

SCHOOL FINANCE AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Merlynn T. Newbold

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill amends provisions of the Minimum School Program Act relating to certain property tax levies and the funding of public school programs.

Highlighted Provisions:

This bill:

- ▶ increases the voted leeway and board guarantees each year by .0005 times the value of the prior year's weighted pupil unit; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53A-17a-133, as last amended by Laws of Utah 2010, Chapter 399

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

Section 1. Section **53A-17a-133** is amended to read:

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



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

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

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

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

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

39 (3) (a) Under the voted leeway program, the state shall contribute an amount sufficient
40 to guarantee \$25.25 per weighted pupil unit for each .0001 of the first .0016 per dollar of
41 taxable value.

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

46 (c) (i) Beginning July 1, 2011, the \$25.25 guarantee under Subsections (3)(a) and (b)
47 shall be indexed each year to the value of the weighted pupil unit by making the value of the
48 guarantee equal to .010544 times the value of the prior year's weighted pupil unit.

49 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
50 pupil unit for each succeeding year.

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

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

57 (e) The guarantee provided under this section does not apply to the portion of a voted
58 leeway rate that exceeds the voted leeway rate that was in effect for the previous fiscal year,

59 unless an increase in the voted leeway rate was authorized in an election conducted on or after
60 July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

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

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

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

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

72 (5) Notwithstanding Section 59-2-919, a school district may budget an increased
73 amount of ad valorem property tax revenue derived from a voted leeway imposed under this
74 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without
75 having to comply with the notice requirements of Section 59-2-919, if:

76 (a) the voted leeway is approved:

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

78 (ii) within the four-year period immediately preceding the year in which the school
79 district seeks to budget an increased amount of ad valorem property tax revenue derived from
80 the voted leeway; and

81 (b) for a voted leeway approved or modified in accordance with this section on or after
82 January 1, 2009, the school district complies with the requirements of Subsection (7).

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

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

89 (b) the voted leeway was approved:

90 (i) in accordance with Section 53A-16-110 on or after January 1, 2003; and
91 (ii) within the four-year period immediately preceding the year in which the school
92 district seeks to budget an increased amount of ad valorem property tax revenue derived from
93 the voted leeway; and
94 (c) for a voted leeway approved or modified in accordance with this section on or after
95 January 1, 2009, the school district complies with requirements of Subsection (7).
96 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the
97 electors regarding the adoption or modification of a voted leeway program shall contain the
98 following statement:
99 "A vote in favor of this tax means that (name of the school district) may increase
100 revenue from this property tax without advertising the increase for the next five years."

Legislative Review Note
as of 11-22-10 6:53 AM

Office of Legislative Research and General Counsel