

Senator Benjamin M. McAdams proposes the following substitute bill:

**SCHOOL DISTRICT CAPITAL OUTLAY
EQUALIZATION AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Benjamin M. McAdams

House Sponsor: _____

Cosponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill amends the Property Tax Act and provisions related to public education financing and certain school property tax equalization provisions.

Highlighted Provisions:

This bill:

- ▶ requires a school district in a county of the first class that receives property tax revenue from a capital outlay levy equalization program to report to the Education Interim Committee each year;
- ▶ requires the Education Interim Committee to consider reports of receiving school districts when determining whether to reauthorize certain capital outlay levy equalization programs;
- ▶ subjects certain capital outlay levy equalization programs to legislative reauthorization; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None



26 **Other Special Clauses:**

27 This bill provides retrospective operation for a taxable year beginning on or after
28 January 1, 2010.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **53A-16-107.1**, as enacted by Laws of Utah 2008, Chapter 236

32 **63I-1-253**, as last amended by Laws of Utah 2009, Chapter 299

33 **63I-1-259**, as renumbered and amended by Laws of Utah 2008, Chapter 382



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

36 Section 1. Section **53A-16-107.1** is amended to read:

37 **53A-16-107.1. School capital outlay in counties of the first class -- Allocation.**

38 (1) For purposes of this section:

39 (a) "Capital outlay increment monies" means the amount of revenue equal to the
40 difference between:

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

43 (ii) the amount of revenue the receiving school district received during the same fiscal
44 year from the distribution described in Subsection (2).

45 (b) "Contributing school district" means a school district in a county of the first class
46 that in a fiscal year receives less revenue from the distribution described in Subsection (2) than
47 it would have received during the same fiscal year from a levy imposed within the school
48 district of .0006 per dollar of taxable value.

49 (c) "Receiving school district" means a school district in a county of the first class that
50 in a fiscal year receives more revenue from the distribution described in Subsection (2) than it
51 would have received during the same fiscal year from a levy imposed within the school district
52 of .0006 per dollar of taxable value.

53 ~~[(+)]~~ (2) The county treasurer of a county of the first class shall distribute revenues
54 generated by the .0006 portion of the capital outlay levy required in Subsection 53A-16-107(3)
55 to school districts located within the county of the first class as follows:

56 (a) 25% of the revenues shall be distributed in proportion to a school district's

57 percentage of the total enrollment growth in all of the school districts within the county that
58 have an increase in enrollment, calculated on the basis of the average annual enrollment growth
59 over the prior three years in all of the school districts within the county that have an increase in
60 enrollment over the prior three years, as of the October 1 enrollment counts; and

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

64 [~~(2)~~] (3) If a new school district is created or school district boundaries are adjusted,
65 the enrollment and average annual enrollment growth for each affected school district shall be
66 calculated on the basis of enrollment in school district schools located within that school
67 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

68 [~~(3)~~] (4) On or before December 31 of each year, the State Board of Education shall
69 provide a county treasurer with audited enrollment information from the fall enrollment audit
70 necessary to distribute revenues as required by this section.

71 [~~(4)~~] (5) On or before March 31 of each year, a county treasurer in a county of the first
72 class shall distribute the revenue generated within the county of the first class during the prior
73 calendar year from the capital outlay levy described in Section 53A-16-107.

74 (6) On or before the November meeting of the Education Interim Committee of each
75 year, a receiving school district shall report to the committee:

76 (a) how the receiving school district spent the district's capital outlay increment monies
77 during the prior fiscal year; and

78 (b) the receiving school district's short-term and long-term plans to increase the
79 building capacity of school buildings within the district.

80 (7) The Education Interim Committee shall consider the reports of receiving school
81 districts described in Subsection (6) as part of a review to reauthorize this section and
82 provisions related to this section, if the committee is directed to conduct a review pursuant to
83 Title 63I, Legislative Oversight and Sunset Act.

84 Section 2. Section **63I-1-253** is amended to read:

85 **63I-1-253. Repeal dates, Titles 53, 53A, and 53B.**

86 The following provisions are repealed on the following dates:

87 (1) Section 53-3-232, Conditional licenses, is repealed July 1, 2015.

88 (2) Title 53A, Chapter 1a, Part 6, Public Education Job Enhancement Program is
89 repealed July 1, 2010.

90 (3) Title 53A, Chapter 1a, Part 9, Voluntary Extended-day Kindergarten Program, is
91 repealed July 1, 2011.

92 (4) Section 53A-2-118.3 is repealed January 1, 2014.

93 [~~4~~] (5) The State Instructional Materials Commission, created in Section 53A-14-101,
94 is repealed July 1, 2011.

95 (6) Subsections 53A-16-107(3) and (4) are repealed January 1, 2014.

96 (7) Section 53A-16-107.1 is repealed January 1, 2014.

97 [~~5~~] (8) Section 53A-17a-163, Performance-based Compensation Pilot Program is
98 repealed July 1, 2011.

99 Section 3. Section **63I-1-259** is amended to read:

100 **63I-1-259. Repeal dates, Title 59.**

101 (1) Subsection 59-2-924(3)(g) is repealed on January 1, 2014.

102 (2) Section 59-2-924.3 is repealed on January 1, 2014.

103 (3) Section 59-2-924.4 is repealed on January 1, 2014.

104 (4) Section 59-9-102.5 is repealed December 31, 2010.

105 Section 4. **Retrospective operation.**

106 This bill provides retrospective operation for a taxable year beginning on or after
107 January 1, 2010.

Fiscal Note

**S.B. 175 2nd Sub. (Salmon) - School District Capital Outlay Equalization
Amendments**

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
