education shall provide model plans which a school district or
1225 charter school may use, or the district or school may develop its own plan.

1226 (c) Plans developed by a school district or charter school shall be approved by the State
1227 Board of Education.

1228 (5) There is created within the K-3 Reading Achievement Program three funding
1229 programs:

- 1230 (a) the Base Level Program;
- 1231 (b) the Guarantee Program; and
- 1232 (c) the Low Income Students Program.

1233 (6) Monies appropriated to the State Board of Education for the K-3 Reading
1234 Improvement Program shall be allocated to the three funding programs as follows:

- 1235 (a) 8% to the Base Level Program;
- 1236 (b) 46% to the Guarantee Program; and

1237 (c) 46% to the Low Income Students Program.

1238 (7) (a) To participate in the Base Level Program, a school district or charter school
1239 shall submit a reading proficiency improvement plan to the State Board of Education as
1240 provided in Subsection (4) and must receive approval of the plan from the board.

1241 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying
1242 elementary charter schools combined shall receive a base amount.

1243 (ii) The base amount for the qualifying elementary charter schools combined shall be
1244 allocated among each school in an amount proportionate to:

1245 (A) each existing charter school's prior year fall enrollment in grades kindergarten
1246 through grade 3; and

1247 (B) each new charter school's estimated fall enrollment in grades kindergarten through
1248 grade 3.

1249 (8) (a) A school district that applies for program monies in excess of the Base Level
1250 Program funds shall choose to first participate in either the Guarantee Program or the Low
1251 Income Students Program.

1252 (b) A school district must fully participate in either the Guarantee Program or the Low
1253 Income Students Program before it may elect to either fully or partially participate in the other
1254 program.

1255 (c) To fully participate in the Guarantee Program, a school district shall~~[(i) levy a tax~~
1256 ~~rate of .000056 under Section 53A-17a-151;(ii)]~~ allocate to the program ~~[other]~~ monies
1257 available to the school district, except monies provided by the state, equal to the amount of
1258 revenue that would be generated by a tax rate of .000056~~[-or].~~

1259 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1260 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1261 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1262 ~~tax rate of .000056.]~~

1263 (d) To fully participate in the Low Income Students Program, a school district shall~~[-~~
1264 ~~(i) levy a tax rate of .000065 under Section 53A-17a-151;(ii)]~~ allocate to the program ~~[other]~~
1265 monies available to the school district, except monies provided by the state, equal to the
1266 amount of revenue that would be generated by a tax rate of .000065~~[-or].~~

1267 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~

1268 available to the school district, except monies provided by the state, so that the total revenue
1269 from the combined revenue sources equals the amount of revenue that would be generated by a
1270 tax rate of .000065.]

1271 (e) (i) The State Board of Education shall verify that a school district allocates the
1272 monies required in accordance with Subsections (8)(c) and (d) before it distributes funds in
1273 accordance with this section.

1274 (ii) The State Tax Commission shall provide the State Board of Education the
1275 information the State Board of Education needs to comply with Subsection (8)(e)(i).

1276 (9) (a) A school district that fully participates in the Guarantee Program shall receive
1277 state funds in an amount that is:

1278 (i) equal to the difference between \$21 times the district's total WPU's and the revenue
1279 the school district is required to generate or allocate under Subsection (8)(c) to fully participate
1280 in the Guarantee Program; and

1281 (ii) not less than \$0.

1282 (b) An elementary charter school shall receive under the Guarantee Program an amount
1283 equal to \$21 times the school's total WPU's.

1284 (10) The State Board of Education shall distribute Low Income Students Program
1285 funds in an amount proportionate to the number of students in each school district or charter
1286 school who qualify for free or reduced price school lunch multiplied by two.

1287 (11) A school district that partially participates in the Guarantee Program or Low
1288 Income Students Program shall receive program funds based on the amount of district revenue
1289 generated for or allocated to the program as a percentage of the amount of revenue that could
1290 have been generated or allocated if the district had fully participated in the program.

1291 (12) (a) Each school district and charter school shall use program monies for reading
1292 proficiency improvement in grades kindergarten through grade three.

1293 (b) Program monies may not be used to supplant funds for existing programs, but may
1294 be used to augment existing programs.

1295 (13) (a) Each school district and charter school shall annually submit a report to the
1296 State Board of Education accounting for the expenditure of program monies in accordance with
1297 its plan for reading proficiency improvement.

1298 (b) If a school district or charter school uses program monies in a manner that is

1299 inconsistent with Subsection (12), the school district or charter school is liable for reimbursing
 1300 the State Board of Education for the amount of program monies improperly used, up to the
 1301 amount of program monies received from the State Board of Education.

1302 (14) (a) The State Board of Education shall make rules to implement the program.

1303 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter
 1304 school to annually report progress in meeting goals stated in the district's or charter school's
 1305 plan for student reading proficiency as measured by gain scores.

1306 (ii) If a school district or charter school does not meet or exceed the goals, the school
 1307 district or charter school shall prepare a new plan which corrects deficiencies. The new plan
 1308 must be approved by the State Board of Education before the school district or charter school
 1309 receives an allocation for the next year.

1310 ~~[(15) If after 36 months of program operation, a school district fails to meet goals~~
 1311 ~~stated in the district's plan for student reading proficiency as measured by gain scores, the~~
 1312 ~~school district shall terminate any levy imposed under Section 53A-17a-151.]~~

1313 Section 27. Section **53A-17a-151** is amended to read:

1314 **53A-17a-151. Board leeway for reading improvement.**

1315 (1) ~~[Each]~~ Except as provided in Subsection (4), a local school board may levy a tax
 1316 rate of up to .000121 per dollar of taxable value for funding the school district's K-3 Reading
 1317 Improvement Program created under Section 53A-17a-150.

1318 (2) The levy authorized under this section:

1319 (a) is in addition to any other levy or maximum rate;

1320 (b) does not require voter approval; and

1321 (c) may be modified or terminated by a majority vote of the board.

1322 (3) A local school board shall establish its board-approved levy under this section by
 1323 June 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year.

1324 (4) Beginning January 1, 2011, a local school board may not levy a tax in accordance
 1325 with this section.

1326 Section 28. Section **53A-17a-164** is enacted to read:

1327 **53A-17a-164. Board local discretionary levy -- State guarantee.**

1328 (1) Subject to the other requirements of this section, for a taxable year beginning on or
 1329 after January 1, 2011, a local school board may levy a tax to fund the school district's general

1330 fund.

1331 (2) (a) Except as provided in Subsection (2)(b), a tax rate imposed by a school district
1332 pursuant to this section may not exceed .0018 per dollar of taxable value in any fiscal year.

1333 (b) A tax rate imposed by a school district pursuant to this section may not exceed
1334 .0025 per dollar of taxable value in any fiscal year if, during the calendar year beginning on
1335 January 1, 2010 and ending on December 31, 2010, the school district's combined tax rate for
1336 the following levies was greater than .0018 per dollar of taxable value:

1337 (i) a recreation levy imposed under Section 11-2-7;

1338 (ii) a transportation levy imposed under Section 53-17a-127;

1339 (iii) a board-authorized leeway imposed under Section 53A-17a-134;

1340 (iv) an impact aid levy imposed under Section 53-17a-143;

1341 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is
1342 budgeted for textbooks, supplies, maintenance, and operations;

1343 (vi) a reading levy imposed under Section 53-17a-151; and

1344 (vii) a tort liability levy imposed under Section 63G-1-704.

1345 (3) For fiscal year 2011-12, a local school board may not impose a tax rate pursuant to
1346 this section that generates an amount of revenue that exceeds the following:

1347 (a) the sum of:

1348 (i) the amount of revenue generated during the taxable year beginning on January 1,
1349 2010, and ending on December 31, 2010, from the sum of the levies listed in Subsection (2)(b)
1350 that are imposed by the school district; and

1351 (ii) revenue from new growth as defined in Subsection 59-2-924(4)(c); minus

1352 (b) the amount the school district receives in fiscal year 2011-12 under Subsection
1353 59-2-103(13).

1354 Section 29. Section **53A-17a-165** is enacted to read:

1355 **53A-17a-165. Sales tax revenue deposited to Uniform School Fund.**

1356 (1) The sales tax revenue deposited into the Uniform School Fund under Subsection
1357 59-12-103(13) shall be allocated to a school district or charter school in proportion to the
1358 school district's or charter school's weighted pupil units as a percentage of the total number of
1359 weighted pupil units for all school districts and charter schools in the state.

1360 (2) Money received by a school district or charter school described in Subsection (1)

1361 shall be used by the school district or charter school to fund the school district's general fund.

1362 Section 30. Section **53A-21-101.5** is amended to read:

1363 **53A-21-101.5. Definitions.**

1364 As used in this chapter:

1365 (1) "ADM" or "pupil in average daily membership" is as defined in Section
1366 53A-17a-103.

1367 (2) "Combined capital levy rate" means a rate that includes the sum of the following
1368 property tax levies:

1369 (a) the capital [~~outlay~~] discretionary levy authorized in Section [~~53A-16-107;~~]
1370 53A-16-113; and

1371 [~~(b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is~~
1372 ~~budgeted for debt service or capital outlay;]~~

1373 [~~(c)~~] (b) the debt service levy authorized in Section 11-14-310[~~; and~~].

1374 [~~(d) the voted capital outlay leeway authorized in Section 53A-16-110.]~~

1375 (3) "Derived net taxable value" means the quotient of:

1376 (a) the total current property tax collections from April 1 through the following March
1377 31 for a school district; divided by

1378 (b) the school district's total tax rate for the calendar year preceding the March 31
1379 referenced in Subsection (3)(a).

1380 (4) "Highest combined capital levy rate" means the highest combined capital levy rate
1381 imposed by any school district within the state for a fiscal year.

1382 (5) "Property tax base per ADM" means the quotient of:

1383 (a) a school district's derived net taxable value; divided by

1384 (b) the school district's ADM for the same year.

1385 (6) "Property tax yield per ADM" means:

1386 (a) the product of:

1387 (i) a school district's derived net taxable value; and

1388 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced
1389 in Subsection (3)(a); divided by

1390 (b) the school district's ADM for the same fiscal year.

1391 (7) "Statewide average property tax base per ADM" means the quotient of:

1392 (a) the sum of all school districts' derived net taxable value; divided by
1393 (b) the sum of all school districts' ADM statewide for the same year.

1394 Section 31. Section **59-2-404** is amended to read:

1395 **59-2-404. Uniform fee on aircraft -- Collection of fee by commission --**

1396 **Distribution of fees.**

1397 (1) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
1398 beginning on January 1, 2009, an aircraft, required to be registered with the state is:

1399 (a) exempt from the tax imposed by Section 59-2-103; and

1400 (b) in lieu of the tax imposed by Section 59-2-103, subject to a uniform statewide fee
1401 of \$25.

1402 (2) (a) The uniform fee shall be collected by the commission with the registration fee
1403 and distributed to the county in [~~which the aircraft is based~~] accordance with Subsection (3).

1404 (b) A based aircraft is an aircraft which is hangared, tied down, or parked at the airport
1405 for a plurality of the year.

1406 (3) (a) [~~The uniform fees received by a county under Subsection (2) shall be distributed~~
1407 ~~to each taxing entity within the county]~~ Forty-five percent of the uniform fees received by a
1408 county under Subsection (2) shall be distributed to each taxing entity within the county that is
1409 not a school district in the same proportion in which revenues collected from the ad valorem
1410 property tax are distributed.

1411 (b) Each taxing entity described in Subsection (3)(a) that receives revenues from the
1412 uniform fee imposed by this section shall distribute the revenues in the same proportion in
1413 which revenues collected from the ad valorem property tax are distributed.

1414 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
1415 be distributed by the county to each school district within the county in proportion to the school
1416 district's percentage of the total current year enrollment in all of the school districts within the
1417 county, as of October 1 enrollment counts.

1418 (4) The commission shall promulgate rules to implement this section.

1419 Section 32. Section **59-2-405** is amended to read:

1420 **59-2-405. Uniform fee on tangible personal property required to be registered**
1421 **with the state -- Distribution of revenues -- Appeals.**

1422 (1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt

1423 from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,
1424 Subsection (6).

1425 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
1426 statewide uniform fee in lieu of the ad valorem tax on:

1427 (i) motor vehicles required to be registered with the state that weigh 12,001 pounds or
1428 more;

1429 (ii) motorcycles as defined in Section 41-1a-102 that are required to be registered with
1430 the state;

1431 (iii) watercraft required to be registered with the state;

1432 (iv) recreational vehicles required to be registered with the state; and

1433 (v) all other tangible personal property required to be registered with the state before it
1434 is used on a public highway, on a public waterway, on public land, or in the air.

1435 (b) The following tangible personal property is exempt from the statewide uniform fee
1436 imposed by this section:

1437 (i) aircraft;

1438 (ii) state-assessed commercial vehicles;

1439 (iii) tangible personal property subject to a uniform fee imposed by:

1440 (A) Section 59-2-405.1;

1441 (B) Section 59-2-405.2; or

1442 (C) Section 59-2-405.3; and

1443 (iv) personal property that is exempt from state or county ad valorem property taxes
1444 under the laws of this state or of the federal government.

1445 (3) Beginning on January 1, 1999, the uniform fee is 1.5% of the fair market value of
1446 the personal property, as established by the commission.

1447 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is
1448 brought into the state and is required to be registered in Utah shall, as a condition of
1449 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
1450 the state of origin have been paid for the current calendar year.

1451 (5) (a) [The] Forty-five percent of the revenues collected in each county from the
1452 uniform fee shall be distributed by the county to each taxing entity that is not a school district
1453 in which the property described in Subsection (2) is located in the same proportion in which

1454 revenue collected from ad valorem real property tax is distributed.

1455 (b) ~~[Each]~~ A taxing entity that is not a school district shall distribute the revenues
1456 received under Subsection (5)(a) in the same proportion in which revenue collected from ad
1457 valorem real property tax is distributed.

1458 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
1459 be distributed by the county to each school district within the county in proportion to the school
1460 district's percentage of the total current year enrollment in all of the school districts within the
1461 county, as of October 1 enrollment counts.

1462 (6) An appeal relating to the uniform fee imposed on the tangible personal property
1463 described in Subsection (2) shall be filed pursuant to Section 59-2-1005.

1464 Section 33. Section **59-2-405.1** is amended to read:

1465 **59-2-405.1. Uniform fee on certain vehicles weighing 12,000 pounds or less --**

1466 **Distribution of revenues -- Appeals.**

1467 (1) The property described in Subsection (2) is exempt from ad valorem property taxes
1468 pursuant to Utah Constitution Article XIII, Section 2, Subsection (6).

1469 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
1470 statewide uniform fee in lieu of the ad valorem tax on:

1471 (i) motor vehicles as defined in Section 41-1a-102 that:

1472 (A) are required to be registered with the state; and

1473 (B) weigh 12,000 pounds or less; and

1474 (ii) state-assessed commercial vehicles required to be registered with the state that
1475 weigh 12,000 pounds or less.

1476 (b) The following tangible personal property is exempt from the statewide uniform fee
1477 imposed by this section:

1478 (i) aircraft;

1479 (ii) tangible personal property subject to a uniform fee imposed by:

1480 (A) Section 59-2-405;

1481 (B) Section 59-2-405.2; or

1482 (C) Section 59-2-405.3; and

1483 (iii) tangible personal property that is exempt from state or county ad valorem property
1484 taxes under the laws of this state or of the federal government.

1485 (3) (a) Except as provided in Subsections (3)(b) and (c), beginning on January 1, 1999,
1486 the uniform fee for purposes of this section is as follows:

1487	Age of Vehicle	Uniform Fee
1488	12 or more years	\$10
1489	9 or more years but less than 12 years	\$50
1490	6 or more years but less than 9 years	\$80
1491	3 or more years but less than 6 years	\$110
1492	Less than 3 years	\$150

1493 (b) For registrations under Section 41-1a-215.5, beginning on January 1, 2007, the
1494 uniform fee for purposes of this section is as follows:

1495	Age of Vehicle	Uniform Fee
1496	12 or more years	\$5
1497	9 or more years but less than 12 years	\$25
1498	6 or more years but less than 9 years	\$40
1499	3 or more years but less than 6 years	\$55
1500	Less than 3 years	\$75

1501 (c) Notwithstanding Subsections (3)(a) and (b), beginning on September 1, 2001, for a
1502 motor vehicle issued a temporary sports event registration certificate in accordance with
1503 Section 41-3-306, the uniform fee for purposes of this section is \$5 for the event period
1504 specified on the temporary sports event registration certificate regardless of the age of the
1505 motor vehicle.

1506 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is
1507 brought into the state and is required to be registered in Utah shall, as a condition of
1508 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
1509 the state of origin have been paid for the current calendar year.

1510 (5) (a) ~~The~~ Forty-five percent of the revenues collected in each county from the
1511 uniform fee shall be distributed by the county to each taxing entity that is not a school district
1512 in which the property described in Subsection (2) is located in the same proportion in which
1513 revenue collected from ad valorem real property tax is distributed.

1514 (b) ~~Each~~ A taxing entity that is not a school district shall distribute the revenues
1515 received under Subsection (5)(a) in the same proportion in which revenue collected from ad

1516 valorem real property tax is distributed.

1517 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
1518 be distributed by the county to each school district within the county in proportion to the school
1519 district's percentage of the total current year enrollment in all of the school districts within the
1520 county, as of October 1 enrollment counts.

1521 Section 34. Section **59-2-405.2** is amended to read:

1522 **59-2-405.2. Definitions -- Uniform statewide fee on certain tangible personal**
1523 **property -- Distribution of revenues -- Rulemaking authority -- Determining the length of**
1524 **a vessel.**

1525 (1) As used in this section:

1526 (a) (i) Except as provided in Subsection (1)(a)(ii), "all-terrain vehicle" means a motor
1527 vehicle that:

1528 (A) is an:

1529 (I) all-terrain type I vehicle as defined in Section 41-22-2; or

1530 (II) all-terrain type II vehicle as defined in Section 41-22-2;

1531 (B) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
1532 Vehicles; and

1533 (C) has:

1534 (I) an engine with more than 150 cubic centimeters displacement;

1535 (II) a motor that produces more than five horsepower; or

1536 (III) an electric motor; and

1537 (ii) notwithstanding Subsection (1)(a)(i), "all-terrain vehicle" does not include a
1538 snowmobile.

1539 (b) "Camper" means a camper:

1540 (i) as defined in Section 41-1a-102; and

1541 (ii) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1542 Registration.

1543 (c) (i) "Canoe" means a vessel that:

1544 (A) is long and narrow;

1545 (B) has curved sides; and

1546 (C) is tapered:

- 1547 (I) to two pointed ends; or
- 1548 (II) to one pointed end and is blunt on the other end; and
- 1549 (ii) "canoe" includes:
- 1550 (A) a collapsible inflatable canoe;
- 1551 (B) a kayak;
- 1552 (C) a racing shell;
- 1553 (D) a rowing scull; or
- 1554 (E) notwithstanding the definition of vessel in Subsection (1)(aa), a canoe with an
- 1555 outboard motor.
- 1556 (d) "Dealer" is as defined in Section 41-1a-102.
- 1557 (e) "Jon boat" means a vessel that:
- 1558 (i) has a square bow; and
- 1559 (ii) has a flat bottom.
- 1560 (f) "Motor vehicle" is as defined in Section 41-22-2.
- 1561 (g) "Other motorcycle" means a motor vehicle that:
- 1562 (i) is:
- 1563 (A) a motorcycle as defined in Section 41-1a-102; and
- 1564 (B) designed primarily for use and operation over unimproved terrain;
- 1565 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
- 1566 Registration; and
- 1567 (iii) has:
- 1568 (A) an engine with more than 150 cubic centimeters displacement; or
- 1569 (B) a motor that produces more than five horsepower.
- 1570 (h) (i) "Other trailer" means a portable vehicle without motive power that is primarily
- 1571 used:
- 1572 (A) to transport tangible personal property; and
- 1573 (B) for a purpose other than a commercial purpose; and
- 1574 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 1575 purposes of Subsection (1)(h)(i)(B), the commission may by rule define what constitutes a
- 1576 purpose other than a commercial purpose.
- 1577 (i) "Outboard motor" is as defined in Section 41-1a-102.

1578 (j) "Personal watercraft" means a personal watercraft:
1579 (i) as defined in Section 73-18-2; and
1580 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State
1581 Boating Act.
1582 (k) (i) "Pontoon" means a vessel that:
1583 (A) is:
1584 (I) supported by one or more floats; and
1585 (II) propelled by either inboard or outboard power; and
1586 (B) is not:
1587 (I) a houseboat; or
1588 (II) a collapsible inflatable vessel; and
1589 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1590 commission may by rule define the term "houseboat."
1591 (l) "Qualifying adjustment, exemption, or reduction" means an adjustment, exemption,
1592 or reduction:
1593 (i) of all or a portion of a qualifying payment;
1594 (ii) granted by a county during the refund period; and
1595 (iii) received by a qualifying person.
1596 (m) (i) "Qualifying payment" means the payment made:
1597 (A) of a uniform statewide fee in accordance with this section:
1598 (I) by a qualifying person;
1599 (II) to a county; and
1600 (III) during the refund period; and
1601 (B) on an item of qualifying tangible personal property; and
1602 (ii) if a qualifying person received a qualifying adjustment, exemption, or reduction for
1603 an item of qualifying tangible personal property, the qualifying payment for that qualifying
1604 tangible personal property is equal to the difference between:
1605 (A) the payment described in this Subsection (1)(m) for that item of qualifying tangible
1606 personal property; and
1607 (B) the amount of the qualifying adjustment, exemption, or reduction.
1608 (n) "Qualifying person" means a person that paid a uniform statewide fee:

- 1609 (i) during the refund period;
- 1610 (ii) in accordance with this section; and
- 1611 (iii) on an item of qualifying tangible personal property.
- 1612 (o) "Qualifying tangible personal property" means a:
 - 1613 (i) qualifying vehicle; or
 - 1614 (ii) qualifying watercraft.
- 1615 (p) "Qualifying vehicle" means:
 - 1616 (i) an all-terrain vehicle with an engine displacement that is 100 or more cubic
 - 1617 centimeters but 150 or less cubic centimeters;
 - 1618 (ii) an other motorcycle with an engine displacement that is 100 or more cubic
 - 1619 centimeters but 150 or less cubic centimeters;
 - 1620 (iii) a small motor vehicle with an engine displacement that is 100 or more cubic
 - 1621 centimeters but 150 or less cubic centimeters;
 - 1622 (iv) a snowmobile with an engine displacement that is 100 or more cubic centimeters
 - 1623 but 150 or less cubic centimeters; or
 - 1624 (v) a street motorcycle with an engine displacement that is 100 or more cubic
 - 1625 centimeters but 150 or less cubic centimeters.
- 1626 (q) "Qualifying watercraft" means a:
 - 1627 (i) canoe;
 - 1628 (ii) collapsible inflatable vessel;
 - 1629 (iii) jon boat;
 - 1630 (iv) pontoon;
 - 1631 (v) sailboat; or
 - 1632 (vi) utility boat.
- 1633 (r) "Refund period" means the time period:
 - 1634 (i) beginning on January 1, 2006; and
 - 1635 (ii) ending on December 29, 2006.
- 1636 (s) "Sailboat" means a sailboat as defined in Section 73-18-2.
- 1637 (t) (i) "Small motor vehicle" means a motor vehicle that:
 - 1638 (A) is required to be registered in accordance with Title 41, Motor Vehicles; and
 - 1639 (B) has:

1640 (I) an engine with 150 or less cubic centimeters displacement; or
1641 (II) a motor that produces five or less horsepower; and
1642 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1643 commission may by rule develop a process for an owner of a motor vehicle to certify whether
1644 the motor vehicle has:
1645 (A) an engine with 150 or less cubic centimeters displacement; or
1646 (B) a motor that produces five or less horsepower.
1647 (u) "Snowmobile" means a motor vehicle that:
1648 (i) is a snowmobile as defined in Section 41-22-2;
1649 (ii) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
1650 Vehicles; and
1651 (iii) has:
1652 (A) an engine with more than 150 cubic centimeters displacement; or
1653 (B) a motor that produces more than five horsepower.
1654 (v) "Street motorcycle" means a motor vehicle that:
1655 (i) is:
1656 (A) a motorcycle as defined in Section 41-1a-102; and
1657 (B) designed primarily for use and operation on highways;
1658 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1659 Registration; and
1660 (iii) has:
1661 (A) an engine with more than 150 cubic centimeters displacement; or
1662 (B) a motor that produces more than five horsepower.
1663 (w) "Tangible personal property owner" means a person that owns an item of
1664 qualifying tangible personal property.
1665 (x) "Tent trailer" means a portable vehicle without motive power that:
1666 (i) is constructed with collapsible side walls that:
1667 (A) fold for towing by a motor vehicle; and
1668 (B) unfold at a campsite;
1669 (ii) is designed as a temporary dwelling for travel, recreational, or vacation use;
1670 (iii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,

1671 Registration; and
1672 (iv) does not require a special highway movement permit when drawn by a
1673 self-propelled motor vehicle.
1674 (y) (i) Except as provided in Subsection (1)(y)(ii), "travel trailer" means a travel trailer:
1675 (A) as defined in Section 41-1a-102; and
1676 (B) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,
1677 Registration; and
1678 (ii) notwithstanding Subsection (1)(y)(i), "travel trailer" does not include:
1679 (A) a camper; or
1680 (B) a tent trailer.
1681 (z) (i) "Utility boat" means a vessel that:
1682 (A) has:
1683 (I) two or three bench seating;
1684 (II) an outboard motor; and
1685 (III) a hull made of aluminum, fiberglass, or wood; and
1686 (B) does not have:
1687 (I) decking;
1688 (II) a permanent canopy; or
1689 (III) a floor other than the hull; and
1690 (ii) notwithstanding Subsection (1)(z)(i), "utility boat" does not include a collapsible
1691 inflatable vessel.
1692 (aa) "Vessel" means a vessel:
1693 (i) as defined in Section 73-18-2, including an outboard motor of the vessel; and
1694 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State
1695 Boating Act.
1696 (2) (a) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
1697 beginning on January 1, 2006, the tangible personal property described in Subsection (2)(b) is:
1698 (i) exempt from the tax imposed by Section 59-2-103; and
1699 (ii) in lieu of the tax imposed by Section 59-2-103, subject to uniform statewide fees as
1700 provided in this section.
1701 (b) The following tangible personal property applies to Subsection (2)(a) if that

1702 tangible personal property is required to be registered with the state:

1703 (i) an all-terrain vehicle;

1704 (ii) a camper;

1705 (iii) an other motorcycle;

1706 (iv) an other trailer;

1707 (v) a personal watercraft;

1708 (vi) a small motor vehicle;

1709 (vii) a snowmobile;

1710 (viii) a street motorcycle;

1711 (ix) a tent trailer;

1712 (x) a travel trailer; and

1713 (xi) a vessel if that vessel is less than 31 feet in length as determined under Subsection

1714 (6).

1715 (3) For purposes of this section, the uniform statewide fees are:

1716 (a) for an all-terrain vehicle, an other motorcycle, or a snowmobile:

1717	Age of All-Terrain Vehicle, Other Motorcycle, or Snowmobile	Uniform Statewide Fee
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1718	12 or more years	\$10
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1719	9 or more years but less than 12 years	\$20
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1720	6 or more years but less than 9 years	\$30
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1721	3 or more years but less than 6 years	\$35
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1722	Less than 3 years	\$45
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1723 (b) for a camper or a tent trailer:

1724	Age of Camper or Tent Trailer	Uniform Statewide Fee
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1725	12 or more years	\$10
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1726	9 or more years but less than 12 years	\$25
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1727	6 or more years but less than 9 years	\$35
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1728	3 or more years but less than 6 years	\$50
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1729	Less than 3 years	\$70
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1730 (c) for an other trailer:

1731	Age of Other Trailer	Uniform Statewide Fee
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1732	12 or more years	\$10
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1733	9 or more years but less than 12 years	\$15
1734	6 or more years but less than 9 years	\$20
1735	3 or more years but less than 6 years	\$25
1736	Less than 3 years	\$30
1737	(d) for a personal watercraft:	
1738	Age of Personal Watercraft	Uniform Statewide Fee
1739	12 or more years	\$10
1740	9 or more years but less than 12 years	\$25
1741	6 or more years but less than 9 years	\$35
1742	3 or more years but less than 6 years	\$45
1743	Less than 3 years	\$55
1744	(e) for a small motor vehicle:	
1745	Age of Small Motor Vehicle	Uniform Statewide Fee
1746	6 or more years	\$10
1747	3 or more years but less than 6 years	\$15
1748	Less than 3 years	\$25
1749	(f) for a street motorcycle:	
1750	Age of Street Motorcycle	Uniform Statewide Fee
1751	12 or more years	\$10
1752	9 or more years but less than 12 years	\$35
1753	6 or more years but less than 9 years	\$50
1754	3 or more years but less than 6 years	\$70
1755	Less than 3 years	\$95
1756	(g) for a travel trailer:	
1757	Age of Travel Trailer	Uniform Statewide Fee
1758	12 or more years	\$20
1759	9 or more years but less than 12 years	\$65
1760	6 or more years but less than 9 years	\$90
1761	3 or more years but less than 6 years	\$135
1762	Less than 3 years	\$175
1763	(h) \$10 regardless of the age of the vessel if the vessel is:	

- 1764 (i) less than 15 feet in length;
- 1765 (ii) a canoe;
- 1766 (iii) a jon boat; or
- 1767 (iv) a utility boat;
- 1768 (i) for a collapsible inflatable vessel, pontoon, or sailboat, regardless of age:

1769 Length of Vessel	Uniform Statewide Fee
1770 15 feet or more in length but less than 19 feet in length	\$15
1771 19 feet or more in length but less than 23 feet in length	\$25
1772 23 feet or more in length but less than 27 feet in length	\$40
1773 27 feet or more in length but less than 31 feet in length	\$75

- 1774 (j) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon, sailboat, or utility boat, that is 15 feet or more in length but less than 19 feet in length:

1776 Age of Vessel	Uniform Statewide Fee
1777 12 or more years	\$25
1778 9 or more years but less than 12 years	\$65
1779 6 or more years but less than 9 years	\$80
1780 3 or more years but less than 6 years	\$110
1781 Less than 3 years	\$150

- 1782 (k) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon, sailboat, or utility boat, that is 19 feet or more in length but less than 23 feet in length:

1784 Age of Vessel	Uniform Statewide Fee
1785 12 or more years	\$50
1786 9 or more years but less than 12 years	\$120
1787 6 or more years but less than 9 years	\$175
1788 3 or more years but less than 6 years	\$220
1789 Less than 3 years	\$275

- 1790 (l) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon, sailboat, or utility boat, that is 23 feet or more in length but less than 27 feet in length:

1792 Age of Vessel	Uniform Statewide Fee
1793 12 or more years	\$100
1794 9 or more years but less than 12 years	\$180

1795	6 or more years but less than 9 years	\$240
1796	3 or more years but less than 6 years	\$310
1797	Less than 3 years	\$400

1798 (m) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 1799 sailboat, or utility boat, that is 27 feet or more in length but less than 31 feet in length:

1800	Age of Vessel	Uniform Statewide Fee
1801	12 or more years	\$120
1802	9 or more years but less than 12 years	\$250
1803	6 or more years but less than 9 years	\$350
1804	3 or more years but less than 6 years	\$500
1805	Less than 3 years	\$700

1806 (4) Notwithstanding Section 59-2-407, tangible personal property subject to the
 1807 uniform statewide fees imposed by this section that is brought into the state shall, as a
 1808 condition of registration, be subject to the uniform statewide fees unless all property taxes or
 1809 uniform fees imposed by the state of origin have been paid for the current calendar year.

1810 (5) (a) ~~The~~ Forty-five percent of the revenues collected in ~~each~~ a county from the
 1811 uniform statewide fees imposed by this section shall be distributed by the county to each taxing
 1812 entity that is not a school district in which each item of tangible personal property subject to the
 1813 uniform statewide fees is located in the same proportion in which revenues collected from the
 1814 ad valorem property tax are distributed.

1815 (b) ~~Each~~ A taxing entity described in Subsection (5)(a) that receives revenues from
 1816 the uniform statewide fees imposed by this section shall distribute the revenues in the same
 1817 proportion in which revenues collected from the ad valorem property tax are distributed.

1818 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
 1819 be distributed by the county to each school district within the county in proportion to the school
 1820 district's percentage of the total current year enrollment in all of the school districts within the
 1821 county, as of October 1 enrollment counts.

1822 (6) (a) For purposes of the uniform statewide fee imposed by this section, the length of
 1823 a vessel shall be determined as provided in this Subsection (6).

1824 (b) (i) Except as provided in Subsection (6)(b)(ii), the length of a vessel shall be
 1825 measured as follows:

1826 (A) the length of a vessel shall be measured in a straight line; and
1827 (B) the length of a vessel is equal to the distance between the bow of the vessel and the
1828 stern of the vessel.

1829 (ii) Notwithstanding Subsection (6)(b)(i), the length of a vessel may not include the
1830 length of:

1831 (A) a swim deck;
1832 (B) a ladder;
1833 (C) an outboard motor; or
1834 (D) an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C) as
1835 determined by the commission by rule.

1836 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1837 the commission may by rule define what constitutes an appurtenance or attachment similar to
1838 Subsections (6)(b)(ii)(A) through (C).

1839 (c) The length of a vessel:

1840 (i) (A) for a new vessel, is the length:

1841 (I) listed on the manufacturer's statement of origin if the length of the vessel measured
1842 under Subsection (6)(b) is equal to the length of the vessel listed on the manufacturer's
1843 statement of origin; or
1844 (II) listed on a form submitted to the commission by a dealer in accordance with
1845 Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to
1846 the length of the vessel listed on the manufacturer's statement of origin; or
1847 (B) for a vessel other than a new vessel, is the length:

1848 (I) corresponding to the model number if the length of the vessel measured under
1849 Subsection (6)(b) is equal to the length of the vessel determined by reference to the model
1850 number; or
1851 (II) listed on a form submitted to the commission by an owner of the vessel in
1852 accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b)
1853 is not equal to the length of the vessel determined by reference to the model number; and
1854 (ii) (A) is determined at the time of the:

1855 (I) first registration as defined in Section 41-1a-102 that occurs on or after January 1,
1856 2006; or

1857 (II) first renewal of registration that occurs on or after January 1, 2006; and
1858 (B) may be determined after the time described in Subsection (6)(c)(ii)(A) only if the
1859 commission requests that a dealer or an owner submit a form to the commission in accordance
1860 with Subsection (6)(d).

1861 (d) (i) A form under Subsection (6)(c) shall:
1862 (A) be developed by the commission;
1863 (B) be provided by the commission to:
1864 (I) a dealer; or
1865 (II) an owner of a vessel;
1866 (C) provide for the reporting of the length of a vessel;
1867 (D) be submitted to the commission at the time the length of the vessel is determined in
1868 accordance with Subsection (6)(c)(ii);
1869 (E) be signed by:
1870 (I) if the form is submitted by a dealer, that dealer; or
1871 (II) if the form is submitted by an owner of the vessel, an owner of the vessel; and
1872 (F) include a certification that the information set forth in the form is true.
1873 (ii) A certification made under Subsection (6)(d)(i)(F) is considered as if made under
1874 oath and subject to the same penalties as provided by law for perjury.
1875 (iii) (A) A dealer or an owner that submits a form to the commission under Subsection
1876 (6)(c) is considered to have given the dealer's or owner's consent to an audit or review by:
1877 (I) the commission;
1878 (II) the county assessor; or
1879 (III) the commission and the county assessor.
1880 (B) The consent described in Subsection (6)(d)(iii)(A) is a condition to the acceptance
1881 of any form.

1882 (7) (a) A county that collected a qualifying payment from a qualifying person during
1883 the refund period shall issue a refund to the qualifying person as described in Subsection (7)(b)
1884 if:
1885 (i) the difference described in Subsection (7)(b) is \$1 or more; and
1886 (ii) the qualifying person submitted a form in accordance with Subsections (7)(c) and
1887 (d).

1888 (b) The refund amount shall be calculated as follows:
1889 (i) for a qualifying vehicle, the refund amount is equal to the difference between:
1890 (A) the qualifying payment the qualifying person paid on the qualifying vehicle during
1891 the refund period; and
1892 (B) the amount of the statewide uniform fee:
1893 (I) for that qualifying vehicle; and
1894 (II) that the qualifying person would have been required to pay:
1895 (Aa) during the refund period; and
1896 (Bb) in accordance with this section had Laws of Utah 2006, Fifth Special Session,
1897 Chapter 3, Section 1, been in effect during the refund period; and
1898 (ii) for a qualifying watercraft, the refund amount is equal to the difference between:
1899 (A) the qualifying payment the qualifying person paid on the qualifying watercraft
1900 during the refund period; and
1901 (B) the amount of the statewide uniform fee:
1902 (I) for that qualifying watercraft;
1903 (II) that the qualifying person would have been required to pay:
1904 (Aa) during the refund period; and
1905 (Bb) in accordance with this section had Laws of Utah 2006, Fifth Special Session,
1906 Chapter 3, Section 1, been in effect during the refund period.
1907 (c) Before the county issues a refund to the qualifying person in accordance with
1908 Subsection (7)(a) the qualifying person shall submit a form to the county to verify the
1909 qualifying person is entitled to the refund.
1910 (d) (i) A form under Subsection (7)(c) or (8) shall:
1911 (A) be developed by the commission;
1912 (B) be provided by the commission to the counties;
1913 (C) be provided by the county to the qualifying person or tangible personal property
1914 owner;
1915 (D) provide for the reporting of the following:
1916 (I) for a qualifying vehicle:
1917 (Aa) the type of qualifying vehicle; and
1918 (Bb) the amount of cubic centimeters displacement;

1919 (II) for a qualifying watercraft:
1920 (Aa) the length of the qualifying watercraft;
1921 (Bb) the age of the qualifying watercraft; and
1922 (Cc) the type of qualifying watercraft;
1923 (E) be signed by the qualifying person or tangible personal property owner; and
1924 (F) include a certification that the information set forth in the form is true.
1925 (ii) A certification made under Subsection (7)(d)(i)(F) is considered as if made under
1926 oath and subject to the same penalties as provided by law for perjury.
1927 (iii) (A) A qualifying person or tangible personal property owner that submits a form to
1928 a county under Subsection (7)(c) or (8) is considered to have given the qualifying person's
1929 consent to an audit or review by:
1930 (I) the commission;
1931 (II) the county assessor; or
1932 (III) the commission and the county assessor.
1933 (B) The consent described in Subsection (7)(d)(iii)(A) is a condition to the acceptance
1934 of any form.
1935 (e) The county shall make changes to the commission's records with the information
1936 received by the county from the form submitted in accordance with Subsection (7)(c).
1937 (8) A county shall change its records regarding an item of qualifying tangible personal
1938 property if the tangible personal property owner submits a form to the county in accordance
1939 with Subsection (7)(d).
1940 (9) (a) For purposes of this Subsection (9) "owner of tangible personal property" means
1941 a person that was required to pay a uniform statewide fee:
1942 (i) during the refund period;
1943 (ii) in accordance with this section; and
1944 (iii) on an item of tangible personal property subject to the uniform statewide fees
1945 imposed by this section.
1946 (b) A county that collected revenues from uniform statewide fees imposed by this
1947 section during the refund period shall notify an owner of tangible personal property:
1948 (i) of the tangible personal property classification changes made to this section
1949 pursuant to Laws of Utah 2006, Fifth Special Session, Chapter 3, Section 1;

1950 (ii) that the owner of tangible personal property may obtain and file a form to modify
1951 the county's records regarding the owner's tangible personal property; and
1952 (iii) that the owner may be entitled to a refund pursuant to Subsection (7).
1953 Section 35. Section **59-2-405.3** is amended to read:
1954 **59-2-405.3. Uniform statewide fee on motor homes -- Distribution of revenues.**
1955 (1) For purposes of this section, "motor home" means:
1956 (a) a motor home, as defined in Section 13-14-102, that is required to be registered
1957 with the state; or
1958 (b) a self-propelled vehicle that is:
1959 (i) modified for primary use as a temporary dwelling for travel, recreational, or
1960 vacation use; and
1961 (ii) required to be registered with the state.
1962 (2) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),
1963 beginning on January 1, 2006, a motor home is:
1964 (a) exempt from the tax imposed by Section 59-2-103; and
1965 (b) in lieu of the tax imposed by Section 59-2-103, subject to a uniform statewide fee
1966 as provided in Subsection (3).
1967 (3) The uniform statewide fee described in Subsection (2)(b) is:
1968 (a) beginning on January 1, 2006, and ending December 31, 2007, 1.25% of the fair
1969 market value of the motor home, as established by the commission; and
1970 (b) beginning on January 1, 2008, 1% of the fair market value of the motor home, as
1971 established by the commission.
1972 (4) Notwithstanding Section 59-2-407, a motor home subject to the uniform statewide
1973 fee imposed by this section that is brought into the state shall, as a condition of registration, be
1974 subject to the uniform statewide fee unless all property taxes or uniform fees imposed by the
1975 state of origin have been paid for the current calendar year.
1976 (5) (a) ~~Each~~ A county shall distribute 45% of the revenue collected by the county
1977 from the uniform statewide fee imposed by this section to each taxing entity that is not a school
1978 district in which each motor home subject to the uniform statewide fee is located in the same
1979 proportion in which revenue collected from the ad valorem property tax is distributed.
1980 (b) ~~Each~~ A taxing entity described in Subsection (5)(a) that receives revenue from the

1981 uniform statewide fee imposed by this section shall distribute the revenue in the same
1982 proportion in which revenue collected from the ad valorem property tax is distributed.

1983 (c) Fifty-five percent of the revenues collected in a county from the uniform fee shall
1984 be distributed by the county to each school district within the county in proportion to the school
1985 district's percentage of the total current year enrollment in all of the school districts within the
1986 county, as of October 1 enrollment counts.

1987 (6) An appeal relating to the uniform statewide fee imposed on a motor home by this
1988 section shall be filed pursuant to Section 59-2-1005.

1989 Section 36. Section **59-2-904** is amended to read:

1990 **59-2-904. Participation by district in state's contributions to state-supported**
1991 **guarantees.**

1992 (1) In addition to the basic state contribution provided in Section 59-2-902, ~~[each]~~ a
1993 school district may participate in the state's ~~[contributions]~~ contribution to ~~[the]~~ a
1994 state-supported ~~[fee]~~ levy program under Section 53A-17a-133 or 53A-17a-164 by
1995 conforming to the requirements of the Minimum School Program Act and by making the
1996 required additional levy. ~~[Each]~~

1997 (2) A school district ~~[shall participate]~~ that participates in ~~[the]~~ a state-supported
1998 ~~[fee]~~ levy program~~[-and]~~ shall certify to the State Board of Education the results of its
1999 determination and the amount of ~~[additional levy which]~~ the board or voted local discretionary
2000 levy that the district will impose.

2001 Section 37. Section **59-2-919.3** is enacted to read:

2002 **59-2-919.3. Property tax increases prohibited.**

2003 (1) For purposes of this section:

2004 (a) "Calendar year taxing entity" means a taxing entity that operates under a January 1
2005 through December 31 fiscal year.

2006 (b) "Fiscal year taxing entity" means a taxing entity that operates under a July 1
2007 through June 30 fiscal year.

2008 (2) Except as provided in Section 53A-17a-164, for taxable years beginning on or after
2009 January 1, 2010, and ending on or before December 31, 2011, a fiscal year taxing entity may
2010 not levy a tax rate that exceeds the fiscal year taxing entity's certified tax rate calculated in
2011 accordance with Section 59-2-924.

2012 (3) For the taxable year beginning on January 1, 2011, and ending on December 31,
2013 2011, a calendar year taxing entity may not levy a tax rate that exceeds the taxing entity's
2014 certified tax rate calculated in accordance with Section 59-2-924.

2015 Section 38. Section **59-2-924** is amended to read:

2016 **59-2-924. Report of valuation of property to county auditor and commission --**
2017 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
2018 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

2019 (1) Before June 1 of each year, the county assessor of each county shall deliver to the
2020 county auditor and the commission the following statements:

2021 (a) a statement containing the aggregate valuation of all taxable real property assessed
2022 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

2023 (b) a statement containing the taxable value of all personal property assessed by a
2024 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

2025 (2) The county auditor shall, on or before June 8, transmit to the governing body of
2026 each taxing entity:

2027 (a) the statements described in Subsections (1)(a) and (b);

2028 (b) an estimate of the revenue from personal property;

2029 (c) the certified tax rate; and

2030 (d) all forms necessary to submit a tax levy request.

2031 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem
2032 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior
2033 year.

2034 (b) For purposes of this Subsection (3):

2035 (i) "Ad valorem property tax revenues" do not include:

2036 (A) interest;

2037 (B) penalties; and

2038 (C) revenue received by a taxing entity from personal property that is:

2039 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

2040 (II) semiconductor manufacturing equipment.

2041 (ii) "Aggregate taxable value of all property taxed" means:

2042 (A) the aggregate taxable value of all real property assessed by a county assessor in

2043 accordance with Part 3, County Assessment, for the current year;

2044 (B) the aggregate taxable year end value of all personal property assessed by a county
2045 assessor in accordance with Part 3, County Assessment, for the prior year; and

2046 (C) the aggregate taxable value of all real and personal property assessed by the
2047 commission in accordance with Part 2, Assessment of Property, for the current year.

2048 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be
2049 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
2050 taxing entity by the amount calculated under Subsection (3)(c)(ii).

2051 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall
2052 calculate an amount as follows:

2053 (A) calculate for the taxing entity the difference between:

2054 (I) the aggregate taxable value of all property taxed; and

2055 (II) any redevelopment adjustments for the current calendar year;

2056 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
2057 amount determined by increasing or decreasing the amount calculated under Subsection
2058 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
2059 equalization period for the three calendar years immediately preceding the current calendar
2060 year;

2061 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
2062 product of:

2063 (I) the amount calculated under Subsection (3)(c)(ii)(B); and

2064 (II) the percentage of property taxes collected for the five calendar years immediately
2065 preceding the current calendar year; and

2066 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
2067 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)
2068 any new growth as defined in this section:

2069 (I) within the taxing entity; and

2070 (II) for the following calendar year:

2071 (Aa) for new growth from real property assessed by a county assessor in accordance
2072 with Part 3, County Assessment and all property assessed by the commission in accordance
2073 with Section 59-2-201, the current calendar year; and

2074 (Bb) for new growth from personal property assessed by a county assessor in
2075 accordance with Part 3, County Assessment, the prior calendar year.

2076 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all
2077 property taxed:

2078 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in
2079 Subsection (3)(b)(ii);

2080 (B) does not include the total taxable value of personal property contained on the tax
2081 rolls of the taxing entity that is:

2082 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
2083 (II) semiconductor manufacturing equipment; and

2084 (C) for personal property assessed by a county assessor in accordance with Part 3,
2085 County Assessment, the taxable value of personal property is the year end value of the personal
2086 property contained on the prior year's tax rolls of the entity.

2087 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
2088 January 1, 2007, the value of taxable property does not include the value of personal property
2089 that is:

2090 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
2091 County Assessment; and

2092 (B) semiconductor manufacturing equipment.

2093 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after
2094 January 1, 2007, the percentage of property taxes collected does not include property taxes
2095 collected from personal property that is:

2096 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
2097 County Assessment; and

2098 (B) semiconductor manufacturing equipment.

2099 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
2100 January 1, 2009, the value of taxable property does not include the value of personal property
2101 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County
2102 Assessment.

2103 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
2104 the commission may prescribe rules for calculating redevelopment adjustments for a calendar

2105 year.

2106 (viii) (A) For purposes of Subsection (3)(c)(i), for a calendar year beginning on or after
2107 January 1, 2010, a taxing entity's ad valorem property tax revenues budgeted for the prior year
2108 shall be decreased by an amount of revenue equal to the five-year average of the most recent
2109 prior five years of redemptions as reported on the county treasurer's final annual settlement
2110 required under Subsection 59-2-1365(2).

2111 (B) For the calendar year beginning on January 1, 2010 and ending on December 31,
2112 2010, a taxing entity is exempt from the notice and public hearing provisions of Section
2113 59-2-919 if the taxing entity budgets an increased amount of ad valorem property tax revenue
2114 equal to or less than the taxing entity's five-year average of the most recent prior five years of
2115 redemptions as reported on the county treasurer's final annual settlement required under
2116 Subsection 59-2-1365(2).

2117 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
2118 the commission shall make rules determining the calculation of ad valorem property tax
2119 revenues budgeted by a taxing entity.

2120 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by
2121 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are
2122 calculated for purposes of Section 59-2-913.

2123 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall
2124 be calculated as follows:

2125 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax
2126 rate is zero;

2127 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

2128 (A) in a county of the first, second, or third class, the levy imposed for municipal-type
2129 services under Sections 17-34-1 and 17-36-9; and

2130 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
2131 purposes and such other levies imposed solely for the municipal-type services identified in
2132 Section 17-34-1 and Subsection 17-36-3(22); and

2133 (iii) for debt service voted on by the public, the certified tax rate shall be the actual
2134 levy imposed by that section, except that the certified tax rates for the following levies shall be
2135 calculated in accordance with Section 59-2-913 and this section:

2136 (A) school [~~leeways~~] levies provided for under Sections [~~11-2-7, 53A-16-110,~~
2137 ~~53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145~~] 53A-16-113,
2138 53A-17a-133, and 53A-17a-164; and

2139 (B) levies to pay for the costs of state legislative mandates or judicial or administrative
2140 orders under Section 59-2-1604.

2141 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be
2142 established at that rate which is sufficient to generate only the revenue required to satisfy one
2143 or more eligible judgments, as defined in Section 59-2-102.

2144 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be
2145 considered in establishing the taxing entity's aggregate certified tax rate.

2146 (g) The ad valorem property tax revenue generated by the capital [~~outlay~~] discretionary
2147 levy described in Section [~~53A-16-107~~] 53A-16-113 within a taxing entity in a county of the
2148 first class:

2149 (i) may not be considered in establishing the school district's aggregate certified tax
2150 rate; and

2151 (ii) shall be included by the commission in establishing a certified tax rate for that
2152 capital [~~outlay~~] discretionary levy determined in accordance with the calculation described in
2153 Subsection 59-2-913(3).

2154 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

2155 (i) the taxable value of real property assessed by a county assessor contained on the
2156 assessment roll;

2157 (ii) the taxable value of real and personal property assessed by the commission; and

2158 (iii) the taxable year end value of personal property assessed by a county assessor
2159 contained on the prior year's assessment roll.

2160 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the
2161 assessment roll does not include new growth as defined in Subsection (4)(c).

2162 (c) "New growth" means:

2163 (i) the difference between the increase in taxable value of the following property of the
2164 taxing entity from the previous calendar year to the current year:

2165 (A) real property assessed by a county assessor in accordance with Part 3, County
2166 Assessment; and

2167 (B) property assessed by the commission under Section 59-2-201; plus
2168 (ii) the difference between the increase in taxable year end value of personal property
2169 of the taxing entity from the year prior to the previous calendar year to the previous calendar
2170 year; minus
2171 (iii) the amount of an increase in taxable value described in Subsection (4)(e).
2172 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the
2173 taxing entity does not include the taxable value of personal property that is:
2174 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county
2175 assessor in accordance with Part 3, County Assessment; and
2176 (ii) semiconductor manufacturing equipment.
2177 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:
2178 (i) the amount of increase to locally assessed real property taxable values resulting
2179 from factoring, reappraisal, or any other adjustments; or
2180 (ii) the amount of an increase in the taxable value of property assessed by the
2181 commission under Section 59-2-201 resulting from a change in the method of apportioning the
2182 taxable value prescribed by:
2183 (A) the Legislature;
2184 (B) a court;
2185 (C) the commission in an administrative rule; or
2186 (D) the commission in an administrative order.
2187 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal
2188 property on the prior year's assessment roll does not include:
2189 (i) new growth as defined in Subsection (4)(c); or
2190 (ii) the total taxable year end value of personal property contained on the prior year's
2191 tax rolls of the taxing entity that is:
2192 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
2193 (B) semiconductor manufacturing equipment.
2194 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.
2195 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
2196 auditor of:
2197 (i) its intent to exceed the certified tax rate; and

2198 (ii) the amount by which it proposes to exceed the certified tax rate.

2199 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
2200 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

2201 Section 39. Section **59-2-924.3** is amended to read:

2202 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
2203 **district imposing a capital discretionary levy in a county of the first class.**

2204 (1) As used in this section:

2205 (a) "Capital [~~outlay~~] discretionary levy increment" means the amount of revenue equal
2206 to the difference between:

2207 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
2208 within a school district during a fiscal year; and

2209 (ii) the amount of revenue the school district received during the same fiscal year from
2210 the distribution described in Subsection [~~53A-16-107.1(1)~~] 53A-16-114.

2211 (b) "Contributing school district" means a school district in a county of the first class
2212 that in a fiscal year receives less revenue from the distribution described in Subsection
2213 [~~53A-16-107.1(1)~~] 53A-16-114 than it would have received during the same fiscal year from a
2214 levy imposed within the school district of .0006 per dollar of taxable value.

2215 (c) "Receiving school district" means a school district in a county of the first class that
2216 in a fiscal year receives more revenue from the distribution described in Subsection
2217 [~~53A-16-107.1(1)~~] 53A-16-114 than it would have received during the same fiscal year from a
2218 levy imposed within the school district of .0006 per dollar of taxable value.

2219 [~~(2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay~~
2220 ~~certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the~~
2221 ~~receiving school district's estimated capital outlay increment for the current fiscal year.]~~

2222 [~~(3)~~] (2) [~~Beginning with fiscal year 2010-11, a~~] A receiving school district shall
2223 decrease its capital [~~outlay~~] discretionary levy certified tax rate under Subsection
2224 59-2-924(3)(g)(ii) by the amount required to offset the receiving school district's [~~capital~~
2225 ~~outlay~~] estimated capital discretionary levy increment for the prior fiscal year.

2226 [~~(4) For fiscal year 2009-10, a contributing school district is exempt from the notice~~
2227 ~~and public hearing provisions of Section 59-2-919 for the school district's capital outlay levy~~
2228 ~~certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:]~~

2229 ~~[(a) the contributing school district budgets an increased amount of ad valorem~~
 2230 ~~property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the~~
 2231 ~~capital outlay levy described in Section 53A-16-107; and]~~

2232 ~~[(b) the increased amount of ad valorem property tax revenue described in Subsection~~
 2233 ~~(4)(a) is less than or equal to that contributing school district's estimated capital outlay~~
 2234 ~~increment for the current fiscal year.]~~

2235 ~~[(5) Beginning with fiscal year 2010-11, a]~~

2236 (3) A contributing school district is exempt from the notice and public hearing
 2237 provisions of Section 59-2-919 for the school district's capital ~~[outlay]~~ discretionary levy
 2238 certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:

2239 (a) the contributing school district budgets an increased amount of ad valorem property
 2240 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
 2241 ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~ 53A-16-113; and

2242 (b) the increased amount of ad valorem property tax revenue described in Subsection
 2243 ~~[(5)]~~ (3)(a) is less than or equal to that contributing school district's capital ~~[outlay]~~
 2244 discretionary levy increment for the prior year.

2245 ~~[(6)]~~ (4) Beginning with fiscal year 2011-12, a contributing school district is exempt
 2246 from the notice and public hearing provisions of Section 59-2-919 for the school district's
 2247 capital ~~[outlay]~~ discretionary levy certified tax rate calculated pursuant to Subsection
 2248 59-2-924(3)(g)(ii) if:

2249 (a) the contributing school district budgets an increased amount of ad valorem property
 2250 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
 2251 ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~ 53A-16-113; and

2252 (b) the increased amount of ad valorem property tax revenue described in Subsection
 2253 ~~[(6)]~~ (4)(a) is less than or equal to the difference between:

2254 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 2255 imposed within the contributing school district during the current taxable year; and

2256 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 2257 imposed within the contributing school district during the prior taxable year.

2258 ~~[(7)]~~ (5) Regardless of the amount a school district receives from the revenue collected
 2259 from the .0006 portion of the capital ~~[outlay]~~ discretionary levy required in Subsection

2260 [~~53A-16-107(3)~~] 53A-16-113(4), the revenue generated within the school district from the
2261 .0006 portion of the capital [~~outlay~~] discretionary levy required in Subsection [~~53A-16-107(3)~~]
2262 53A-16-113(4) shall be considered to be budgeted ad valorem property tax revenues of the
2263 school district that levies the .0006 portion of the capital [~~outlay~~] discretionary levy for
2264 purposes of calculating the school district's certified tax rate in accordance with Subsection
2265 59-2-924(3)(g)(ii).

2266 Section 40. Section **59-2-924.4** is amended to read:

2267 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**
2268 **divided school districts.**

2269 (1) As used in this section:

2270 (a) "Capital [~~outlay~~] discretionary levy increment" means the amount of revenue equal
2271 to the difference between:

2272 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
2273 within a qualifying divided school district during a fiscal year; and

2274 (ii) the amount of revenue the qualifying divided school district received during the
2275 same fiscal year from the distribution described in Section 53A-2-118.3.

2276 (b) "Contributing divided school district" means a school district located within a
2277 qualifying divided school district that in a fiscal year receives less revenue from the distribution
2278 described in Section 53A-2-118.3 than it would have received during the same fiscal year from
2279 a levy imposed within the school district of .0006 per dollar of taxable value.

2280 (c) "Divided school district" means a school district from which a new school district is
2281 created.

2282 (d) "New school district" means a school district:

2283 (i) created under Section 53A-2-118.1;

2284 (ii) that begins to provide educational services after July 1, 2008; and

2285 (iii) located in a qualifying divided school district.

2286 (e) "Qualifying divided school district" means a divided school district:

2287 (i) located within a county of the second through sixth class; and

2288 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide
2289 educational services after July 1, 2008.

2290 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins

2291 to provide educational services.

2292 (g) "Receiving divided school district" means a school district located within a
2293 qualifying divided school district that in a fiscal year receives more revenue from the
2294 distribution described in Section 53A-2-118.3 than it would have received during the same
2295 fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

2296 (2) A receiving divided school district shall decrease its certified tax rate calculated in
2297 accordance with Section 59-2-924 by the amount required to offset the receiving divided
2298 school district's capital [~~outlay~~] discretionary levy increment for the prior fiscal year.

2299 (3) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
2300 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for
2301 the contributing divided school district's certified tax rate calculated pursuant to Section
2302 59-2-924 if:

2303 (a) the contributing divided school district budgets an increased amount of ad valorem
2304 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
2305 capital [~~outlay~~] discretionary levy required in Section 53A-2-118.3; and

2306 (b) the increased amount of ad valorem property tax revenue described in Subsection
2307 (3)(a) is less than or equal to that contributing divided school district's capital [~~outlay~~]
2308 discretionary levy increment for the prior year.

2309 (4) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
2310 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for
2311 the contributing divided school district's certified tax rate calculated pursuant to Section
2312 59-2-924 if:

2313 (a) the contributing divided school district budgets an increased amount of ad valorem
2314 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
2315 capital [~~outlay~~] discretionary levy described in Section 53A-2-118.3; and

2316 (b) the increased amount of ad valorem property tax revenue described in Subsection
2317 (4)(a) is less than or equal to the difference between:

2318 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
2319 imposed within the contributing divided school district during the current taxable year; and

2320 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
2321 imposed within the contributing divided school district during the prior taxable year.

2322 (5) Regardless of the amount a school district receives from the revenue collected from
2323 the .0006 portion of the capital [~~outlay~~] discretionary levy described in Section 53A-2-118.3,
2324 the revenue generated within the school district from the .0006 portion of the capital outlay
2325 levy described in Section 53A-2-118.3 shall be considered to be budgeted ad valorem property
2326 tax revenues of the school district that levies the .0006 portion of the capital [~~outlay~~]
2327 discretionary levy for purposes of calculating the school district's certified tax rate in
2328 accordance with Section 59-2-924.

2329 Section 41. Section **59-12-103** is amended to read:

2330 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
2331 **tax revenues.**

2332 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
2333 charged for the following transactions:

2334 (a) retail sales of tangible personal property made within the state;

2335 (b) amounts paid for:

2336 (i) telecommunications service, other than mobile telecommunications service, that
2337 originates and terminates within the boundaries of this state;

2338 (ii) mobile telecommunications service that originates and terminates within the
2339 boundaries of one state only to the extent permitted by the Mobile Telecommunications
2340 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

2341 (iii) an ancillary service associated with a:

2342 (A) telecommunications service described in Subsection (1)(b)(i); or

2343 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

2344 (c) sales of the following for commercial use:

2345 (i) gas;

2346 (ii) electricity;

2347 (iii) heat;

2348 (iv) coal;

2349 (v) fuel oil; or

2350 (vi) other fuels;

2351 (d) sales of the following for residential use:

2352 (i) gas;

- 2353 (ii) electricity;
- 2354 (iii) heat;
- 2355 (iv) coal;
- 2356 (v) fuel oil; or
- 2357 (vi) other fuels;
- 2358 (e) sales of prepared food;
- 2359 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2360 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 2361 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 2362 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 2363 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 2364 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 2365 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 2366 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 2367 exhibition, cultural, or athletic activity;
- 2368 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2369 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 2370 (i) the tangible personal property; and
- 2371 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2372 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 2373 of that tangible personal property;
- 2374 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 2375 assisted cleaning or washing of tangible personal property;
- 2376 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 2377 accommodations and services that are regularly rented for less than 30 consecutive days;
- 2378 (j) amounts paid or charged for laundry or dry cleaning services;
- 2379 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 2380 this state the tangible personal property is:
- 2381 (i) stored;
- 2382 (ii) used; or
- 2383 (iii) otherwise consumed;

2384 (l) amounts paid or charged for tangible personal property if within this state the
2385 tangible personal property is:

- 2386 (i) stored;
- 2387 (ii) used; or
- 2388 (iii) consumed; and

2389 (m) amounts paid or charged for a sale:

- 2390 (i) (A) of a product that:
 - 2391 (I) is transferred electronically; and
 - 2392 (II) would be subject to a tax under this chapter if the product was transferred in a
2393 manner other than electronically; or
- 2394 (B) of a repair or renovation of a product that:
 - 2395 (I) is transferred electronically; and
 - 2396 (II) would be subject to a tax under this chapter if the product was transferred in a
2397 manner other than electronically; and
- 2398 (ii) regardless of whether the sale provides:
 - 2399 (A) a right of permanent use of the product; or
 - 2400 (B) a right to use the product that is less than a permanent use, including a right:
 - 2401 (I) for a definite or specified length of time; and
 - 2402 (II) that terminates upon the occurrence of a condition.

2403 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
2404 is imposed on a transaction described in Subsection (1) equal to the sum of:

- 2405 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - 2406 (A) [~~4.70%~~] 4.80%; and
 - 2407 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
2408 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
2409 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
2410 State Sales and Use Tax Act; and
 - 2411 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
2412 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
2413 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
2414 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2415 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2416 transaction under this chapter other than this part.

2417 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
2418 on a transaction described in Subsection (1)(d) equal to the sum of:

2419 (i) a state tax imposed on the transaction at a tax rate of [~~2%~~] 2.1%; and

2420 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2421 transaction under this chapter other than this part.

2422 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
2423 on amounts paid or charged for food and food ingredients equal to the sum of:

2424 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
2425 a tax rate of [~~1.75%~~] 1.85%; and

2426 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2427 amounts paid or charged for food and food ingredients under this chapter other than this part.

2428 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
2429 tangible personal property other than food and food ingredients, a state tax and a local tax is
2430 imposed on the entire bundled transaction equal to the sum of:

2431 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2432 (I) the tax rate described in Subsection (2)(a)(i)(A); and

2433 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
2434 Sales and Use Tax Act, if the location of the transaction as determined under Sections
2435 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
2436 Additional State Sales and Use Tax Act; and

2437 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
2438 Sales and Use Tax Act, if the location of the transaction as determined under Sections
2439 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
2440 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2441 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
2442 described in Subsection (2)(a)(ii).

2443 (ii) Subject to Subsection (2)(d)(iii), for a bundled transaction other than a bundled
2444 transaction described in Subsection (2)(d)(i):

2445 (A) if the sales price of the bundled transaction is attributable to tangible personal

2446 property, a product, or a service that is subject to taxation under this chapter and tangible
2447 personal property, a product, or service that is not subject to taxation under this chapter, the
2448 entire bundled transaction is subject to taxation under this chapter unless:

2449 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2450 personal property, product, or service that is not subject to taxation under this chapter from the
2451 books and records the seller keeps in the seller's regular course of business; or

2452 (II) state or federal law provides otherwise; or

2453 (B) if the sales price of a bundled transaction is attributable to two or more items of
2454 tangible personal property, products, or services that are subject to taxation under this chapter
2455 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
2456 higher tax rate unless:

2457 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2458 personal property, product, or service that is subject to taxation under this chapter at the lower
2459 tax rate from the books and records the seller keeps in the seller's regular course of business; or

2460 (II) state or federal law provides otherwise.

2461 (iii) For purposes of Subsection (2)(d)(ii), books and records that a seller keeps in the
2462 seller's regular course of business includes books and records the seller keeps in the regular
2463 course of business for nontax purposes.

2464 (e) Subject to Subsections (2)(f) and (g), a tax rate repeal or tax rate change for a tax
2465 rate imposed under the following shall take effect on the first day of a calendar quarter:

2466 (i) Subsection (2)(a)(i)(A);

2467 (ii) Subsection (2)(b)(i);

2468 (iii) Subsection (2)(c)(i); or

2469 (iv) Subsection (2)(d)(i)(A)(I).

2470 (f) (i) A tax rate increase shall take effect on the first day of the first billing period that
2471 begins after the effective date of the tax rate increase if the billing period for the transaction
2472 begins before the effective date of a tax rate increase imposed under:

2473 (A) Subsection (2)(a)(i)(A);

2474 (B) Subsection (2)(b)(i);

2475 (C) Subsection (2)(c)(i); or

2476 (D) Subsection (2)(d)(i)(A)(I).

2477 (ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last
2478 billing period that began before the effective date of the repeal of the tax or the tax rate
2479 decrease if the billing period for the transaction begins before the effective date of the repeal of
2480 the tax or the tax rate decrease imposed under:

2481 (A) Subsection (2)(a)(i)(A);

2482 (B) Subsection (2)(b)(i);

2483 (C) Subsection (2)(c)(i); or

2484 (D) Subsection (2)(d)(i)(A)(I).

2485 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale
2486 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
2487 or change in a tax rate takes effect:

2488 (A) on the first day of a calendar quarter; and

2489 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

2490 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:

2491 (A) Subsection (2)(a)(i)(A);

2492 (B) Subsection (2)(b)(i);

2493 (C) Subsection (2)(c)(i); or

2494 (D) Subsection (2)(d)(i)(A)(I).

2495 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
2496 the commission may by rule define the term "catalogue sale."

2497 (3) (a) The following state taxes shall be deposited into the General Fund:

2498 (i) the tax imposed by Subsection (2)(a)(i)(A);

2499 (ii) the tax imposed by Subsection (2)(b)(i);

2500 (iii) the tax imposed by Subsection (2)(c)(i); or

2501 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

2502 (b) The following local taxes shall be distributed to a county, city, or town as provided
2503 in this chapter:

2504 (i) the tax imposed by Subsection (2)(a)(ii);

2505 (ii) the tax imposed by Subsection (2)(b)(ii);

2506 (iii) the tax imposed by Subsection (2)(c)(ii); and

2507 (iv) the tax imposed by Subsection (2)(d)(i)(B).

2508 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2509 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
2510 through (g):

2511 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2512 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2513 (B) for the fiscal year; or

2514 (ii) \$17,500,000.

2515 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
2516 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
2517 Department of Natural Resources to:

2518 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
2519 protect sensitive plant and animal species; or

2520 (B) award grants, up to the amount authorized by the Legislature in an appropriations
2521 act, to political subdivisions of the state to implement the measures described in Subsections
2522 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

2523 (ii) Money transferred to the Department of Natural Resources under Subsection
2524 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
2525 person to list or attempt to have listed a species as threatened or endangered under the
2526 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2527 (iii) At the end of each fiscal year:

2528 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2529 Conservation and Development Fund created in Section 73-10-24;

2530 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2531 Program Subaccount created in Section 73-10c-5; and

2532 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2533 Program Subaccount created in Section 73-10c-5.

2534 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2535 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
2536 created in Section 4-18-6.

2537 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
2538 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water

2539 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
2540 water rights.

2541 (ii) At the end of each fiscal year:

2542 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2543 Conservation and Development Fund created in Section 73-10-24;

2544 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2545 Program Subaccount created in Section 73-10c-5; and

2546 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2547 Program Subaccount created in Section 73-10c-5.

2548 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2549 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
2550 Fund created in Section 73-10-24 for use by the Division of Water Resources.

2551 (ii) In addition to the uses allowed of the Water Resources Conservation and
2552 Development Fund under Section 73-10-24, the Water Resources Conservation and
2553 Development Fund may also be used to:

2554 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2555 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2556 quantifying surface and ground water resources and describing the hydrologic systems of an
2557 area in sufficient detail so as to enable local and state resource managers to plan for and
2558 accommodate growth in water use without jeopardizing the resource;

2559 (B) fund state required dam safety improvements; and

2560 (C) protect the state's interest in interstate water compact allocations, including the
2561 hiring of technical and legal staff.

2562 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2563 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
2564 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2565 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2566 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
2567 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2568 (i) provide for the installation and repair of collection, treatment, storage, and
2569 distribution facilities for any public water system, as defined in Section 19-4-102;

2570 (ii) develop underground sources of water, including springs and wells; and
2571 (iii) develop surface water sources.

2572 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2573 2006, the difference between the following amounts shall be expended as provided in this
2574 Subsection (5), if that difference is greater than \$1:

2575 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
2576 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
2577 (ii) \$17,500,000.

2578 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
2579 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
2580 credits; and
2581 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2582 restoration.

2583 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2584 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
2585 created in Section 73-10-24.

2586 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2587 remaining difference described in Subsection (5)(a) shall be:
2588 (A) transferred each fiscal year to the Division of Water Resources as dedicated
2589 credits; and
2590 (B) expended by the Division of Water Resources for cloud-seeding projects
2591 authorized by Title 73, Chapter 15, Modification of Weather.

2592 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2593 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
2594 created in Section 73-10-24.

2595 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
2596 remaining difference described in Subsection (5)(a) shall be deposited into the Water
2597 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
2598 Division of Water Resources for:
2599 (i) preconstruction costs:
2600 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter

2601 26, Bear River Development Act; and
2602 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2603 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
2604 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
2605 Chapter 26, Bear River Development Act;
2606 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
2607 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
2608 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
2609 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).
2610 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
2611 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.
2612 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to
2613 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be
2614 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
2615 incurred for employing additional technical staff for the administration of water rights.
2616 (g) At the end of each fiscal year, any unexpended dedicated credits described in
2617 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development
2618 Fund created in Section 73-10-24.
2619 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2620 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
2621 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
2622 the Transportation Fund created by Section 72-2-102.
2623 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,
2624 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
2625 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
2626 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
2627 transactions under Subsection (1).
2628 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
2629 have been paid off and the highway projects completed that are intended to be paid from
2630 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
2631 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of

2632 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
2633 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
2634 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2635 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
2636 Subsection (7)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
2637 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund
2638 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
2639 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a
2640 portion of the approximately 17% of sales and use tax revenues generated annually by the sales
2641 and use tax on vehicles and vehicle-related products:

- 2642 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 2643 (ii) the tax imposed by Subsection (2)(b)(i);
- 2644 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2645 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

2646 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
2647 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
2648 highway projects completed that are intended to be paid from revenues deposited in the
2649 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
2650 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
2651 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
2652 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
2653 which represents a portion of the approximately 17% of sales and use tax revenues generated
2654 annually by the sales and use tax on vehicles and vehicle-related products:

- 2655 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 2656 (ii) the tax imposed by Subsection (2)(b)(i);
- 2657 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2658 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

2659 (9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the
2660 Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed
2661 under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

2662 (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal

2663 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit
2664 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
2665 Critical Highway Needs Fund created by Section 72-2-125.

2666 (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
2667 Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101
2668 have been paid off and the highway projects completed that are included in the prioritized
2669 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
2670 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues
2671 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
2672 of 2005 created by Section 72-2-124.

2673 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
2674 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
2675 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

2676 (11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection
2677 (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of
2678 Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the
2679 amount of tax revenue generated by a .025% tax rate on the transactions described in
2680 Subsection (1).

2681 (ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into
2682 the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for
2683 food and food ingredients, except for tax revenue generated by a bundled transaction
2684 attributable to food and food ingredients and tangible personal property other than food and
2685 food ingredients described in Subsection (2)(e).

2686 (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii),
2687 and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general
2688 obligation bonds authorized by Section 63B-16-101 have been paid off and the highway
2689 projects completed that are included in the prioritized project list under Subsection 72-2-125(4)
2690 as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall
2691 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
2692 amount of tax revenue generated by a .025% tax rate on the transactions described in
2693 Subsection (1).

2694 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into
2695 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
2696 charged for food and food ingredients, except for tax revenue generated by a bundled
2697 transaction attributable to food and food ingredients and tangible personal property other than
2698 food and food ingredients described in Subsection (2)(e).

2699 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
2700 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
2701 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
2702 .025% tax rate on the transactions described in Subsection (1) to be expended to address
2703 chokepoints in construction management.

2704 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
2705 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
2706 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
2707 and food ingredients and tangible personal property other than food and food ingredients
2708 described in Subsection (2)(e).

2709 (13) (a) Notwithstanding Subsection (3)(a), beginning on July 1, 2011, the Division of
2710 Finance shall deposit into the Uniform School Fund a portion of the taxes listed under
2711 Subsection (3)(a) equal to the revenues generated by a 0.1% tax rate on the taxable transactions
2712 under Subsection (1).

2713 (b) The revenue deposited into the Uniform School Fund under Subsection (13)(a)
2714 shall be allocated to school districts and charter schools in accordance with Section
2715 53A-17a-165.

2716 Section 42. Section **63G-7-704** is amended to read:

2717 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**
2718 **or insurance premiums.**

2719 (1) Notwithstanding any provision of law to the contrary, a political subdivision may
2720 levy an annual property tax sufficient to pay:

2721 (a) any claim, settlement, or judgment;

2722 (b) the costs to defend against any claim, settlement, or judgment; or

2723 (c) for the establishment and maintenance of a reserve fund for the payment of claims,
2724 settlements, or judgments that may be reasonably anticipated.

2725 (2) (a) The payments authorized to pay for punitive damages or to pay the premium for
2726 authorized insurance is money spent for a public purpose within the meaning of this section
2727 and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the maximum
2728 levy as otherwise restricted by law is exceeded.

2729 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable
2730 property.

2731 (c) The revenues derived from this levy may not be used for any purpose other than
2732 those specified in this section.

2733 (3) Beginning January 1, 2011, a local school board may not levy a tax in accordance
2734 with this section.

2735 Section 43. **Repealer.**

2736 This bill repeals:

2737 Section **53A-16-111, Payment of judgments and warrants -- Special tax.**

2738 Section 44. **Effective date.**

2739 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2011.

2740 (2) Section 59-2-919.3 has retrospective operation for a taxable year beginning on or
2741 after January 1, 2010.

Legislative Review Note
as of 2-3-10 3:11 PM

Office of Legislative Research and General Counsel

H.B. 137 - Public School Funding

Fiscal Note

2010 General Session
State of Utah

State Impact

This bill increases the sales tax by 0.1% and earmarks the increase for public schools. It also reduces property taxes by an equal amount. The bill requires a one-time appropriation to the Tax Commission for printing and mailing of bulletins.

	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2011</u> <u>Approp.</u>	<u>FY 2012</u> <u>Approp.</u>	<u>FY 2010</u> <u>Revenue</u>	<u>FY 2011</u> <u>Revenue</u>	<u>FY 2012</u> <u>Revenue</u>
Uniform School Fund	\$0	\$0	\$0	\$0	\$20,283,300	\$41,326,600
Uniform School Fund, One-time	\$0	\$28,800	\$0	\$0	\$0	\$0
Total	\$0	\$28,800	\$0	\$0	\$20,283,300	\$41,326,600

Individual, Business and/or Local Impact

Local taxing entities must decrease local property taxes by the amount received from the sales tax, which is \$41,326,600 in FY 2012. The sales tax increase is in effect for the second half of FY 2011. The sales tax generated within a given district's boundaries will be greater or less than the amount received through the WPU. The total shift is \$10,425,000 in FY 2012.

The uniform fee provision alters the distribution of revenue from variable to a fixed percentage. The total shift is \$1,900,000.

Local taxing entities will be unable to raise property taxes for the next two years.