

# HB0098S01 compared with HB0098

~~{deleted text}~~ shows text that was in HB0098 but was deleted in HB0098S01.

inserted text shows text that was not in HB0098 but was inserted into HB0098S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

**Representative Christine F. Watkins proposes the following substitute bill:**

## CAPITAL OUTLAY FUNDING MODIFICATIONS

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Christine F. Watkins**

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

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### LONG TITLE

#### General Description:

This bill expands the permitted uses of proceeds from a capital outlay levy imposed by a local school board.

#### Highlighted Provisions:

This bill:

- ▶ allows a local school board ~~{of a school district with an enrollment of fewer than 2,500 students}~~ to use the proceeds of a capital outlay levy for certain maintenance and operations functions, in addition to capital outlay or debt service; and
- ▶ makes technical amendments.

#### Money Appropriated in this Bill:

None

#### Other Special Clauses:

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None

### Utah Code Sections Affected:

AMENDS:

**53A-16-107**, as last amended by Laws of Utah 2010, Chapters 3, 135, and 160

[59-2-924.3](#), as last amended by Laws of Utah 2009, Chapter 204

[63I-1-253](#), as last amended by Laws of Utah 2010, Chapters 79, 160, and 319

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

Section 1. Section **53A-16-107** is amended to read:

**53A-16-107. Capital outlay levy -- ~~Authority to use proceeds of .0002 tax rate for maintenance of school facilities -- Restrictions and procedure -- Limited authority to use proceeds for general fund purposes --~~ Notification required when using proceeds for ~~general fund purposes -- Authority for small school districts to use levy proceeds for operation and maintenance of plant services~~ General Fund purposes.**

(1) Subject to Subsection ~~[(3)]~~ [(2)] and except as provided in ~~[(5)]~~ [(5)] ~~Subsections [(2), (5), and (6)]~~ [(4)], a local school board may annually impose a capital outlay levy not to exceed .0024 per dollar of taxable value to be used for:

(a) capital outlay; ~~or~~

(b) debt service; ~~[(c)]~~ and ~~[(d)]~~ or

~~[(c)]~~ [(c)] ~~subject to Subsection (2), school facility maintenance.~~ expenditures made within the accounting function classification 2600, Operation and Maintenance of Plant Services, of the Financial Accounting for Local and State Systems guidelines developed by the National Center for Education Statistics, excluding expenditures for mobile phone service and vehicle operation and maintenance.

~~[(2)(a)]~~ [(2)(a)] ~~A local school board with an enrollment of 2,500 students or more may utilize the proceeds of a maximum of .0002 per dollar of taxable value of the local school board's annual capital outlay levy for the maintenance of school facilities in the school district.~~

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

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

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

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

~~[(3)]~~ [(2)] Beginning January 1, 2009, in order to qualify for receipt of the state contribution toward the minimum school program, a local school board in a county of the first class shall impose a capital outlay levy of at least .0006 per dollar of taxable value.

~~[(4)]~~ [(3)] (a) The county treasurer of a county of the first class shall distribute revenues generated by the .0006 portion of the capital outlay levy required in Subsection ~~[(3)]~~ [(2)] to school districts within the county in accordance with Section 53A-16-107.1.

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

~~[(5)]~~ [(4)] (a) Notwithstanding Subsections (1)(a) ~~[(1)]~~, ~~[(2)]~~ ~~and~~ (b) ~~[(1)]~~, and (c) ~~[(1)]~~ and subject to Subsections ~~[(5)]~~ [(4)](b), (c), and (d), for fiscal years 2010-11 and 2011-12, a local school board may use the proceeds of the local school board's capital outlay levy for general fund purposes if the proceeds are not committed or dedicated to pay debt service or bond payments.

(b) If a local school board uses the proceeds described in Subsection ~~[(5)]~~ [(4)](a) for general fund purposes, the local school board shall notify the public of the local school board's use of the capital outlay levy proceeds for general fund purposes:

(i) prior to the board's budget hearing in accordance with the notification requirements described in Section 53A-19-102; and

(ii) at a budget hearing required in Section 53A-19-102.

(c) A local school board may not use the proceeds described in Subsection ~~[(5)]~~ [(4)](a) to fund the following accounting function classifications as provided in the Financial Accounting for Local and State School Systems guidelines developed by the National Center for Education Statistics:

(i) 2300 Support Services - General District Administration; or

(ii) 2500 Support Services - Central Services.

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(d) A local school board may not use the proceeds from a distribution described in Section 53A-16-107.1 for general fund purposes.

~~{(6) In addition to the uses}~~ Section 2. Section 59-2-924.3 is amended to read:

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

(1) As used in this section:

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

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

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

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

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

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

(3) Beginning with fiscal year 2010-11, a receiving school district shall decrease its capital outlay certified tax rate under Subsection 59-2-924(3)(g)(ii) by the amount required to offset the receiving school district's capital outlay increment for the prior fiscal year.

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

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital

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outlay levy described in Section 53A-16-107; and

(b) the increased amount of ad valorem property tax revenue described in Subsection ~~(f1), a local school board of a~~4)(a) is less than or equal to that contributing school district's estimated capital outlay increment for the current fiscal year.

(5) Beginning with fiscal year 2010-11, a contributing school district ~~{with an enrollment of fewer than 2,500 students, may use the proceeds of the local school board's}~~is exempt from the notice and public hearing provisions of Section 59-2-919 for the school district's capital outlay levy {for expenditures made within the accounting function classification, 2600 Operation and Maintenance of Plant Services, of the Financial Accounting for Local and State School Systems guidelines developed by the National Center for Education Statistics, excluding expenditures for mobile phone service and vehicle operation and maintenance.

### Legislative Review Note

~~as of 1-28-11 5:32 PM~~

~~Office of Legislative Research and General Counsel}~~certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:

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

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

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

(a) the contributing school district budgets an increased amount of ad valorem property

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tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital outlay levy described in Section 53A-16-107; and

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

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

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

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

Section 3. Section 63I-1-253 is amended to read:

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

The following provisions are repealed on the following dates:

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

(2) Title 53A, Chapter 1a, Part 6, Public Education Job Enhancement Program is repealed July 1, 2020.

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

(4) Section 53A-2-118.3 is repealed December 31, 2016.

(5) The State Instructional Materials Commission, created in Section 53A-14-101, is repealed July 1, 2011.

(6) Subsections 53A-16-107[(3) and (4)] (2) and (3) are repealed December 31, 2016.

(7) Section 53A-16-107.1 is repealed December 31, 2016.

(8) Section 53A-17a-163, Performance-based Compensation Pilot Program is repealed July 1, 2011.

(9) Subsection 53C-3-203(5), which provides for the distribution of money from the

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Land Exchange Distribution Account to the Geological Survey for test wells, other hydrologic studies, and air quality monitoring in the West Desert, is repealed July 1, 2020.