

**PUBLIC SCHOOL FUNDING**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

Senate Sponsor:

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ sets the statewide minimum basic tax rate at .003 beginning with fiscal year 2012-13;
- ▶ requires the Legislature to use the full increase in the minimum basic rate in fiscal year 2012-13 to increase the value of the weighted pupil unit;
- ▶ removes a requirement that public notice be given of an increase in property tax revenue generated by the minimum basic tax rate;
- ▶ repeals the authority of school districts to levy certain property taxes;
- ▶ creates a board local levy and a capital local levy for school districts;
- ▶ requires a school district to decrease the school district's aggregate certified tax rate by a certain amount in fiscal year 2012-13;
- ▶ requires the Legislature to appropriate money to mitigate the revenue impacts of a decrease in a school district's aggregate certified tax rate; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None



28 **Other Special Clauses:**

29           This bill provides an effective date.

30 **Utah Code Sections Affected:**

31 **AMENDS:**

32           **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30

33           **11-13-302**, as last amended by Laws of Utah 2008, Chapters 236 and 382

34           **17-41-101**, as last amended by Laws of Utah 2009, Chapter 376

35           **20A-1-203**, as last amended by Laws of Utah 2010, Chapter 221

36           **53A-1a-106**, as last amended by Laws of Utah 2003, Chapter 221

37           **53A-1a-513**, as last amended by Laws of Utah 2010, Chapters 3 and 399

38           **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236

39           **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236

40           **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297

41           **53A-2-118.3**, as last amended by Laws of Utah 2010, Chapter 3

42           **53A-2-206**, as last amended by Laws of Utah 2010, Chapter 349

43           **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233

44           **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72

45           **53A-16-107**, as last amended by Laws of Utah 2010, Chapters 3, 135, and 160

46           **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236

47           **53A-17a-103**, as last amended by Laws of Utah 2010, Chapter 3

48           **53A-17a-105**, as repealed and reenacted by Laws of Utah 2010, Chapter 399

49           **53A-17a-127**, as last amended by Laws of Utah 2010, Chapter 305

50           **53A-17a-133**, as last amended by Laws of Utah 2010, Chapter 399

51           **53A-17a-134**, as last amended by Laws of Utah 2010, Chapter 399

52           **53A-17a-135**, as last amended by Laws of Utah 2010, Chapter 3

53           **53A-17a-136**, as renumbered and amended by Laws of Utah 1991, Chapter 72

54           **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271

55           **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72

56           **53A-17a-146**, as last amended by Laws of Utah 2010, Chapters 3 and 399

57           **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305

58           **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305

- 59           **53A-21-101.5**, as last amended by Laws of Utah 2010, Chapter 185
- 60           **59-2-102**, as last amended by Laws of Utah 2010, Chapter 14
- 61           **59-2-804**, as enacted by Laws of Utah 2008, Chapter 283
- 62           **59-2-904**, as last amended by Laws of Utah 1993, Chapter 4
- 63           **59-2-924**, as last amended by Laws of Utah 2010, Chapter 131
- 64           **59-2-924.2**, as last amended by Laws of Utah 2010, Chapter 279
- 65           **59-2-924.3**, as last amended by Laws of Utah 2009, Chapter 204
- 66           **59-2-924.4**, as last amended by Laws of Utah 2009, Chapter 204
- 67           **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388
- 68           **59-2-1602**, as last amended by Laws of Utah 2010, Chapter 131
- 69           **59-7-302**, as last amended by Laws of Utah 2010, Chapter 155
- 70           **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 71           **63I-1-253**, as last amended by Laws of Utah 2010, Chapters 79, 160, and 319

72 ENACTS:

- 73           **53A-16-113**, Utah Code Annotated 1953
- 74           **53A-17a-135.5**, Utah Code Annotated 1953
- 75           **53A-17a-164**, Utah Code Annotated 1953

76 RENUMBERS AND AMENDS:

- 77           **53A-16-114**, (Renumbered from 53A-16-107.1, as last amended by Laws of Utah 2010,
- 78 Chapter 160)

79 REPEALS:

- 80           **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2



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

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

84           **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**  
85 **of television owners and users -- Collection of license fees.**

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

89           (b) Except as provided in Subsection (3), the governing bodies of the same may

90 annually appropriate, and cause to be raised by taxation, money for such purposes.

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

101       (3) Beginning January 1, 2012, a local school board may not levy a tax in accordance  
102 with this section.

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

104       **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
105 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

114       (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
115 impact alleviation payments under contracts or determination orders provided for in Sections  
116 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the  
117 candidate in which the date of commercial operation of the last generating unit, other than any  
118 generating unit providing additional project capacity, of the project occurs, or, in the case of  
119 any facilities providing additional project capacity, with the fiscal year of the candidate  
120 following the fiscal year of the candidate in which the date of commercial operation of the

121 generating unit providing the additional project capacity occurs; and

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

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

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

131 (i) a levy mandated by the state for the state minimum school program under Section  
132 53A-17a-135; and

133 (ii) local levies for capital outlay[~~, maintenance, transportation,~~] and other purposes  
134 under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,~~  
135 ~~53A-17a-134, 53A-17a-143, and 53A-17a-145~~] 53A-16-113, 53A-17a-133, and 53A-17a-164.

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

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

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

142 (A) an annual fee; or

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

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

150 (b) As used in this section, "tax rate," when applied in respect to a school district,  
151 includes any assessment to be made by the school district under Subsection (2) or Section

152 63M-5-302.

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

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

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

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

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

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

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

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

170 (A) the project entity; and

171 (B) any county that:

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

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

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

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

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

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

183 jurisdiction.

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

187 (I) for that year; and

188 (II) using the same measure of value as is used for taxable property in the state.

189 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax  
190 Commission in accordance with rules made by the State Tax Commission.

191 (c) Payments of the annual fees shall be made from:

192 (i) the proceeds of bonds issued for the project; and

193 (ii) revenues derived by the project entity from the project.

194 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or  
195 other benefits of the project whose tangible property is not exempted by Utah Constitution  
196 Article XIII, Section 3, from the payment of ad valorem property tax shall require each  
197 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,  
198 its share, determined in accordance with the terms of the contract, of these fees.

199 (ii) It is the responsibility of the project entity to enforce the obligations of the  
200 purchasers.

201 (5) (a) The responsibility of the project entity to make payment of the annual fees is  
202 limited to the extent that there is legally available to the project entity, from bond proceeds or  
203 revenues, money to make these payments, and the obligation to make payments of the annual  
204 fees is not otherwise a general obligation or liability of the project entity.

205 (b) No tax lien may attach upon any property or money of the project entity by virtue of  
206 any failure to pay all or any part of an annual fee.

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

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

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

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

213 (A) is not a project entity; and

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

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

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

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

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

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

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

230 Section 3. Section **17-41-101** is amended to read:

231 **17-41-101. Definitions.**

232 As used in this chapter:

233 (1) "Advisory board" means:

234 (a) for an agriculture protection area, the agriculture protection area advisory board  
235 created as provided in Section 17-41-201; and

236 (b) for an industrial protection area, the industrial protection area advisory board  
237 created as provided in Section 17-41-201.

238 (2) (a) "Agriculture production" means production for commercial purposes of crops,  
239 livestock, and livestock products.

240 (b) "Agriculture production" includes the processing or retail marketing of any crops,  
241 livestock, and livestock products when more than 50% of the processed or merchandised  
242 products are produced by the farm operator.

243 (3) "Agriculture protection area" means a geographic area created under the authority  
244 of this chapter that is granted the specific legal protections contained in this chapter.



- 245 (4) "Applicable legislative body" means:
- 246 (a) with respect to a proposed agriculture protection area or industrial protection area:
- 247 (i) the legislative body of the county in which the land proposed to be included in an
- 248 agriculture protection area or industrial protection area is located, if the land is within the
- 249 unincorporated part of the county; or
- 250 (ii) the legislative body of the city or town in which the land proposed to be included in
- 251 an agriculture protection area or industrial protection area is located; and
- 252 (b) with respect to an existing agriculture protection area or industrial protection area:
- 253 (i) the legislative body of the county in which the agriculture protection area or
- 254 industrial protection area is located, if the agriculture protection area or industrial protection
- 255 area is within the unincorporated part of the county; or
- 256 (ii) the legislative body of the city or town in which the agriculture protection area or
- 257 industrial protection area is located.
- 258 (5) "Board" means the Board of Oil, Gas, and Mining created in Section 40-6-4.
- 259 (6) "Crops, livestock, and livestock products" includes:
- 260 (a) land devoted to the raising of useful plants and animals with a reasonable
- 261 expectation of profit, including:
- 262 (i) forages and sod crops;
- 263 (ii) grains and feed crops;
- 264 (iii) livestock as defined in [~~Subsection 59-2-102(27)(d)~~] Section 59-2-102;
- 265 (iv) trees and fruits; or
- 266 (v) vegetables, nursery, floral, and ornamental stock; or
- 267 (b) land devoted to and meeting the requirements and qualifications for payments or
- 268 other compensation under a crop-land retirement program with an agency of the state or federal
- 269 government.
- 270 (7) "Division" means the Division of Oil, Gas, and Mining created in Section 40-6-15.
- 271 (8) "Industrial protection area" means a geographic area created under the authority of
- 272 this chapter that is granted the specific legal protections contained in this chapter.
- 273 (9) "Mine operator" means a natural person, corporation, association, partnership,
- 274 receiver, trustee, executor, administrator, guardian, fiduciary, agent, or other organization or
- 275 representative, either public or private, including a successor, assign, affiliate, subsidiary, and

276 related parent company, that, as of January 1, 2009:

277 (a) owns, controls, or manages a mining use under a large mine permit issued by the  
278 division or the board; and

279 (b) has produced commercial quantities of a mineral deposit from the mining use.

280 (10) "Mineral deposit" has the same meaning as defined in Section 40-8-4, but  
281 excludes:

282 (a) building stone, decorative rock, and landscaping rock; and

283 (b) consolidated rock that:

284 (i) is not associated with another deposit of minerals;

285 (ii) is or may be extracted from land; and

286 (iii) is put to uses similar to the uses of sand, gravel, and other aggregates.

287 (11) "Mining protection area" means land where a vested mining use occurs, including  
288 each surface or subsurface land or mineral estate that a mine operator with a vested mining use  
289 owns or controls.

290 (12) "Mining use":

291 (a) means:

292 (i) the full range of activities, from prospecting and exploration to reclamation and  
293 closure, associated with the exploitation of a mineral deposit; and

294 (ii) the use of the surface and subsurface and groundwater and surface water of an area  
295 in connection with the activities described in Subsection (12)(a)(i) that have been, are being, or  
296 will be conducted; and

297 (b) includes, whether conducted on-site or off-site:

298 (i) any sampling, staking, surveying, exploration, or development activity;

299 (ii) any drilling, blasting, excavating, or tunneling;

300 (iii) the removal, transport, treatment, deposition, and reclamation of overburden,  
301 development rock, tailings, and other waste material;

302 (iv) any removal, transportation, extraction, beneficiation, or processing of ore;

303 (v) any smelting, refining, autoclaving, or other primary or secondary processing  
304 operation;

305 (vi) the recovery of any mineral left in residue from a previous extraction or processing  
306 operation;

- 307 (vii) a mining activity that is identified in a work plan or permitting document;
- 308 (viii) the use, operation, maintenance, repair, replacement, or alteration of a building,
- 309 structure, facility, equipment, machine, tool, or other material or property that results from or is
- 310 used in a surface or subsurface mining operation or activity;
- 311 (ix) any accessory, incidental, or ancillary activity or use, both active and passive,
- 312 including a utility, private way or road, pipeline, land excavation, working, embankment, pond,
- 313 gravel excavation, mining waste, conveyor, power line, trackage, storage, reserve, passive use
- 314 area, buffer zone, and power production facility;
- 315 (x) the construction of a storage, factory, processing, or maintenance facility; and
- 316 (xi) any activity described in Subsection 40-8-4(14)(a).
- 317 (13) (a) "Municipal" means of or relating to a city or town.
- 318 (b) "Municipality" means a city or town.
- 319 (14) "New land" means surface or subsurface land or mineral estate that a mine
- 320 operator gains ownership or control of, whether or not that land or mineral estate is included in
- 321 the mine operator's large mine permit.
- 322 (15) "Off-site" has the same meaning as provided in Section 40-8-4.
- 323 (16) "On-site" has the same meaning as provided in Section 40-8-4.
- 324 (17) "Planning commission" means:
- 325 (a) a countywide planning commission if the land proposed to be included in the
- 326 agriculture protection area or industrial protection area is within the unincorporated part of the
- 327 county and not within a township;
- 328 (b) a township planning commission if the land proposed to be included in the
- 329 agriculture protection area or industrial protection area is within a township; or
- 330 (c) a planning commission of a city or town if the land proposed to be included in the
- 331 agriculture protection area or industrial protection area is within a city or town.
- 332 (18) "Political subdivision" means a county, city, town, school district, local district, or
- 333 special service district.
- 334 (19) "Proposal sponsors" means the owners of land in agricultural production or
- 335 industrial use who are sponsoring the proposal for creating an agriculture protection area or
- 336 industrial protection area, respectively.
- 337 (20) "State agency" means each department, commission, board, council, agency,

338 institution, officer, corporation, fund, division, office, committee, authority, laboratory, library,  
339 unit, bureau, panel, or other administrative unit of the state.

340 (21) "Unincorporated" means not within a city or town.

341 (22) "Vested mining use" means a mining use:

342 (a) by a mine operator; and

343 (b) that existed or was conducted or otherwise engaged in before a political subdivision  
344 prohibits, restricts, or otherwise limits a mining use.

345 Section 4. Section **20A-1-203** is amended to read:

346 **20A-1-203. Calling and purpose of special elections -- Two-thirds vote**  
347 **limitations.**

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

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

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

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

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

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

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

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

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

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

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

365 (ii) a vote on a voted [~~fee~~way or levy program] local levy authorized by Section  
366 [~~53A-16-110;~~ 53A-17a-133[~~, or 53A-17a-134~~];

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

369 (iv) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;  
 370 (v) if required or authorized by federal law, a vote to determine whether or not Utah's  
 371 legal boundaries should be changed;

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

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

376 (viii) an election of town officers of a newly incorporated town under Subsection  
 377 10-2-125(9).

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

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

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

382 (c) A local political subdivision may not call a local special election unless the  
 383 ordinance or resolution calling a local special election under Subsection (5)(b) is adopted by a  
 384 two-thirds majority of all members of the legislative body, if the local special election is for:

385 (i) a vote on a bond or debt issue as described in Subsection (5)(a)(i);

386 (ii) a vote on a voted leeway or levy program as described in Subsection (5)(a)(ii); or

387 (iii) a vote authorized or required for a sales tax issue as described in Subsection  
 388 (5)(a)(vi).

389 Section 5. Section **53A-1a-106** is amended to read:

390 **53A-1a-106. School district and individual school powers.**

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

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

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

- 400 (ii) provide for teacher and parent involvement in policymaking at the school site;
- 401 (iii) implement a public school choice program to give parents, students, and teachers  
402 greater flexibility in designing and choosing among programs with different focuses through  
403 schools within the same district and other districts, subject to space availability, demographics,  
404 and legal and performance criteria;
- 405 (iv) establish strategic planning at both the district and school level and site-based  
406 decision making programs at the school level;
- 407 (v) provide opportunities for each student to acquire and develop academic and  
408 occupational knowledge, skills, and abilities;
- 409 (vi) participate in ongoing research and development projects primarily at the school  
410 level aimed at improving the quality of education within the system; and
- 411 (vii) involve business and industry in the education process through the establishment  
412 of partnerships with the business community at the district and school level.
- 413 (b) (i) Each local school board, in consultation with school personnel, parents, and  
414 school community councils or similar entities shall establish policies to provide for the  
415 effective implementation of a personalized student education plan (SEP) or student  
416 education/occupation plan (SEOP) for each student at the school site.
- 417 (ii) The policies shall include guidelines and expectations for:
- 418 (A) recognizing the student's accomplishments, strengths, and progress towards  
419 meeting student achievement standards as defined in U-PASS;
- 420 (B) planning, monitoring, and managing education and career development; and
- 421 (C) involving students, parents, and school personnel in preparing and implementing  
422 SEPs and SEOPs.
- 423 (iii) A parent may request conferences with school personnel in addition to SEP or  
424 SEOP conferences established by local school board policy.
- 425 (iv) Time spent during the school day to implement SEPs and SEOPs is considered  
426 part of the school term referred to in Subsection 53A-17a-103[~~(5)~~](3).
- 427 (3) A school district or public school may submit proposals to modify or waive rules or  
428 policies of a supervisory authority within the public education system in order to acquire or  
429 develop the characteristics listed in Section 53A-1a-104.
- 430 (4) (a) Each school district and public school shall make an annual report to its patrons

431 on its activities under this section.

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

434 Section 6. Section **53A-1a-513** is amended to read:

435 **53A-1a-513. Funding for charter schools.**

436 (1) As used in this section:

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

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

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

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

445 (b) "District local property tax revenues" means the sum of a school district's revenue  
446 received from the following levies:

447 (i) (A) a voted levy imposed under Section 53A-17a-133;

448 (B) a board levy imposed under Section 53A-17a-134;

449 (C) a 10% of basic levy imposed under Section 53A-17a-145;

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

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

452 (F) a voted capital outlay levy imposed under Section 53A-16-110; or

453 (ii) (A) a voted local levy imposed under Section 53A-17a-133;

454 (B) a board local levy imposed under Section 53A-17a-164, excluding revenues

455 expended for:

456 (I) recreational facilities and activities authorized under Title 11, Chapter 2,

457 Playgrounds;

458 (II) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of  
459 taxable value of the school district's board local discretionary levy; and

460 (III) the K-3 Reading Improvement Program, up to the amount of revenue generated by  
461 a .000121 per dollar of taxable value of the school district's board local discretionary levy; and

462 (C) a capital local levy imposed under Section 53A-16-113.

463 ~~[(b)]~~ (c) "District per pupil local revenues" means ~~[the]~~ an amount ~~[determined as~~  
464 ~~follows]~~ equal to the following, using data from the most recently published school district  
465 annual financial reports and state superintendent's annual report:

466 ~~[(i) calculate the sum of a school district's revenue received from:]~~

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

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

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

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

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

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

473 ~~[(ii) divide the sum calculated under Subsection (1)(b)(i) by the sum of:]~~

474 (i) district local property tax revenues; divided by

475 (ii) the sum of:

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

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

479 ~~[(e)]~~ (d) "Resident student" means a student who is considered a resident of the school  
480 district under Title 53A, Chapter 2, Part 2, District of Residency.

481 ~~[(f)]~~ (e) "Statewide average debt service revenues" means the amount determined as  
482 follows, using data from the most recently published state superintendent's annual report:

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

485 (ii) divide the sum calculated under Subsection (1)~~[(f)]~~(e)(i) by statewide school  
486 district average daily membership.

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

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

492 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state



493 funds, as applicable, on the same basis as a school district receives funds.

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

496 (i) .55 for kindergarten pupils;

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

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

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

500 (4) (a) (i) A school district shall allocate a portion of school district revenues for each  
501 resident student of the school district who is enrolled in a charter school on October 1 equal to  
502 25% of the lesser of:

503 (A) district per pupil local revenues; or

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

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

507 (b) The State Board of Education shall:

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

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

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

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

516 (ii) the revenue sources listed in [~~Subsections (1)(b)(i)(A) through (F)~~] Subsection  
517 (1)(b) based on the portion of the allocations to charter schools attributed to each of the  
518 revenue sources listed in [~~Subsections (1)(b)(i)(A) through (F)~~] Subsection (1)(b).

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

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

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

526 (B) statewide average debt service revenues.

527 (iii) If the total of a school district's allocation for a charter school student under  
528 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than  
529 \$1427, the state shall provide an additional supplement so that a charter school receives at least  
530 \$1427 per student under this Subsection (4).

531 (iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the  
532 amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated  
533 among charter schools in proportion to each charter school's enrollment as a percentage of the  
534 total enrollment in charter schools.

535 (B) If the State Board of Education makes adjustments to Minimum School Program  
536 allocations as provided under Section 53A-17a-105, the allocation provided in Subsection  
537 (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.

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

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

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

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

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

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

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

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

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

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

559 (b) The State Board of Education shall coordinate the distribution of federal money  
560 appropriated to help fund costs for establishing and maintaining charter schools within the  
561 state.

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

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

569 Section 7. Section **53A-2-114** is amended to read:

570 **53A-2-114. Additional levies -- School board options to abolish or continue after**  
571 **consolidation.**

572 (1) If a school district which has approved an additional levy under Section  
573 [~~53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~] 53A-17a-133 is consolidated with  
574 a district which does not have such a levy, the board of education of the consolidated district  
575 may choose to abolish the levy, or apply it in whole or in part to the entire consolidated district.

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

579 Section 8. Section **53A-2-115** is amended to read:

580 **53A-2-115. Additional levies in transferred territory -- Transferee board option**  
581 **to abolish or continue.**

582 If two or more districts undergo restructuring that results in a district receiving territory  
583 that increases the population of the district by at least 25%, and if the transferred territory was,  
584 at the time of transfer, subject to an additional levy under Section [~~53A-16-110, 53A-17a-133,~~  
585 ~~53A-17a-134, or 53A-17a-145~~] 53A-17a-133, the board of education of the transferee district

586 may abolish the levy or apply the levy in whole or in part to the entire restructured district.  
 587 Any such levy made applicable to the entire district may continue in force for no more than five  
 588 years, unless approved by the electors of the restructured district in the manner set forth in  
 589 Section ~~[53A-16-110]~~ 53A-17a-133.

590 Section 9. Section **53A-2-118.2** is amended to read:

591 **53A-2-118.2. New school district property tax -- Limitations.**

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

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

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

- 602 (i) discontinue the levy for the new school district;
- 603 (ii) impose a levy on the new school district as provided in Section ~~[53A-16-110 or]~~  
 604 53A-17a-133; or
- 605 (iii) impose the levy on the new school district, subject to Subsection (2)(b).

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

610 Section 10. Section **53A-2-118.3** is amended to read:

611 **53A-2-118.3. Imposition of the capital outlay levy in qualifying divided school**  
 612 **districts.**

613 (1) For purposes of this section:

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

- 615 (i) located within a county of the second through sixth class; and
- 616 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide

617 educational services after July 1, 2008.

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

620 (2) Beginning with the qualifying taxable year, in order to qualify for receipt of the  
621 state contribution toward the minimum school program, a school district within a qualifying  
622 divided school district shall impose a capital [~~outlay~~] local levy described in Section  
623 [~~53A-16-107~~] 53A-16-113 of at least .0006 per dollar of taxable value.

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

628 (a) 25% of the revenues shall be distributed in proportion to a school district's  
629 percentage of the total enrollment growth in all of the school districts within the qualifying  
630 divided school district that have an increase in enrollment, calculated on the basis of the  
631 average annual enrollment growth over the prior three years in all of the school districts within  
632 the qualifying divided school district that have an increase in enrollment over the prior three  
633 years, as of the October 1 enrollment counts; and

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

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

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

644 (6) On or before March 31 of each year, a county treasurer in a county with a  
645 qualifying divided school district shall distribute, in accordance with Subsection (3), the  
646 revenue generated within the qualifying divided school district during the prior calendar year  
647 from the capital [~~outlay~~] local levy required in Subsection (2).

648 Section 11. Section **53A-2-206** is amended to read:

649 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**  
650 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**  
651 **student agencies.**

652 (1) A school district or charter school may include the following students in the  
653 district's or school's membership and attendance count for the purpose of apportionment of  
654 state money:

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

659 (b) a student receiving services under Title 62A, Chapter 4a, Part 7, Interstate Compact  
660 on Placement of Children.

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

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

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

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

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

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

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

678 (B) 328 foreign exchange students.

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

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

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

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

691 (a) enroll foreign exchange students that do not qualify for state money; and

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

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

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

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

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

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

707 (ii) that a household study, including a background check of all adult residents, has  
708 been made of each household where an exchange student is to reside, and that the study was of  
709 sufficient scope to provide reasonable assurance that the exchange student will receive proper

710 care and supervision in a safe environment;

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

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

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

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

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

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

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

731 (8) Notwithstanding Subsection (2)(c)(i), a school district or charter school shall enroll  
732 a foreign exchange student if the foreign exchange student:

733 (a) is sponsored by an agency approved by the State Board of Education;

734 (b) attends the same school during the same time period that another student from the  
735 school is:

736 (i) sponsored by the same agency; and

737 (ii) enrolled in a school in a foreign country; and

738 (c) is enrolled in the school for one year or less.

739 Section 12. Section **53A-2-214** is amended to read:

740 **53A-2-214. Online students' participation in extracurricular activities.**



741 (1) As used in this section:

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

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

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

747 (ii) generates funding for the school district or school pursuant to Subsection  
748 53A-17a-103~~(5)~~(3) and rules of the State Board of Education.

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

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

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

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

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

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

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

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

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

767 (b) The rules shall provide that:

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

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

771 (iii) for each online school student who participates in an extracurricular activity at a

772 school district school, the online school shall pay a share of the school district's costs for the  
773 extracurricular activity; and

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

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

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

784 Section 13. Section **53A-3-415** is amended to read:

785 **53A-3-415. School board policy on detaining students after school.**

786 (1) Each local school board shall establish a policy on detaining students after regular  
787 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]  
788 53A-11-901.

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

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

795 Section 14. Section **53A-16-107** is amended to read:

796 **53A-16-107. Capital outlay levy -- Maintenance of school facilities -- Authority to**  
797 **use proceeds of .0002 tax rate -- Restrictions and procedure -- Limited authority to use**  
798 **proceeds for general fund purposes -- Notification required when using proceeds for**  
799 **general fund purposes.**

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

803 (a) capital outlay;  
804 (b) debt service; and  
805 (c) subject to Subsection (2), school facility maintenance.

806 (2) (a) A local school board may utilize the proceeds of a maximum of .0002 per dollar  
807 of taxable value of the local school board's annual capital outlay levy for the maintenance of  
808 school facilities in the school district.

809 (b) A local school board that uses the option provided under Subsection (2)(a) shall:  
810 (i) maintain the same level of expenditure for maintenance in the current year as it did  
811 in the preceding year, plus the annual average percentage increase applied to the maintenance  
812 and operation budget for the current year; and  
813 (ii) identify the expenditure of capital outlay funds for maintenance by a district project  
814 number to ensure that the funds are expended in the manner intended.

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

817 (3) Beginning January 1, 2009, and through the taxable year beginning January 1,  
818 2011, in order to qualify for receipt of the state contribution toward the minimum school  
819 program, a local school board in a county of the first class shall impose a capital outlay levy of  
820 at least .0006 per dollar of taxable value.

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

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

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

832 (b) If a local school board uses the proceeds described in Subsection (5)(a) for general  
833 fund purposes, the local school board shall notify the public of the local school board's use of

834 the capital outlay levy proceeds for general fund purposes:

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

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

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

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

843 (ii) 2500 Support Services - Central Services.

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

846 (6) Beginning January 1, 2012, a local school board may not levy a tax in accordance  
847 with this section.

848 Section 15. Section **53A-16-110** is amended to read:

849 **53A-16-110. Special tax to buy school building sites, build and furnish**  
850 **schoolhouses, or improve school property.**

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

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

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

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

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

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

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

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

871 (6) Notwithstanding Subsections (3) and (4), beginning January 1, 2012, a local school  
872 board may not levy a tax in accordance with this section.

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

874 **53A-16-113. Capital local levy -- First class county required levy.**

875 (1) (a) Subject to the other requirements of this section, for taxable years beginning on  
876 or after January 1, 2012, a local school board may levy a tax to fund the school district's capital  
877 projects.

878 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
879 .0030 per dollar of taxable value in any fiscal year.

880 (2) Beginning January 1, 2012, in order to qualify for receipt of the state contribution  
881 toward the minimum school program described in Section 53A-17a-103, a local school board  
882 in a county of the first class shall impose a capital local levy of a least .0006 per dollar of  
883 taxable value.

884 (3) (a) The county treasurer of a county of the first class shall distribute revenues  
885 generated by the .0006 portion of the capital local levy required in Subsection (2) to school  
886 districts within the county in accordance with Section 53A-16-114.

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

891 Section 17. Section **53A-16-114**, which is renumbered from Section 53A-16-107.1 is  
892 renumbered and amended to read:

893 **[53A-16-107.1]. 53A-16-114. School capital outlay in counties of the first**  
894 **class -- Allocation -- Report to Education Interim Committee.**

895 (1) For purposes of this section:

896 (a) "Average annual enrollment growth over the prior three years" means the quotient  
897 of:

898 (i) (A) enrollment in the current school year, based on October 1 enrollment counts;  
899 minus

900 (B) enrollment in the year three years prior, based on October 1 enrollment counts;  
901 divided by

902 (ii) three.

903 (b) "Capital outlay increment [~~monies~~] money" means the amount of revenue equal to  
904 the difference between:

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

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

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

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

917 (2) The county treasurer of a county of the first class shall distribute revenues  
918 generated by the .0006 portion of the capital outlay levy required in Subsection 53A-16-107(3)  
919 or the capital local levy required in Section 53A-16-113 to school districts located within the  
920 county of the first class as follows:

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

926 (b) 75% of the revenues shall be distributed in proportion to a school district's

927 percentage of the total current year enrollment in all of the school districts within the county, as  
928 of the October 1 enrollment counts.

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

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

936 (5) On or before March 31 of each year, a county treasurer in a county of the first class  
937 shall distribute the revenue generated within the county of the first class during the prior  
938 calendar year from the capital outlay levy described in Section 53A-16-107 or the capital local  
939 levy described in Section 53A-17a-113.

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

942 (a) how the receiving school district spent the district's capital outlay increment  
943 [~~monies~~] money during the prior fiscal year; and

944 (b) the receiving school district's plan to increase student capacity of existing school  
945 buildings within the district.

946 (7) The Education Interim Committee shall consider the reports of receiving school  
947 districts described in Subsection (6) as part of a review to reauthorize this section and  
948 provisions related to this section, if the committee is directed to conduct a review pursuant to  
949 Title 63I, Chapter 1, Legislative Oversight and Sunset Act.

950 Section 18. Section **53A-17a-103** is amended to read:

951 **53A-17a-103. Definitions.**

952 As used in this chapter:

953 (1) "Basic state-supported school program" or "basic program" means public education  
954 programs for kindergarten, elementary, and secondary school students that are operated and  
955 maintained for the amount derived by multiplying the number of weighted pupil units for each  
956 school district or charter school by the value established each year in statute, except as  
957 otherwise provided in this chapter.

958 ~~[(2) (a) "Certified revenue levy" means a property tax levy that provides an amount of~~  
959 ~~ad valorem property tax revenue equal to the sum of:]~~

960 ~~[(i) the amount of ad valorem property tax revenue to be generated statewide in the~~  
961 ~~previous year from imposing a minimum basic tax rate, as specified in Subsection~~  
962 ~~53A-17a-135(1)(a); and]~~

963 ~~[(ii) the product of:]~~

964 ~~[(A) new growth, as defined in:]~~

965 ~~[(I) Section 59-2-924; and]~~

966 ~~[(H) rules of the State Tax Commission; and]~~

967 ~~[(B) the minimum basic tax rate certified by the State Tax Commission for the~~  
968 ~~previous year:]~~

969 ~~[(b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not~~  
970 ~~include property tax revenue received statewide from personal property that is:]~~

971 ~~[(i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3,~~  
972 ~~County Assessment; and]~~

973 ~~[(ii) semiconductor manufacturing equipment:]~~

974 ~~[(c) For purposes of calculating the certified revenue levy described in this Subsection~~  
975 ~~(2), the State Tax Commission shall use:]~~

976 ~~[(i) the taxable value of real property assessed by a county assessor contained on the~~  
977 ~~assessment roll;]~~

978 ~~[(ii) the taxable value of real and personal property assessed by the State Tax~~  
979 ~~Commission; and]~~

980 ~~[(iii) the taxable year end value of personal property assessed by a county assessor~~  
981 ~~contained on the prior year's assessment roll:]~~

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

984 ~~[(4) (2) "Pupil in average daily membership (ADM)" means a full-day equivalent~~  
985 ~~pupil.~~

986 ~~[(5) (3) (a) "State-supported minimum school program" or "Minimum School~~  
987 ~~Program" means public school programs for kindergarten, elementary, and secondary schools~~  
988 ~~as described in this Subsection [(5) (3).]~~



989 (b) The minimum school program established in [~~the~~] school districts and charter  
 990 schools shall include the equivalent of a school term of nine months as determined by the State  
 991 Board of Education.

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

994 (ii) Education, enhanced by utilization of technologically enriched delivery systems,  
 995 when approved by local school boards or charter school governing boards, shall receive full  
 996 support by the State Board of Education as it pertains to fulfilling the attendance requirements,  
 997 excluding time spent viewing commercial advertising.

998 (d) The Minimum School Program includes a program or allocation funded by a line  
 999 item appropriation or other appropriation designated as follows:

- 1000 (i) Basic School Program;
- 1001 (ii) Related to Basic Programs;
- 1002 (iii) Voted and Board [~~Leeway~~] Levy Programs; or
- 1003 (iv) Minimum School Program.

1004 [~~(6)~~] (4) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of  
 1005 factors that is computed in accordance with this chapter for the purpose of determining the  
 1006 costs of a program on a uniform basis for each district.

1007 Section 19. Section **53A-17a-105** is amended to read:

1008 **53A-17a-105. Powers and duties of State Board of Education to adjust Minimum**  
 1009 **School Program allocations.**

1010 (1) Except as provided in Subsection (2) or (4), if the number of weighted pupil units  
 1011 in a program is underestimated, the State Board of Education shall reduce the value of the  
 1012 weighted pupil unit in that program so that the total amount paid for the program does not  
 1013 exceed the amount appropriated for the program.

1014 (2) If the number of weighted pupil units in a program is overestimated, the State  
 1015 Board of Education shall spend excess [~~monies~~] money appropriated for the following  
 1016 purposes giving priority to the purpose described in Subsection (2)(a):

1017 (a) to support the value of the weighted pupil unit in a program within the basic  
 1018 state-supported school program in which the number of weighted pupil units is underestimated;

1019 (b) to support the state guarantee per weighted pupil unit provided under the voted

1020 [~~teeway~~] local levy program established in Section 53A-17a-133 or the [~~board-approved~~  
1021 ~~teeway~~] board local levy program established in Section [~~53A-17a-134~~] 53A-17a-164, if:  
1022 (i) local contributions to the voted [~~teeway~~] local levy program or [~~board-approved~~  
1023 ~~teeway~~] board local levy program are overestimated; or  
1024 (ii) the number of weighted pupil units within school districts qualifying for a  
1025 guarantee is underestimated;  
1026 (c) to support the state supplement to local property taxes allocated to charter schools,  
1027 if the state supplement is less than the amount prescribed by Subsection 53A-1a-513(4);  
1028 (d) for charter school administrative costs, if the appropriation for charter school  
1029 administrative costs is insufficient to provide the amount per student prescribed in Subsection  
1030 53A-17a-108(2)(a); or  
1031 (e) to support a school district with a loss in student enrollment as provided in Section  
1032 53A-17a-139.  
1033 (3) If local contributions from the minimum basic tax rate imposed under Section  
1034 53A-17a-135 are overestimated, the State Board of Education shall reduce the value of the  
1035 weighted pupil unit for all programs within the basic state-supported school program so the  
1036 total state contribution to the basic state-supported school program does not exceed the amount  
1037 of state funds appropriated.  
1038 (4) If local contributions from the minimum basic tax rate imposed under Section  
1039 53A-17a-135 are underestimated, the State Board of Education shall:  
1040 (a) spend the excess local contributions for the purposes specified in Subsection (2),  
1041 giving priority to supporting the value of the weighted pupil unit in programs within the basic  
1042 state-supported school program in which the number of weighted pupil units is underestimated;  
1043 and  
1044 (b) reduce the state contribution to the basic state-supported school program so the  
1045 total cost of the basic state-supported school program does not exceed the total state and local  
1046 funds appropriated to the basic state-supported school program plus the local contributions  
1047 necessary to support the value of the weighted pupil unit in programs within the basic  
1048 state-supported school program in which the number of weighted pupil units is underestimated.  
1049 (5) Except as provided in Subsection (2) or (4), the State Board of Education shall  
1050 reduce the guarantee per weighted pupil unit provided under the voted [~~teeway~~] local levy

1051 program established in Section 53A-17a-133 or [~~board-approved leeway~~] board local levy  
1052 program established in Section [~~53A-17a-134~~] 53A-17a-164, if:

1053 (a) local contributions to the voted [~~leeway~~] local levy program or [~~board-approved~~  
1054 ~~leeway~~] board local levy program are overestimated; or

1055 (b) the number of weighted pupil units within school districts qualifying for a  
1056 guarantee is underestimated.

1057 (6) Monies appropriated to the State Board of Education are nonlapsing.

1058 (7) The State Board of Education shall report actions taken by the board under this  
1059 section to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning  
1060 and Budget.

1061 Section 20. Section **53A-17a-127** is amended to read:

1062 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**  
1063 **routes -- Additional local tax.**

1064 (1) A student eligible for state-supported transportation means:

1065 (a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles  
1066 from school;

1067 (b) a student enrolled in grades seven through 12 who lives at least two miles from  
1068 school; and

1069 (c) a student enrolled in a special program offered by a school district and approved by  
1070 the State Board of Education for trainable, motor, multiple-disabled, or other students with  
1071 severe disabilities who are incapable of walking to school or where it is unsafe for students to  
1072 walk because of their disabling condition, without reference to distance from school.

1073 (2) If a school district implements double sessions as an alternative to new building  
1074 construction, with the approval of the State Board of Education, those affected elementary  
1075 school students residing less than 1-1/2 miles from school may be transported one way to or  
1076 from school because of safety factors relating to darkness or other hazardous conditions as  
1077 determined by the local school board.

1078 (3) (a) The State Board of Education shall distribute transportation money to school  
1079 districts based on:

1080 (i) an allowance per mile for approved bus routes;

1081 (ii) an allowance per hour for approved bus routes; and

1082 (iii) a minimum allocation for each school district eligible for transportation funding.

1083 (b) The State Board of Education shall distribute appropriated transportation funds  
1084 based on the prior year's eligible transportation costs as legally reported under Subsection  
1085 53A-17a-126(3).

1086 (c) The State Board of Education shall annually review the allowance per mile and the  
1087 allowance per hour and adjust the allowances to reflect current economic conditions.

1088 (4) (a) Approved bus routes for funding purposes shall be determined on fall data  
1089 collected by October 1.

1090 (b) Approved route funding shall be determined on the basis of the most efficient and  
1091 economic routes.

1092 (5) A Transportation Advisory Committee with representation from local school  
1093 superintendents, business officials, school district transportation supervisors, and the state  
1094 superintendent's staff shall serve as a review committee for addressing school transportation  
1095 needs, including recommended approved bus routes.

1096 (6) (a) ~~[A]~~ Except as provided in Subsection (6)(e), a local school board may provide  
1097 for the transportation of students regardless of the distance from school, from:

1098 (i) general funds of the district; and

1099 (ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.

1100 (b) A local school board may use revenue from the tax described in Subsection  
1101 (6)(a)(ii) to pay for transporting students and for the replacement of school buses.

1102 (c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002,  
1103 the state may contribute an amount not to exceed 85% of the state average cost per mile,  
1104 contingent upon the Legislature appropriating funds for a state contribution.

1105 (ii) The state superintendent's staff shall distribute the state contribution according to  
1106 rules enacted by the State Board of Education.

1107 (d) (i) The amount of state guarantee money which a school district would otherwise be  
1108 entitled to receive under Subsection (6)(c) may not be reduced for the sole reason that the  
1109 district's levy is reduced as a consequence of changes in the certified tax rate under Section  
1110 59-2-924 due to changes in property valuation.

1111 (ii) Subsection (6)(d)(i) applies for a period of two years following the change in the  
1112 certified tax rate.

1113 (e) Beginning January 1, 2012, a local school board may not impose a tax in  
 1114 accordance with this Subsection (6).

1115 (7) (a) (i) If a local school board expends an amount of revenue equal to at least .0002  
 1116 per dollar of taxable value of the school district's board local levy imposed under Section  
 1117 53A-17a-164 for the uses described in Subsection (7)(b), the state may contribute an amount  
 1118 not to exceed 85% of the state average cost per mile, contingent upon the Legislature  
 1119 appropriating funds for a state contribution.

1120 (ii) The state superintendent's staff shall distribute the state contribution according to  
 1121 rules enacted by the State Board of Education.

1122 (b) (i) The amount of state guarantee money which a school district would otherwise be  
 1123 entitled to receive under Subsection (7)(a) may not be reduced for the sole reason that the  
 1124 district's levy is reduced as a consequence of changes in the certified tax rate under Section  
 1125 59-2-924 due to changes in property valuation.

1126 (ii) Subsection (7)(b)(i) applies for a period of two years following the change in the  
 1127 certified tax rate.

1128 Section 21. Section **53A-17a-133** is amended to read:

1129 **53A-17a-133. State-supported voted local levy authorized -- Election**  
 1130 **requirements -- State guarantee -- Reconsideration of the program.**

1131 (1) An election to consider adoption or modification of a voted [~~leeway program~~] local  
 1132 levy is required if initiative petitions signed by 10% of the number of electors who voted at the  
 1133 last preceding general election are presented to the local school board or by action of the board.

1134 (2) (a) (i) To [~~establish a voted leeway program~~] impose a voted local levy, a majority  
 1135 of the electors of a district voting at an election in the manner set forth in [~~Section 53A-16-110~~]  
 1136 Subsections (8) and (9) must vote in favor of a special tax.

1137 (ii) The tax rate may not exceed .002 per dollar of taxable value.

1138 [~~(b) The district may maintain a school program which exceeds the cost of the program~~  
 1139 ~~referred to in Section 53A-17a-145 with this voted leeway.~~]

1140 [~~(c) In~~] (b) Except as provided in Subsection (2)(c), in order to receive state support  
 1141 the first year, a district must receive voter approval no later than December 1 of the year prior  
 1142 to implementation.

1143 (c) Beginning on or after January 1, 2012, a school district may receive state support in

1144 accordance with Subsection (3) without complying with the requirements of Subsection (2)(b)  
1145 if the local school board imposed a tax in accordance with this section during the taxable year  
1146 beginning on January 1, 2011 and ending on December 31, 2011.

1147 (3) (a) [~~Under the voted leeway program~~] In addition to the revenue a school district  
1148 collects from the imposition of a levy pursuant to this section, the state shall contribute an  
1149 amount sufficient to guarantee \$25.25 per weighted pupil unit for each .0001 of the first .0016  
1150 per dollar of taxable value.

1151 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar  
1152 of taxable value under Subsection (3)(a) shall apply to the [~~board-approved leeway~~] portion of  
1153 the board local levy authorized in Section [~~53A-17a-134~~] 53A-17a-164, so that the guarantee  
1154 shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate  
1155 under both programs.

1156 (c) Beginning July 1, 2011, the \$25.25 guarantee under Subsections (3)(a) and (b) shall  
1157 be indexed each year to the value of the weighted pupil unit by making the value of the  
1158 guarantee equal to .010544 times the value of the prior year's weighted pupil unit.

1159 (d) (i) The amount of state guarantee money to which a school district would otherwise  
1160 be entitled to receive under this Subsection (3) may not be reduced for the sole reason that the  
1161 district's levy is reduced as a consequence of changes in the certified tax rate under Section  
1162 59-2-924 pursuant to changes in property valuation.

1163 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in  
1164 the certified tax rate.

1165 (e) The guarantee provided under this section does not apply to the portion of a voted  
1166 [~~leeway~~] local levy rate that exceeds the voted [~~leeway~~] local levy rate that was in effect for the  
1167 previous fiscal year, unless an increase in the voted [~~leeway~~] local levy rate was authorized in  
1168 an election conducted on or after July 1 of the previous fiscal year and before December 2 of  
1169 the previous fiscal year.

1170 (4) (a) An election to modify an existing voted [~~leeway program~~] local levy is not a  
1171 reconsideration of the existing [~~program~~] authority unless the proposition submitted to the  
1172 electors expressly so states.

1173 (b) A majority vote opposing a modification does not deprive the district of authority to  
1174 continue [~~an existing program~~] the levy.

1175 (c) If adoption of a [~~leeway program~~] voted local levy is contingent upon an offset  
1176 reducing other local school board levies, the board must allow the electors, in an election, to  
1177 consider modifying or discontinuing the [~~program~~] imposition of the levy prior to a subsequent  
1178 increase in other levies that would increase the total local school board levy.

1179 (d) Nothing contained in this section terminates, without an election, the authority of a  
1180 school district to continue [~~an existing voted leeway program~~] imposing an existing voted local  
1181 levy previously authorized by the voters as a voted leeway program.

1182 (5) Notwithstanding Section 59-2-919, a school district may budget an increased  
1183 amount of ad valorem property tax revenue derived from a voted [~~leeway~~] local levy imposed  
1184 under this section in addition to revenue from new growth as defined in Subsection  
1185 59-2-924(4), without having to comply with the notice requirements of Section 59-2-919, if:

1186 (a) the voted [~~leeway~~] local levy is approved:

1187 (i) in accordance with [~~Section 53A-16-110~~] Subsections (8) and (9) on or after  
1188 January 1, 2003; and

1189 (ii) within the four-year period immediately preceding the year in which the school  
1190 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
1191 the voted [~~leeway~~] local levy; and

1192 (b) for a voted [~~leeway~~] local levy approved or modified in accordance with this  
1193 section on or after January 1, 2009, the school district complies with the requirements of  
1194 Subsection (7).

1195 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this  
1196 section that exceeds the certified tax rate without having to comply with the notice  
1197 requirements of Section 59-2-919 if:

1198 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an  
1199 increased amount of ad valorem property tax revenue derived from a voted [~~leeway~~] local levy  
1200 imposed under this section;

1201 (b) the voted [~~leeway~~] local levy was approved:

1202 (i) in accordance with [~~Section 53A-16-110~~] Subsections (8) and (9) on or after  
1203 January 1, 2003; and

1204 (ii) within the four-year period immediately preceding the year in which the school  
1205 district seeks to budget an increased amount of ad valorem property tax revenue derived from

1206 the voted [~~leeway~~] local levy; and

1207 (c) for a voted [~~leeway~~] local levy approved or modified in accordance with this  
1208 section on or after January 1, 2009, the school district complies with requirements of  
1209 Subsection (7).

1210 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the  
1211 electors regarding the adoption or modification of a voted [~~leeway program~~] local levy shall  
1212 contain the following statement:

1213 "A vote in favor of this tax means that (name of the school district) may increase  
1214 revenue from this property tax without advertising the increase for the next five years."

1215 (8) (a) Before imposing a property tax levy pursuant to this section, a school district  
1216 shall submit an opinion question to the school district's registered voters voting on the  
1217 imposition of the tax rate so that each registered voter has the opportunity to express the  
1218 registered voter's opinion on whether the tax rate should be imposed.

1219 (b) The election required by this Subsection (8) shall be held:

1220 (i) at a regular general election conducted in accordance with the procedures and  
1221 requirements of Title 20A, Election Code, governing regular elections;

1222 (ii) at a municipal general election conducted in accordance with the procedures and  
1223 requirements of Section 20A-1-202; or

1224 (iii) at a local special election conducted in accordance with the procedures and  
1225 requirements of Section 20A-1-203.

1226 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or  
1227 after January 1, 2012, a school district may levy a tax rate in accordance with this section  
1228 without complying with the requirements of Subsections (8)(a) and (b) if the school district  
1229 imposed a tax in accordance with this section at any time during the taxable year beginning on  
1230 January 1, 2011, and ending on December 31, 2011.

1231 (9) If a school district determines that a majority of the school district's registered  
1232 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax  
1233 rate in accordance with Subsection (8), the school district may impose the tax rate.

1234 Section 22. Section **53A-17a-134** is amended to read:

1235 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

1236 (1) [~~Each~~] Except as provided in Subsection (9), a local school board may levy a tax



1237 rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of  
1238 the basic school program as follows:

1239 (a) a local school board shall use the [monies] money generated by the tax for class  
1240 size reduction within the school district;

1241 (b) if a local school board determines that the average class size in the school district is  
1242 not excessive, it may use the [monies] money for other school purposes but only if the board  
1243 has declared the use for other school purposes in a public meeting prior to levying the tax rate;  
1244 and

1245 (c) a district may not use the [monies] money for other school purposes under  
1246 Subsection (1)(b) until it has certified in writing that its class size needs are already being met  
1247 and has identified the other school purposes for which the [monies] money will be used to the  
1248 State Board of Education and the state board has approved their use for other school purposes.

1249 (2) (a) The state shall contribute an amount sufficient to guarantee \$25.25 per weighted  
1250 pupil unit for each .0001 per dollar of taxable value.

1251 (b) The guarantee shall increase in the same manner as provided for the voted [~~leeway~~]  
1252 local levy guarantee in Subsection 53A-17a-133(3)(c).

1253 (c) (i) The amount of state guarantee money to which a school district would otherwise  
1254 be entitled to under this Subsection (2) may not be reduced for the sole reason that the district's  
1255 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
1256 pursuant to changes in property valuation.

1257 (ii) Subsection (2)(c)(i) applies for a period of five years following any such change in  
1258 the certified tax rate.

1259 (d) The guarantee provided under this section does not apply to:

1260 (i) a board-authorized leeway in the first fiscal year the leeway is in effect, unless the  
1261 leeway was approved by voters pursuant to Subsections (4) through (6); or

1262 (ii) the portion of a board-authorized leeway rate that is in excess of the  
1263 board-authorized leeway rate that was in effect for the previous fiscal year.

1264 (3) The levy authorized under this section is not in addition to the maximum rate of  
1265 .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax  
1266 rate under that section.

1267 (4) As an exception to Section 53A-17a-133, the board-authorized levy does not

1268 require voter approval, but the board may require voter approval if requested by a majority of  
1269 the board.

1270 (5) An election to consider disapproval of the board-authorized levy is required, if  
1271 within 60 days after the levy is established by the board, referendum petitions signed by the  
1272 number of legal voters required in Section 20A-7-301, who reside within the school district, are  
1273 filed with the school district.

1274 (6) (a) A local school board shall establish its board-approved levy by April 1 to have  
1275 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an  
1276 election is required under this section, the levy applies to the fiscal year beginning July 1 of the  
1277 next calendar year.

1278 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall  
1279 occur at a general election in even-numbered years, except that a vote required under this  
1280 section in odd-numbered years shall occur at a special election held on a day in odd-numbered  
1281 years that corresponds to the general election date. The school district shall pay for the cost of  
1282 a special election.

1283 (7) (a) Modification or termination of a voter-approved leeway rate authorized under  
1284 this section is governed by Section 53A-17a-133.

1285 (b) A board-authorized leeway rate may be modified or terminated by a majority vote  
1286 of the board subject to disapproval procedures specified in this section.

1287 (8) A board levy election does not require publication of a voter information pamphlet.

1288 (9) Beginning January 1, 2012, a local school board may not levy a tax in accordance  
1289 with this section.

1290 Section 23. Section **53A-17a-135** is amended to read:

1291 **53A-17a-135. Minimum basic tax rate.**

1292 (1) ~~[(a)]~~ In order to qualify for receipt of the state contribution toward the basic  
1293 program and as its contribution toward its costs of the basic program, each school district shall  
1294 impose a minimum basic tax rate of .003 per dollar of taxable value ~~[that generates~~  
1295 ~~\$273,950,764 in revenues statewide].~~

1296 ~~[(b) The preliminary estimate for the 2010-11 minimum basic tax rate is .001513.]~~

1297 ~~[(c) The State Tax Commission shall certify on or before June 22 the rate that~~  
1298 ~~generates \$273,950,764 in revenues statewide.]~~

1299           ~~[(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in~~  
1300 ~~Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.]~~

1301           (2) (a) The state shall contribute to each district toward the cost of the basic program in  
1302 the district that portion which exceeds the proceeds of the levy authorized under Subsection  
1303 (1).

1304           (b) In accord with the state strategic plan for public education and to fulfill its  
1305 responsibility for the development and implementation of that plan, the Legislature instructs  
1306 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each  
1307 of the coming five years to develop budgets that will fully fund student enrollment growth.

1308           (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the  
1309 cost of the basic program in a school district, no state contribution shall be made to the basic  
1310 program.

1311           (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of  
1312 the basic program shall be paid into the Uniform School Fund as provided by law.

1313           (4) For fiscal year 2012-13, the Legislature shall use the full increase in the minimum  
1314 basic tax rate from the rate set for fiscal year 2011-12 to the rate of .003 per dollar of taxable  
1315 value to increase the value of the weighted pupil unit.

1316           Section 24. Section **53A-17a-135.5** is enacted to read:

1317           **53A-17a-135.5. Appropriation to mitigate revenue impacts of a decrease in a**  
1318 **school district's aggregate certified tax rate.**

1319           (1) Subject to future budget constraints, the Legislature shall provide an appropriation  
1320 in fiscal years 2012-13 through 2015-16 to be distributed to a school district whose aggregate  
1321 certified tax rate decrease pursuant to Subsection 59-2-924.2(9) results in a revenue decrease  
1322 that exceeds the additional amount of revenue distributed to the school district for the basic  
1323 program due to the increase in the value of the weighted pupil unit under Subsection  
1324 53A-17a-135(4).

1325           (2) In fiscal year 2012-13, a school district described in Subsection (1) shall receive an  
1326 allocation of money equal to the difference between:

1327           (a) the additional revenues generated within the school district for fiscal year 2012-13  
1328 by an increase in the minimum basic tax rate from the certified revenue levy rate to a rate of  
1329 .003 per dollar of taxable value; and

1330 (b) the additional revenues distributed to the school district for the basic program, as  
1331 defined in Section 53A-17a-103, in fiscal year 2012-13, as a result of the increase in the value  
1332 of the weighted pupil unit pursuant to Subsection 53A-17a-135(4).

1333 (3) In fiscal years 2013-14 through 2015-16, a school district described in Subsection  
1334 (1) shall receive an allocation of money as follows:

1335 (a) in fiscal year 2013-14, 75% of the amount described in Subsection (2);

1336 (b) in fiscal year 2014-15, 50% of the amount described in Subsection (2); and

1337 (c) in fiscal year 2015-16, 25% of the amount described in Subsection (2).

1338 Section 25. Section **53A-17a-136** is amended to read:

1339 **53A-17a-136. Cost of operation and maintenance of minimum school program --**  
1340 **Division between state and school districts.**

1341 (1) The total cost of operation and maintenance of the minimum school program in the  
1342 state is divided between the state and school districts as follows:

1343 (a) Each school district shall impose a minimum basic tax rate on all taxable, tangible  
1344 property in the school district and shall contribute the tax proceeds toward the cost of the basic  
1345 program as provided in this chapter.

1346 (b) Each school district may also impose a levy for the purpose of participating in the  
1347 ~~[leeway]~~ levy programs provided in [this chapter] Section 53A-17a-133 or 53A-17a-164.

1348 (c) The state shall contribute the balance of the total costs.

1349 (2) The contributions by the school districts and by the state are computed separately  
1350 for the purpose of determining their respective contributions to the basic program and to the  
1351 ~~[leeway]~~ levy programs provided in [this chapter] Section 53A-17a-133 or 53A-17a-164.

1352 Section 26. Section **53A-17a-143** is amended to read:

1353 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**  
1354 **allocations from the Federal Impact Aid Program.**

1355 (1) In addition to the revenues received from the levy imposed by each school district  
1356 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~  
1357 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between  
1358 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~  
1359 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this  
1360 source for the next preceding fiscal year.

1361           ~~[(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~  
1362 ~~any fiscal year.]~~

1363           ~~[(3) This authorization terminates for each district at the end of the third year it is~~  
1364 ~~used.]~~

1365           ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from  
1366 ~~[this special tax rate plus allocation from Public Law 81-874]~~ a distribution from the  
1367 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal  
1368 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from  
1369 ~~[Public Law 81-874]~~ the Federal Impact Aid Program for the next preceding fiscal year, the  
1370 excess funds are carried into the next succeeding fiscal year and become in that year a part of  
1371 the district's contribution to its basic program for operation and maintenance under the state  
1372 minimum school finance law.

1373           ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be  
1374 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's  
1375 required contribution to its basic program.

1376           ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state  
1377 minimum school program funds as though the reduction in the tax rate had not been made.

1378           Section 27. Section **53A-17a-145** is amended to read:

1379           **53A-17a-145. Additional levy by district for debt service, school sites, buildings,**  
1380 **buses, textbooks, and supplies.**

1381           (1) ~~[A]~~ Except as provided in Subsection (5), a school district may elect to increase its  
1382 tax rate by up to 10% of the cost of the basic program.

1383           (2) The proceeds from the increase may only be used for debt service, the construction  
1384 or remodeling of school buildings, or the purchase of school sites, buses, equipment, textbooks,  
1385 and supplies.

1386           (3) This section does not prohibit a district from exercising the authority granted by  
1387 other laws relating to tax rates.

1388           (4) This increase in the tax rate is not included in determining the apportionment of the  
1389 State School Fund, and is in addition to other tax rates authorized by law.

1390           (5) Beginning January 1, 2012, a school district may not:

1391           (a) levy a tax rate in accordance with this section; or

1392 (b) increase its tax rate as described in Subsection (1).

1393 Section 28. Section **53A-17a-146** is amended to read:

1394 **53A-17a-146. Reduction of district allocation based on insufficient revenues.**

1395 (1) As used in this section, "Minimum School Program funds" means the total of state  
1396 and local funds appropriated for the Minimum School Program, excluding:

1397 (a) the state-supported [~~voter leeway~~] voted local levy program pursuant to Section  
1398 53A-17a-133;

1399 (b) the state-supported board [~~leeway~~] local levy program pursuant to Section  
1400 [~~53A-17a-134~~] 53A-17a-164; and

1401 (c) the appropriation to charter schools to replace local property tax revenues pursuant  
1402 to Section 53A-1a-513.

1403 (2) If the Legislature reduces appropriations made to support public schools under Title  
1404 53A, Chapter 17a, Minimum School Program Act, because an Education Fund budget deficit,  
1405 as defined in Section 63J-1-312, exists, the State Board of Education, after consultation with  
1406 each school district and charter school, shall allocate the reduction among school districts and  
1407 charter schools in proportion to each school district's or charter school's percentage share of  
1408 Minimum School Program funds.

1409 (3) Except as provided in Subsection (5), a school district or charter school shall  
1410 determine which programs are affected by a reduction pursuant to Subsection (2) and the  
1411 amount each program is reduced.

1412 (4) Except as provided in Subsections (5) and (6), the requirement to spend a specified  
1413 amount in any particular program is waived if reductions are made pursuant to Subsection (2).

1414 (5) A school district or charter school may not reduce or reallocate spending of funds  
1415 distributed to the school district or charter school for the following programs:

1416 (a) educator salary adjustments provided in Section 53A-17a-153;

1417 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;

1418 (c) the extended year for special educators provided in Section 53A-17a-158;

1419 (d) USTAR centers provided in Section 53A-17a-159;

1420 (e) the School LAND Trust Program created in Section 53A-16-101.5; or

1421 (f) a special education program within the Basic School Program.

1422 (6) A school district or charter school may not reallocate spending of funds distributed

1423 to the school district or charter school to a reserve account.

1424 Section 29. Section **53A-17a-150** is amended to read:

1425 **53A-17a-150. K-3 Reading Improvement Program.**

1426 (1) As used in this section:

1427 (a) "Program" means the K-3 Reading Improvement Program~~[-and]~~.

1428 (b) "Program [~~monies~~] money" means:

1429 [~~(i) school district revenue from the levy authorized under Section 53A-17a-151;~~]

1430 [~~(ii)~~] (i) school district revenue allocated to the program from [~~other monies~~] money

1431 available to the school district, except [~~monies~~] money provided by the state, for the purpose of  
1432 receiving state funds under this section; and

1433 [~~(iii) monies~~] (ii) money appropriated by the Legislature to the program.

1434 (2) The K-3 Reading Improvement Program consists of program [~~monies~~] money and  
1435 is created to achieve the state's goal of having third graders reading at or above grade level.

1436 (3) Subject to future budget constraints, the Legislature may annually appropriate  
1437 money to the K-3 Reading Improvement Program.

1438 (4) (a) Prior to using program [~~monies~~] money, a school district or charter school shall  
1439 submit a plan to the State Board of Education for reading proficiency improvement that  
1440 incorporates the following components:

1441 (i) assessment;

1442 (ii) intervention strategies;

1443 (iii) professional development;

1444 (iv) reading performance standards; and

1445 (v) specific measurable goals that are based upon gain scores.

1446 (b) The State Board of Education shall provide model plans which a school district or  
1447 charter school may use, or the district or school may develop its own plan.

1448 (c) Plans developed by a school district or charter school shall be approved by the State  
1449 Board of Education.

1450 (5) There is created within the K-3 Reading Achievement Program three funding  
1451 programs:

1452 (a) the Base Level Program;

1453 (b) the Guarantee Program; and

1454 (c) the Low Income Students Program.

1455 (6) Monies appropriated to the State Board of Education for the K-3 Reading  
1456 Improvement Program shall be allocated to the three funding programs as follows:

1457 (a) 8% to the Base Level Program;

1458 (b) 46% to the Guarantee Program; and

1459 (c) 46% to the Low Income Students Program.

1460 (7) (a) To participate in the Base Level Program, a school district or charter school  
1461 shall submit a reading proficiency improvement plan to the State Board of Education as  
1462 provided in Subsection (4) and must receive approval of the plan from the board.

1463 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying  
1464 elementary charter schools combined shall receive a base amount.

1465 (ii) The base amount for the qualifying elementary charter schools combined shall be  
1466 allocated among each school in an amount proportionate to:

1467 (A) each existing charter school's prior year fall enrollment in grades kindergarten  
1468 through grade 3; and

1469 (B) each new charter school's estimated fall enrollment in grades kindergarten through  
1470 grade 3.

1471 (8) (a) A school district that applies for program [~~monies~~] money in excess of the Base  
1472 Level Program funds shall choose to first participate in either the Guarantee Program or the  
1473 Low Income Students Program.

1474 (b) A school district must fully participate in either the Guarantee Program or the Low  
1475 Income Students Program before it may elect to either fully or partially participate in the other  
1476 program.

1477 (c) To fully participate in the Guarantee Program, a school district shall [~~(i) levy a tax~~  
1478 ~~rate of .000056 under Section 53A-17a-151; (ii)~~] allocate to the program [~~other monies~~] money  
1479 available to the school district, except [~~monies~~] money provided by the state, equal to the  
1480 amount of revenue that would be generated by a tax rate of .000056 [~~; or~~].

1481 [~~(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~  
1482 ~~available to the school district, except monies provided by the state, so that the total revenue~~  
1483 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~  
1484 ~~tax rate of .000056.]~~



1485 (d) To fully participate in the Low Income Students Program, a school district shall[:  
 1486 (i) ~~levy a tax rate of .000065 under Section 53A-17a-151;~~ (ii)] allocate to the program [~~other~~  
 1487 ~~monies~~] money available to the school district, except [~~monies~~] money provided by the state,  
 1488 equal to the amount of revenue that would be generated by a tax rate of .000065[~~;~~or].

1489 [~~(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~  
 1490 ~~available to the school district, except monies provided by the state, so that the total revenue~~  
 1491 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~  
 1492 ~~tax rate of .000065.]~~

1493 (e) (i) The State Board of Education shall verify that a school district allocates the  
 1494 money required in accordance with Subsections (8)(c) and (d) before it distributes funds in  
 1495 accordance with this section.

1496 (ii) The State Tax Commission shall provide the State Board of Education the  
 1497 information the State Board of Education needs to comply with Subsection (8)(e)(i).

1498 (9) (a) A school district that fully participates in the Guarantee Program shall receive  
 1499 state funds in an amount that is:

1500 (i) equal to the difference between \$21 times the district's total WPUs and the revenue  
 1501 the school district is required to generate or allocate under Subsection (8)(c) to fully participate  
 1502 in the Guarantee Program; and

1503 (ii) not less than \$0.

1504 (b) An elementary charter school shall receive under the Guarantee Program an amount  
 1505 equal to \$21 times the school's total WPUs.

1506 (10) The State Board of Education shall distribute Low Income Students Program  
 1507 funds in an amount proportionate to the number of students in each school district or charter  
 1508 school who qualify for free or reduced price school lunch multiplied by two.

1509 (11) A school district that partially participates in the Guarantee Program or Low  
 1510 Income Students Program shall receive program funds based on the amount of district revenue  
 1511 generated for or allocated to the program as a percentage of the amount of revenue that could  
 1512 have been generated or allocated if the district had fully participated in the program.

1513 (12) (a) Each school district and charter school shall use program [~~monies~~] money for  
 1514 reading proficiency improvement in grades kindergarten through grade three.

1515 (b) Program [~~monies~~] money may not be used to supplant funds for existing programs,

1516 but may be used to augment existing programs.

1517 (13) (a) Each school district and charter school shall annually submit a report to the  
1518 State Board of Education accounting for the expenditure of program [monies] money in  
1519 accordance with its plan for reading proficiency improvement.

1520 (b) If a school district or charter school uses program [monies] money in a manner that  
1521 is inconsistent with Subsection (12), the school district or charter school is liable for  
1522 reimbursing the State Board of Education for the amount of program [monies] money  
1523 improperly used, up to the amount of program [monies] money received from the State Board  
1524 of Education.

1525 (14) (a) The State Board of Education shall make rules to implement the program.

1526 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter  
1527 school to annually report progress in meeting goals stated in the district's or charter school's  
1528 plan for student reading proficiency as measured by gain scores.

1529 (ii) If a school district or charter school does not meet or exceed the goals, the school  
1530 district or charter school shall prepare a new plan which corrects deficiencies. The new plan  
1531 must be approved by the State Board of Education before the school district or charter school  
1532 receives an allocation for the next year.

1533 [~~(15) If after 36 months of program operation, a school district fails to meet goals  
1534 stated in the district's plan for student reading proficiency as measured by gain scores, the  
1535 school district shall terminate any levy imposed under Section 53A-17a-151.~~]

1536 Section 30. Section **53A-17a-151** is amended to read:

1537 **53A-17a-151. Board leeway for reading improvement.**

1538 (1) ~~[Each]~~ Except as provided in Subsection (4), a local school board may levy a tax  
1539 rate of up to .000121 per dollar of taxable value for funding the school district's K-3 Reading  
1540 Improvement Program created under Section 53A-17a-150.

1541 (2) The levy authorized under this section:

1542 (a) is in addition to any other levy or maximum rate;

1543 (b) does not require voter approval; and

1544 (c) may be modified or terminated by a majority vote of the board.

1545 (3) A local school board shall establish its board-approved levy under this section by  
1546 June 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year.

1547 (4) Beginning January 1, 2012, a local school board may not levy a tax in accordance  
1548 with this section.

1549 Section 31. Section **53A-17a-164** is enacted to read:

1550 **53A-17a-164. Board local levy -- State guarantee.**

1551 (1) Subject to the other requirements of this section, for a taxable year beginning on or  
1552 after January 1, 2012, a local school board may levy a tax to fund the school district's general  
1553 fund.

1554 (2) (a) Except as provided in Subsection (3)(b), a tax rate imposed by a school district  
1555 pursuant to this section may not exceed .0018 per dollar of taxable value in any fiscal year.

1556 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
1557 .0025 per dollar of taxable value in any fiscal year if, during the calendar year beginning on  
1558 January 1, 2011, and ending on December 31, 2011, the school district's combined tax rate for  
1559 the following levies was greater than .0018 per dollar of taxable value:

1560 (i) a recreation levy imposed under Section 11-2-7;

1561 (ii) a transportation levy imposed under Section 53A-17a-127;

1562 (iii) a board-authorized levy imposed under Section 53A-17a-134;

1563 (iv) an impact aid levy imposed under Section 53A-17a-143;

1564 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is  
1565 budgeted for purposes other than capital outlay or debt service;

1566 (vi) a reading levy imposed under Section 53A-17a-151; and

1567 (vii) a tort liability levy imposed under Section 63G-1-704.

1568 (3) (a) In addition to the revenue a school district collects from the imposition of a levy  
1569 pursuant to this section, the state shall contribute an amount sufficient to guarantee that each  
1570 .0001 of the first .0004 per dollar of taxable value generates an amount equal to .010544 times  
1571 the value of the prior year's weighted pupil unit.

1572 (b) (i) The amount of state guarantee money to which a school district would otherwise  
1573 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's  
1574 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
1575 pursuant to changes in property valuation.

1576 (ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the  
1577 certified tax rate.

1578 Section 32. Section 53A-21-101.5 is amended to read:

1579 **53A-21-101.5. Definitions.**

1580 As used in this chapter:

1581 (1) "ADM" or "pupil in average daily membership" is as defined in Section  
1582 53A-17a-103.

1583 (2) "Base tax effort rate" means the average of:

1584 (a) the highest combined capital levy rate; and

1585 (b) the average combined capital levy rate for the school districts statewide.

1586 (3) "Combined capital levy rate" means a rate that includes the sum of the following  
1587 property tax levies:

1588 (a) (i) the capital outlay levy authorized in Section 53A-16-107;

1589 ~~[(b)]~~ (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
1590 budgeted for debt service or capital outlay;

1591 ~~[(c)]~~ (iii) the debt service levy authorized in Section 11-14-310; and

1592 ~~[(d)]~~ (iv) the voted capital outlay leeway authorized in Section 53A-16-110[-]; or

1593 (b) (i) the capital local levy authorized in Section 53A-16-113; and

1594 (ii) the debt service levy authorized in Section 11-14-310.

1595 (4) "Derived net taxable value" means the quotient of:

1596 (a) the total property tax collections from April 1 through the following March 31 for a  
1597 school district for the calendar year preceding the March 31 date; divided by

1598 (b) the school district's total tax rate for the calendar year preceding the March 31  
1599 referenced in Subsection (4)(a).

1600 (5) "Highest combined capital levy rate" means the highest combined capital levy rate  
1601 imposed by a school district within the state for a fiscal year.

1602 (6) "Property tax base per ADM" means the quotient of:

1603 (a) a school district's derived net taxable value; divided by

1604 (b) the school district's ADM.

1605 (7) "Property tax yield per ADM" means:

1606 (a) the product of:

1607 (i) a school district's derived net taxable value; and

1608 (ii) the base tax effort rate; divided by

1609 (b) the school district's ADM.

1610 (8) "Statewide average property tax base per ADM" means the quotient of:

1611 (a) the sum of all school districts' derived net taxable value; divided by

1612 (b) the sum of all school districts' ADM.

1613 Section 33. Section **59-2-102** is amended to read:

1614 **59-2-102. Definitions.**

1615 As used in this chapter and title:

1616 (1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
1617 engaging in dispensing activities directly affecting agriculture or horticulture with an  
1618 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or  
1619 rotorcraft's use for agricultural and pest control purposes.

1620 (2) "Air charter service" means an air carrier operation which requires the customer to  
1621 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled  
1622 trip.

1623 (3) "Air contract service" means an air carrier operation available only to customers  
1624 who engage the services of the carrier through a contractual agreement and excess capacity on  
1625 any trip and is not available to the public at large.

1626 (4) "Aircraft" is as defined in Section 72-10-102.

1627 (5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

1628 (i) operates:

1629 (A) on an interstate route; and

1630 (B) on a scheduled basis; and

1631 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a  
1632 regularly scheduled route.

1633 (b) "Airline" does not include an:

1634 (i) air charter service; or

1635 (ii) air contract service.

1636 (6) "Assessment roll" means a permanent record of the assessment of property as  
1637 assessed by the county assessor and the commission and may be maintained manually or as a  
1638 computerized file as a consolidated record or as multiple records by type, classification, or  
1639 categories.

1640           ~~[(7) (a) "Certified revenue levy" means a property tax levy that provides an amount of~~  
1641 ~~ad valorem property tax revenue equal to the sum of:]~~

1642           ~~[(i) the amount of ad valorem property tax revenue to be generated statewide in the~~  
1643 ~~previous year from imposing a minimum basic tax rate, as specified in Subsection~~  
1644 ~~53A-17a-135(1)(a); and]~~

1645           ~~[(ii) the product of:]~~

1646           ~~[(A) new growth, as defined in:]~~

1647           ~~[(F) Section 59-2-924; and]~~

1648           ~~[(H) rules of the commission; and]~~

1649           ~~[(B) the minimum basic tax rate certified by the commission for the previous year.]~~

1650           ~~[(b) For purposes of this Subsection (7), "ad valorem property tax revenue" does not~~  
1651 ~~include property tax revenue received by a taxing entity from personal property that is:]~~

1652           ~~[(i) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1653           ~~[(ii) semiconductor manufacturing equipment.]~~

1654           ~~[(c) For purposes of calculating the certified revenue levy described in this Subsection~~  
1655 ~~(7), the commission shall use:]~~

1656           ~~[(i) the taxable value of real property assessed by a county assessor contained on the~~  
1657 ~~assessment roll;]~~

1658           ~~[(ii) the taxable value of real and personal property assessed by the commission; and]~~

1659           ~~[(iii) the taxable year end value of personal property assessed by a county assessor~~  
1660 ~~contained on the prior year's assessment roll.]~~

1661           ~~[(8)]~~ (7) "County-assessed commercial vehicle" means:

1662           (a) any commercial vehicle, trailer, or semitrailer which is not apportioned under  
1663 Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or  
1664 property in furtherance of the owner's commercial enterprise;

1665           (b) any passenger vehicle owned by a business and used by its employees for  
1666 transportation as a company car or vanpool vehicle; and

1667           (c) vehicles which are:

1668           (i) especially constructed for towing or wrecking, and which are not otherwise used to  
1669 transport goods, merchandise, or people for compensation;

1670           (ii) used or licensed as taxicabs or limousines;

- 1671 (iii) used as rental passenger cars, travel trailers, or motor homes;  
1672 (iv) used or licensed in this state for use as ambulances or hearses;  
1673 (v) especially designed and used for garbage and rubbish collection; or  
1674 (vi) used exclusively to transport students or their instructors to or from any private,  
1675 public, or religious school or school activities.

1676 ~~[(9)]~~ (8) (a) Except as provided in Subsection ~~[(9)]~~ (8)(b), for purposes of Section  
1677 59-2-801, "designated tax area" means a tax area created by the overlapping boundaries of only  
1678 the following taxing entities:

- 1679 (i) a county; and  
1680 (ii) a school district.

1681 (b) Notwithstanding Subsection ~~[(9)]~~ (8)(a), "designated tax area" includes a tax area  
1682 created by the overlapping boundaries of:

- 1683 (i) the taxing entities described in Subsection ~~[(9)]~~ (8)(a); and  
1684 (ii) (A) a city or town if the boundaries of the school district under Subsection ~~[(9)]~~  
1685 (8)(a) and the boundaries of the city or town are identical; or

1686 (B) a special service district if the boundaries of the school district under Subsection  
1687 ~~[(9)]~~ (8)(a) are located entirely within the special service district.

1688 ~~[(10)]~~ (9) "Eligible judgment" means a final and unappealable judgment or order under  
1689 Section 59-2-1330:

1690 (a) that became a final and unappealable judgment or order no more than 14 months  
1691 prior to the day on which the notice required by Section 59-2-919.1 is required to be mailed;  
1692 and

1693 (b) for which a taxing entity's share of the final and unappealable judgment or order is  
1694 greater than or equal to the lesser of:

- 1695 (i) \$5,000; or  
1696 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
1697 previous fiscal year.

1698 ~~[(11)]~~ (10) (a) "Escaped property" means any property, whether personal, land, or any  
1699 improvements to the property, subject to taxation and is:

1700 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed  
1701 to the wrong taxpayer by the assessing authority;

1702 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to  
1703 comply with the reporting requirements of this chapter; or

1704 (iii) undervalued because of errors made by the assessing authority based upon  
1705 incomplete or erroneous information furnished by the taxpayer.

1706 (b) Property which is undervalued because of the use of a different valuation  
1707 methodology or because of a different application of the same valuation methodology is not  
1708 "escaped property."

1709 [~~(12)~~] (11) "Fair market value" means the amount at which property would change  
1710 hands between a willing buyer and a willing seller, neither being under any compulsion to buy  
1711 or sell and both having reasonable knowledge of the relevant facts. For purposes of taxation,  
1712 "fair market value" shall be determined using the current zoning laws applicable to the property  
1713 in question, except in cases where there is a reasonable probability of a change in the zoning  
1714 laws affecting that property in the tax year in question and the change would have an  
1715 appreciable influence upon the value.

1716 [~~(13)~~] (12) "Farm machinery and equipment," for purposes of the exemption provided  
1717 under Section 59-2-1101, means tractors, milking equipment and storage and cooling facilities,  
1718 feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters,  
1719 tillage tools, scales, combines, spreaders, sprayers, haying equipment, and any other machinery  
1720 or equipment used primarily for agricultural purposes; but does not include vehicles required to  
1721 be registered with the Motor Vehicle Division or vehicles or other equipment used for business  
1722 purposes other than farming.

1723 [~~(14)~~] (13) "Geothermal fluid" means water in any form at temperatures greater than  
1724 120 degrees centigrade naturally present in a geothermal system.

1725 [~~(15)~~] (14) "Geothermal resource" means:

1726 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;  
1727 and

1728 (b) the energy, in whatever form, including pressure, present in, resulting from, created  
1729 by, or which may be extracted from that natural heat, directly or through a material medium.

1730 [~~(16)~~] (15) (a) "Goodwill" means:

1731 (i) acquired goodwill that is reported as goodwill on the books and records:

1732 (A) of a taxpayer; and



- 1733 (B) that are maintained for financial reporting purposes; or  
1734 (ii) the ability of a business to:  
1735 (A) generate income:  
1736 (I) that exceeds a normal rate of return on assets; and  
1737 (II) resulting from a factor described in Subsection [~~(16)~~] (15)(b); or  
1738 (B) obtain an economic or competitive advantage resulting from a factor described in  
1739 Subsection [~~(16)~~] (15)(b).  
1740 (b) The following factors apply to Subsection [~~(16)~~] (15)(a)(ii):  
1741 (i) superior management skills;  
1742 (ii) reputation;  
1743 (iii) customer relationships;  
1744 (iv) patronage; or  
1745 (v) a factor similar to Subsections [~~(16)~~] (15)(b)(i) through (iv).  
1746 (c) "Goodwill" does not include:  
1747 (i) the intangible property described in Subsection [~~(20)~~] (19)(a) or (b);  
1748 (ii) locational attributes of real property, including:  
1749 (A) zoning;  
1750 (B) location;  
1751 (C) view;  
1752 (D) a geographic feature;  
1753 (E) an easement;  
1754 (F) a covenant;  
1755 (G) proximity to raw materials;  
1756 (H) the condition of surrounding property; or  
1757 (I) proximity to markets;  
1758 (iii) value attributable to the identification of an improvement to real property,  
1759 including:  
1760 (A) reputation of the designer, builder, or architect of the improvement;  
1761 (B) a name given to, or associated with, the improvement; or  
1762 (C) the historic significance of an improvement; or  
1763 (iv) the enhancement or assemblage value specifically attributable to the interrelation

1764 of the existing tangible property in place working together as a unit.

1765 [~~(17)~~] (16) "Governing body" means:

1766 (a) for a county, city, or town, the legislative body of the county, city, or town;

1767 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -

1768 Local Districts, the local district's board of trustees;

1769 (c) for a school district, the local board of education; or

1770 (d) for a special service district under Title 17D, Chapter 1, Special Service District

1771 Act:

1772 (i) the legislative body of the county or municipality that created the special service  
1773 district, to the extent that the county or municipal legislative body has not delegated authority

1774 to an administrative control board established under Section 17D-1-301; or

1775 (ii) the administrative control board, to the extent that the county or municipal  
1776 legislative body has delegated authority to an administrative control board established under  
1777 Section 17D-1-301.

1778 [~~(18)~~] (17) (a) For purposes of Section 59-2-103:

1779 (i) "household" means the association of persons who live in the same dwelling,  
1780 sharing its furnishings, facilities, accommodations, and expenses; and

1781 (ii) "household" includes married individuals, who are not legally separated, that have  
1782 established domiciles at separate locations within the state.

1783 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1784 commission may make rules defining the term "domicile."

1785 [~~(19)~~] (18) (a) Except as provided in Subsection [~~(19)~~] (18)(c), "improvement" means a  
1786 building, structure, fixture, fence, or other item that is permanently attached to land, regardless  
1787 of whether the title has been acquired to the land, if:

1788 (i) (A) attachment to land is essential to the operation or use of the item; and

1789 (B) the manner of attachment to land suggests that the item will remain attached to the  
1790 land in the same place over the useful life of the item; or

1791 (ii) removal of the item would:

1792 (A) cause substantial damage to the item; or

1793 (B) require substantial alteration or repair of a structure to which the item is attached.

1794 (b) "Improvement" includes:

- 1795 (i) an accessory to an item described in Subsection [~~(19)~~] (18)(a) if the accessory is:  
1796 (A) essential to the operation of the item described in Subsection [~~(19)~~] (18)(a); and  
1797 (B) installed solely to serve the operation of the item described in Subsection [~~(19)~~]  
1798 (18)(a); and  
1799 (ii) an item described in Subsection [~~(19)~~] (18)(a) that:  
1800 (A) is temporarily detached from the land for repairs; and  
1801 (B) remains located on the land.  
1802 (c) Notwithstanding Subsections [~~(19)~~] (18)(a) and (b), "improvement" does not  
1803 include:  
1804 (i) an item considered to be personal property pursuant to rules made in accordance  
1805 with Section 59-2-107;  
1806 (ii) a moveable item that is attached to land:  
1807 (A) for stability only; or  
1808 (B) for an obvious temporary purpose;  
1809 (iii) (A) manufacturing equipment and machinery; or  
1810 (B) essential accessories to manufacturing equipment and machinery;  
1811 (iv) an item attached to the land in a manner that facilitates removal without substantial  
1812 damage to:  
1813 (A) the land; or  
1814 (B) the item; or  
1815 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that  
1816 transportable factory-built housing unit is considered to be personal property under Section  
1817 59-2-1503.  
1818 [~~(20)~~] (19) "Intangible property" means:  
1819 (a) property that is capable of private ownership separate from tangible property,  
1820 including:  
1821 (i) money;  
1822 (ii) credits;  
1823 (iii) bonds;  
1824 (iv) stocks;  
1825 (v) representative property;

- 1826 (vi) franchises;
- 1827 (vii) licenses;
- 1828 (viii) trade names;
- 1829 (ix) copyrights; and
- 1830 (x) patents;
- 1831 (b) a low-income housing tax credit;
- 1832 (c) goodwill; or
- 1833 (d) a renewable energy tax credit or incentive, including:
  - 1834 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
  - 1835 Code;
  - 1836 (ii) a federal energy credit for qualified renewable electricity production facilities under
  - 1837 Section 48, Internal Revenue Code;
  - 1838 (iii) a federal grant for a renewable energy property under American Recovery and
  - 1839 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
  - 1840 (iv) a tax credit under Subsection 59-7-614(2)(c).
- 1841 [~~(21)~~] (20) "Low-income housing tax credit" means:
  - 1842 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
  - 1843 or
  - 1844 (b) a low-income housing tax credit under:
    - 1845 (i) Section 59-7-607; or
    - 1846 (ii) Section 59-10-1010.
- 1847 [~~(22)~~] (21) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and
- 1848 uranium.
- 1849 [~~(23)~~] (22) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
- 1850 valuable mineral.
- 1851 [~~(24)~~] (23) "Mining" means the process of producing, extracting, leaching, evaporating,
- 1852 or otherwise removing a mineral from a mine.
- 1853 [~~(25)~~] (24) (a) "Mobile flight equipment" means tangible personal property that is:
  - 1854 (i) owned or operated by an:
    - 1855 (A) air charter service;
    - 1856 (B) air contract service; or

1857 (C) airline; and  
1858 (ii) (A) capable of flight;  
1859 (B) attached to an aircraft that is capable of flight; or  
1860 (C) contained in an aircraft that is capable of flight if the tangible personal property is  
1861 intended to be used:  
1862 (I) during multiple flights;  
1863 (II) during a takeoff, flight, or landing; and  
1864 (III) as a service provided by an air charter service, air contract service, or airline.  
1865 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare  
1866 engine that is rotated:  
1867 (A) at regular intervals; and  
1868 (B) with an engine that is attached to the aircraft.  
1869 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1870 commission may make rules defining the term "regular intervals."  
1871 [~~26~~] (25) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal,  
1872 salts, sand, rock, gravel, and all carboniferous materials.  
1873 [~~27~~] (26) "Personal property" includes:  
1874 (a) every class of property as defined in Subsection [~~28~~] (27) which is the subject of  
1875 ownership and not included within the meaning of the terms "real estate" and "improvements";  
1876 (b) gas and water mains and pipes laid in roads, streets, or alleys;  
1877 (c) bridges and ferries;  
1878 (d) livestock which, for the purposes of the exemption provided under Section  
1879 59-2-1112, means all domestic animals, honeybees, poultry, fur-bearing animals, and fish; and  
1880 (e) outdoor advertising structures as defined in Section 72-7-502.  
1881 [~~28~~] (27) (a) "Property" means property that is subject to assessment and taxation  
1882 according to its value.  
1883 (b) "Property" does not include intangible property as defined in this section.  
1884 [~~29~~] (28) "Public utility," for purposes of this chapter, means the operating property  
1885 of a railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline  
1886 company, electrical corporation, telephone corporation, sewerage corporation, or heat  
1887 corporation where the company performs the service for, or delivers the commodity to, the

1888 public generally or companies serving the public generally, or in the case of a gas corporation  
1889 or an electrical corporation, where the gas or electricity is sold or furnished to any member or  
1890 consumers within the state for domestic, commercial, or industrial use. Public utility also  
1891 means the operating property of any entity or person defined under Section 54-2-1 except water  
1892 corporations.

1893 ~~[(30)]~~ (29) "Real estate" or "real property" includes:

1894 (a) the possession of, claim to, ownership of, or right to the possession of land;

1895 (b) all mines, minerals, and quarries in and under the land, all timber belonging to  
1896 individuals or corporations growing or being on the lands of this state or the United States, and  
1897 all rights and privileges appertaining to these; and

1898 (c) improvements.

1899 ~~[(31)]~~ (30) "Residential property," for the purposes of the reductions and adjustments  
1900 under this chapter, means any property used for residential purposes as a primary residence. It  
1901 does not include property used for transient residential use or condominiums used in rental  
1902 pools.

1903 ~~[(32)]~~ (31) (a) "State-assessed commercial vehicle" means:

1904 (i) any commercial vehicle, trailer, or semitrailer which operates interstate or intrastate  
1905 to transport passengers, freight, merchandise, or other property for hire; or

1906 (ii) any commercial vehicle, trailer, or semitrailer which operates interstate and  
1907 transports the vehicle owner's goods or property in furtherance of the owner's commercial  
1908 enterprise.

1909 (b) "State-assessed commercial vehicle" does not include vehicles used for hire which  
1910 are specified in Subsection ~~[(8)]~~ (7)(c) as county-assessed commercial vehicles.

1911 ~~[(33)]~~ (32) "Taxable value" means fair market value less any applicable reduction  
1912 allowed for residential property under Section 59-2-103.

1913 ~~[(34)]~~ (33) "Tax area" means a geographic area created by the overlapping boundaries  
1914 of one or more taxing entities.

1915 ~~[(35)]~~ (34) "Taxing entity" means any county, city, town, school district, special taxing  
1916 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
1917 Districts, or other political subdivision of the state with the authority to levy a tax on property.

1918 ~~[(36)]~~ (35) "Tax roll" means a permanent record of the taxes charged on property, as

1919 extended on the assessment roll and may be maintained on the same record or records as the  
1920 assessment roll or may be maintained on a separate record properly indexed to the assessment  
1921 roll. It includes tax books, tax lists, and other similar materials.

1922 Section 34. Section **59-2-804** is amended to read:

1923 **59-2-804. Interstate allocation of mobile flight equipment.**

1924 (1) As used in this section:

1925 (a) "Aircraft type" means a particular model of aircraft as designated by the  
1926 manufacturer of the aircraft.

1927 (b) "Airline ground hours calculation" means an amount equal to the product of:

1928 (i) the total number of hours aircraft owned or operated by an airline are on the ground,  
1929 calculated by aircraft type; and

1930 (ii) the cost percentage.

1931 (c) "Airline revenue ton miles" means, for an airline, the total revenue ton miles during  
1932 the calendar year that immediately precedes the January 1 described in Section 59-2-103.

1933 (d) "Cost percentage" means a fraction, calculated by aircraft type, the numerator of  
1934 which is the airline's average cost of the aircraft type and the denominator of which is the  
1935 airline's average cost of the aircraft type:

1936 (i) owned or operated by the airline; and

1937 (ii) that has the lowest average cost.

1938 (e) "Ground hours factor" means the product of:

1939 (i) a fraction, the numerator of which is the Utah ground hours calculation and the  
1940 denominator of which is the airline ground hours calculation; and

1941 (ii) .50.

1942 (f) (i) Except as provided in Subsection (1)(f)(ii), "mobile flight equipment" is as  
1943 defined in Section 59-2-102.

1944 (ii) "Mobile flight equipment" does not include tangible personal property described in  
1945 Subsection 59-2-102[~~(25)~~](24) owned by an:

1946 (A) air charter service; or

1947 (B) air contract service.

1948 (g) "Mobile flight equipment allocation factor" means the sum of:

1949 (i) the ground hours factor; and

1950 (ii) the revenue ton miles factor.

1951 (h) "Revenue ton miles" is determined in accordance with 14 C.F.R. Part 241.

1952 (i) "Revenue ton miles factor" means the product of:

1953 (i) a fraction, the numerator of which is the Utah revenue ton miles and the

1954 denominator of which is the airline revenue ton miles; and

1955 (ii) .50.

1956 (j) "Utah ground hours calculation" means an amount equal to the product of:

1957 (i) the total number of hours aircraft owned or operated by an airline are on the ground

1958 in this state, calculated by aircraft type; and

1959 (ii) the cost percentage.

1960 (k) "Utah revenue ton miles" means, for an airline, the total revenue ton miles within

1961 the borders of this state:

1962 (i) during the calendar year that immediately precedes the January 1 described in

1963 Section 59-2-103; and

1964 (ii) from flight stages that originate or terminate in this state.

1965 (2) For purposes of the assessment of an airline's mobile flight equipment by the

1966 commission, a portion of the value of the airline's mobile flight equipment shall be allocated to

1967 the state by calculating the product of:

1968 (a) the total value of the mobile flight equipment; and

1969 (b) the mobile flight equipment allocation factor.

1970 Section 35. Section **59-2-904** is amended to read:

1971 **59-2-904. Participation by district in state's contributions to state-supported levy**

1972 **program.**

1973 (1) In addition to the basic state contribution provided in Section 59-2-902, ~~[each]~~ a

1974 school district may participate in the state's contributions to the state-supported ~~[fee]~~ levy

1975 program by conforming to the requirements of the Minimum School Program Act and by

1976 making the required additional levy. ~~[Each district shall participate]~~

1977 (2) A school district that participates in the state-supported [fee] levy program[;

1978 and] shall certify to the State Board of Education the results of its determination and the

1979 amount of ~~[additional levy which]~~ the board or voted local levy that the district will impose.

1980 Section 36. Section **59-2-924** is amended to read:



1981           **59-2-924. Report of valuation of property to county auditor and commission --**  
1982 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**  
1983 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1984           (1) Before June 1 of each year, the county assessor of each county shall deliver to the  
1985 county auditor and the commission the following statements:

1986           (a) a statement containing the aggregate valuation of all taxable real property assessed  
1987 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

1988           (b) a statement containing the taxable value of all personal property assessed by a  
1989 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

1990           (2) The county auditor shall, on or before June 8, transmit to the governing body of  
1991 each taxing entity:

1992           (a) the statements described in Subsections (1)(a) and (b);

1993           (b) an estimate of the revenue from personal property;

1994           (c) the certified tax rate; and

1995           (d) all forms necessary to submit a tax levy request.

1996           (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem  
1997 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior  
1998 year.

1999           (b) For purposes of this Subsection (3):

2000           (i) "Ad valorem property tax revenues" do not include:

2001           (A) interest;

2002           (B) penalties; and

2003           (C) revenue received by a taxing entity from personal property that is:

2004           (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

2005           (II) semiconductor manufacturing equipment.

2006           (ii) "Aggregate taxable value of all property taxed" means:

2007           (A) the aggregate taxable value of all real property assessed by a county assessor in  
2008 accordance with Part 3, County Assessment, for the current year;

2009           (B) the aggregate taxable year end value of all personal property assessed by a county  
2010 assessor in accordance with Part 3, County Assessment, for the prior year; and

2011           (C) the aggregate taxable value of all real and personal property assessed by the

2012 commission in accordance with Part 2, Assessment of Property, for the current year.

2013 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be  
2014 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the  
2015 taxing entity by the amount calculated under Subsection (3)(c)(ii).

2016 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall  
2017 calculate an amount as follows:

2018 (A) calculate for the taxing entity the difference between:

2019 (I) the aggregate taxable value of all property taxed; and

2020 (II) any redevelopment adjustments for the current calendar year;

2021 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an  
2022 amount determined by increasing or decreasing the amount calculated under Subsection  
2023 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the  
2024 equalization period for the three calendar years immediately preceding the current calendar  
2025 year;

2026 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the  
2027 product of:

2028 (I) the amount calculated under Subsection (3)(c)(ii)(B); and

2029 (II) the percentage of property taxes collected for the five calendar years immediately  
2030 preceding the current calendar year; and

2031 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an  
2032 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)  
2033 any new growth as defined in this section:

2034 (I) within the taxing entity; and

2035 (II) for the following calendar year:

2036 (Aa) for new growth from real property assessed by a county assessor in accordance  
2037 with Part 3, County Assessment and all property assessed by the commission in accordance  
2038 with Section 59-2-201, the current calendar year; and

2039 (Bb) for new growth from personal property assessed by a county assessor in  
2040 accordance with Part 3, County Assessment, the prior calendar year.

2041 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all  
2042 property taxed:

2043 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in  
2044 Subsection (3)(b)(ii);

2045 (B) does not include the total taxable value of personal property contained on the tax  
2046 rolls of the taxing entity that is:

2047 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

2048 (II) semiconductor manufacturing equipment; and

2049 (C) for personal property assessed by a county assessor in accordance with Part 3,  
2050 County Assessment, the taxable value of personal property is the year end value of the personal  
2051 property contained on the prior year's tax rolls of the entity.

2052 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
2053 January 1, 2007, the value of taxable property does not include the value of personal property  
2054 that is:

2055 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
2056 County Assessment; and

2057 (B) semiconductor manufacturing equipment.

2058 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after  
2059 January 1, 2007, the percentage of property taxes collected does not include property taxes  
2060 collected from personal property that is:

2061 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
2062 County Assessment; and

2063 (B) semiconductor manufacturing equipment.

2064 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
2065 January 1, 2009, the value of taxable property does not include the value of personal property  
2066 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County  
2067 Assessment.

2068 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
2069 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
2070 year.

2071 (viii) (A) (I) For purposes of Subsection (3)(c)(i), for a calendar year beginning on or  
2072 after January 1, 2010, a taxing entity's ad valorem property tax revenues budgeted for the prior  
2073 year shall be decreased by an amount of revenue equal to the five-year average of the most

2074 recent prior five years of redemptions as reported on the county treasurer's final annual  
2075 settlement required under Subsection 59-2-1365(2).

2076 (II) A decrease under Subsection (3)(c)(viii)(A)(I) does not apply to the multicounty  
2077 assessing and collecting levy authorized in Subsection 59-2-1602(2)(a)[~~the certified revenue~~  
2078 ~~levy, or the minimum basic tax rate established in Section 53A-17a-135].~~

2079 (B) For the calendar year beginning on January 1, 2010 and ending on December 31,  
2080 2010, a taxing entity is exempt from the notice and public hearing provisions of Section  
2081 59-2-919 if the taxing entity budgets an increased amount of ad valorem property tax revenue  
2082 equal to or less than the taxing entity's five-year average of the most recent prior five years of  
2083 redemptions as reported on the county treasurer's final annual settlement required under  
2084 Subsection 59-2-1365(2).

2085 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
2086 the commission shall make rules determining the calculation of ad valorem property tax  
2087 revenues budgeted by a taxing entity.

2088 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by  
2089 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are  
2090 calculated for purposes of Section 59-2-913.

2091 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall  
2092 be calculated as follows:

2093 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax  
2094 rate is zero;

2095 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

2096 (A) in a county of the first, second, or third class, the levy imposed for municipal-type  
2097 services under Sections 17-34-1 and 17-36-9; and

2098 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
2099 purposes and such other levies imposed solely for the municipal-type services identified in  
2100 Section 17-34-1 and Subsection 17-36-3(22); and

2101 (iii) for debt service voted on by the public, the certified tax rate shall be the actual  
2102 levy imposed by that section, except that the certified tax rates for the following levies shall be  
2103 calculated in accordance with Section 59-2-913 and this section:

2104 (A) school [~~levies~~] levies provided for under Sections [~~11-2-7, 53A-16-110,~~

2105 ~~53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145]~~ 53A-16-113,  
2106 53A-17a-133, and 53A-17a-164; and

2107 (B) levies to pay for the costs of state legislative mandates or judicial or administrative  
2108 orders under Section 59-2-1604.

2109 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be  
2110 established at that rate which is sufficient to generate only the revenue required to satisfy one  
2111 or more eligible judgments, as defined in Section 59-2-102.

2112 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be  
2113 considered in establishing the taxing entity's aggregate certified tax rate.

2114 (g) The ad valorem property tax revenue generated by the capital ~~[outlay]~~ local levy  
2115 described in Section ~~[53A-16-107]~~ 53A-16-113 within a taxing entity in a county of the first  
2116 class:

2117 (i) may not be considered in establishing the school district's aggregate certified tax  
2118 rate; and

2119 (ii) shall be included by the commission in establishing a certified tax rate for that  
2120 capital outlay levy determined in accordance with the calculation described in Subsection  
2121 59-2-913(3).

2122 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

2123 (i) the taxable value of real property assessed by a county assessor contained on the  
2124 assessment roll;

2125 (ii) the taxable value of real and personal property assessed by the commission; and

2126 (iii) the taxable year end value of personal property assessed by a county assessor  
2127 contained on the prior year's assessment roll.

2128 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the  
2129 assessment roll does not include new growth as defined in Subsection (4)(c).

2130 (c) "New growth" means:

2131 (i) the difference between the increase in taxable value of the following property of the  
2132 taxing entity from the previous calendar year to the current year:

2133 (A) real property assessed by a county assessor in accordance with Part 3, County  
2134 Assessment; and

2135 (B) property assessed by the commission under Section 59-2-201; plus

2136 (ii) the difference between the increase in taxable year end value of personal property  
2137 of the taxing entity from the year prior to the previous calendar year to the previous calendar  
2138 year; minus

2139 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

2140 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the  
2141 taxing entity does not include the taxable value of personal property that is:

2142 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county  
2143 assessor in accordance with Part 3, County Assessment; and

2144 (ii) semiconductor manufacturing equipment.

2145 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

2146 (i) the amount of increase to locally assessed real property taxable values resulting  
2147 from factoring, reappraisal, or any other adjustments; or

2148 (ii) the amount of an increase in the taxable value of property assessed by the  
2149 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
2150 taxable value prescribed by:

2151 (A) the Legislature;

2152 (B) a court;

2153 (C) the commission in an administrative rule; or

2154 (D) the commission in an administrative order.

2155 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal  
2156 property on the prior year's assessment roll does not include:

2157 (i) new growth as defined in Subsection (4)(c); or

2158 (ii) the total taxable year end value of personal property contained on the prior year's  
2159 tax rolls of the taxing entity that is:

2160 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and

2161 (B) semiconductor manufacturing equipment.

2162 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

2163 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county  
2164 auditor of:

2165 (i) its intent to exceed the certified tax rate; and

2166 (ii) the amount by which it proposes to exceed the certified tax rate.

2167 (c) The county auditor shall notify property owners of any intent to levy a tax rate that  
2168 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

2169 Section 37. Section **59-2-924.2** is amended to read:

2170 **59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.**

2171 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated  
2172 in accordance with Section 59-2-924.

2173 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
2174 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
2175 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter  
2176 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax  
2177 rate to offset the increased revenues.

2178 (3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under  
2179 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

2180 (i) decreased on a one-time basis by the amount of the estimated sales and use tax  
2181 revenue to be distributed to the county under Subsection 59-12-1102(3); and

2182 (ii) increased by the amount necessary to offset the county's reduction in revenue from  
2183 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
2184 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
2185 (3)(a)(i).

2186 (b) The commission shall determine estimates of sales and use tax distributions for  
2187 purposes of Subsection (3)(a).

2188 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort  
2189 communities sales and use tax under Section 59-12-402, the municipality's certified tax rate  
2190 shall be decreased on a one-time basis by the amount necessary to offset the first 12 months of  
2191 estimated revenue from the additional resort communities sales and use tax imposed under  
2192 Section 59-12-402.

2193 (5) (a) This Subsection (5) applies to each county that:

2194 (i) establishes a countywide special service district under Title 17D, Chapter 1, Special  
2195 Service District Act, to provide jail service, as provided in Subsection 17D-1-201(10); and

2196 (ii) levies a property tax on behalf of the special service district under Section  
2197 17D-1-105.

2198 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be  
2199 decreased by the amount necessary to reduce county revenues by the same amount of revenues  
2200 that will be generated by the property tax imposed on behalf of the special service district.

2201 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the  
2202 levy on behalf of the special service district under Section 17D-1-105.

2203 (6) (a) As used in this Subsection (6):

2204 (i) "Annexing county" means a county whose unincorporated area is included within a  
2205 public safety district by annexation.

2206 (ii) "Annexing municipality" means a municipality whose area is included within a  
2207 public safety district by annexation.

2208 (iii) "Equalized public safety protection tax rate" means the tax rate that results from:

2209 (A) calculating, for each participating county and each participating municipality, the  
2210 property tax revenue necessary:

2211 (I) in the case of a fire district, to cover all of the costs associated with providing fire  
2212 protection, paramedic, and emergency services:

2213 (Aa) for a participating county, in the unincorporated area of the county; and

2214 (Bb) for a participating municipality, in the municipality; or

2215 (II) in the case of a police district, to cover all the costs:

2216 (Aa) associated with providing law enforcement service:

2217 (Ii) for a participating county, in the unincorporated area of the county; and

2218 (Iiii) for a participating municipality, in the municipality; and

2219 (Bb) that the police district board designates as the costs to be funded by a property  
2220 tax; and

2221 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all  
2222 participating counties and all participating municipalities and then dividing that sum by the  
2223 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

2224 (I) for participating counties, in the unincorporated area of all participating counties;  
2225 and

2226 (II) for participating municipalities, in all the participating municipalities.

2227 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
2228 Area Act:



2229 (A) created to provide fire protection, paramedic, and emergency services; and  
2230 (B) in the creation of which an election was not required under Subsection  
2231 17B-1-214(3)(c).

2232 (v) "Participating county" means a county whose unincorporated area is included  
2233 within a public safety district at the time of the creation of the public safety district.

2234 (vi) "Participating municipality" means a municipality whose area is included within a  
2235 public safety district at the time of the creation of the public safety district.

2236 (vii) "Police district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
2237 Area Act, within a county of the first class:

2238 (A) created to provide law enforcement service; and  
2239 (B) in the creation of which an election was not required under Subsection  
2240 17B-1-214(3)(c).

2241 (viii) "Public safety district" means a fire district or a police district.

2242 (ix) "Public safety service" means:

2243 (A) in the case of a public safety district that is a fire district, fire protection,  
2244 paramedic, and emergency services; and  
2245 (B) in the case of a public safety district that is a police district, law enforcement  
2246 service.

2247 (b) In the first year following creation of a public safety district, the certified tax rate of  
2248 each participating county and each participating municipality shall be decreased by the amount  
2249 of the equalized public safety tax rate.

2250 (c) In the first budget year following annexation to a public safety district, the certified  
2251 tax rate of each annexing county and each annexing municipality shall be decreased by an  
2252 amount equal to the amount of revenue budgeted by the annexing county or annexing  
2253 municipality:

2254 (i) for public safety service; and  
2255 (ii) in:

2256 (A) for a taxing entity operating under a January 1 through December 31 fiscal year,  
2257 the prior calendar year; or  
2258 (B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior  
2259 fiscal year.

2260 (d) Each tax levied under this section by a public safety district shall be considered to  
2261 be levied by:

2262 (i) each participating county and each annexing county for purposes of the county's tax  
2263 limitation under Section 59-2-908; and

2264 (ii) each participating municipality and each annexing municipality for purposes of the  
2265 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a  
2266 city.

2267 (e) The calculation of a public safety district's certified tax rate for the year of  
2268 annexation shall be adjusted to include an amount of revenue equal to one half of the amount  
2269 of revenue budgeted by the annexing entity for public safety service in the annexing entity's  
2270 prior fiscal year if:

2271 (i) the public safety district operates on a January 1 through December 31 fiscal year;

2272 (ii) the public safety district approves an annexation of an entity operating on a July 1  
2273 through June 30 fiscal year; and

2274 (iii) the annexation described in Subsection (6)(e)(ii) takes effect on July 1.

2275 (7) For the calendar year beginning on January 1, 2007, the calculation of a taxing  
2276 entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by  
2277 the amount necessary to offset any change in the certified tax rate that may result from  
2278 excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the  
2279 Legislature during the 2007 General Session:

2280 (a) personal property tax revenue:

2281 (i) received by a taxing entity;

2282 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

2283 (iii) for personal property that is semiconductor manufacturing equipment; or

2284 (b) the taxable value of personal property:

2285 (i) contained on the tax rolls of a taxing entity;

2286 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

2287 (iii) that is semiconductor manufacturing equipment.

2288 (8) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be  
2289 reduced for any year to the extent necessary to provide a community development and renewal  
2290 agency established under Title 17C, Limited Purpose Local Government Entities - Community

2291 Development and Renewal Agencies Act, with approximately the same amount of money the  
2292 agency would have received without a reduction in the county's certified tax rate, calculated in  
2293 accordance with Section 59-2-924, if:

2294 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

2295 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the  
2296 previous year; and

2297 (iii) the decrease results in a reduction of the amount to be paid to the agency under  
2298 Section 17C-1-403 or 17C-1-404.

2299 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any  
2300 year to the extent necessary to provide a community development and renewal agency with  
2301 approximately the same amount of money as the agency would have received without an  
2302 increase in the certified tax rate that year if:

2303 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to  
2304 a decrease in the certified tax rate under Subsection (2) or (3)(a); and

2305 (ii) the certified tax rate of a city, school district, local district, or special service  
2306 district increases independent of the adjustment to the taxable value of the base year.

2307 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),  
2308 the amount of money allocated and, when collected, paid each year to a community  
2309 development and renewal agency established under Title 17C, Limited Purpose Local  
2310 Government Entities - Community Development and Renewal Agencies Act, for the payment  
2311 of bonds or other contract indebtedness, but not for administrative costs, may not be less than  
2312 that amount would have been without a decrease in the certified tax rate under Subsection (2)  
2313 or (3)(a).

2314 (9) (a) As used in this Subsection (9):

2315 (i) "Ad valorem property tax revenue" has the meaning as defined in Subsection  
2316 59-2-924(3)(b).

2317 (ii) "Aggregate certified tax rate" means a property tax levy that provides an amount of  
2318 revenue equal to the sum of:

2319 (A) the amount of ad valorem property tax revenue generated for calendar year 2011 by  
2320 the sum of the school district levies imposed under Sections 11-2-7, 53A-16-107, 53A-16-110,  
2321 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, 53A-17a-151, and

2322 63G-1-704; and

2323 (B) revenue from new growth as defined in Subsection 59-2-924(4)(c).

2324 (iii) "Certified revenue levy" means a property tax levy that provides an amount of ad  
2325 valorem property tax revenue equal to the sum of:

2326 (A) the amount of ad valorem property tax revenue generated statewide for calendar  
2327 year 2011 from imposing a minimum basic tax rate under Section 53A-17a-135; and

2328 (B) revenue from new growth as defined in Subsection 59-2-924(4)(c).

2329 (b) For calendar year 2012, a school district shall decrease its aggregate certified tax  
2330 rate by an amount required to offset the greater of:

2331 (i) the additional revenues generated within the school district by an increase in the  
2332 minimum basic tax rate from the certified revenue levy rate to a rate of .003 per dollar of  
2333 taxable value; or

2334 (ii) the additional revenues distributed to the school district for the basic program, as  
2335 defined in Section 53A-17a-103, as a result of the increase in the value of the weighted pupil  
2336 unit pursuant to Subsection 53A-17a-135(4).

2337 Section 38. Section **59-2-924.3** is amended to read:

2338 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**  
2339 **district imposing a capital outlay levy in a county of the first class.**

2340 (1) As used in this section:

2341 (a) "Capital [~~outlay~~] local levy increment" means the amount of revenue equal to the  
2342 difference between:

2343 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
2344 within a school district during a fiscal year; and

2345 (ii) the amount of revenue the school district received during the same fiscal year from  
2346 the distribution described in [~~Subsection 53A-16-107.1(1)~~] Section 53A-16-114.

2347 (b) "Contributing school district" means a school district in a county of the first class  
2348 that in a fiscal year receives less revenue from the distribution described in [~~Subsection~~  
2349 ~~53A-16-107.1(1)~~] Section 53A-16-114 than it would have received during the same fiscal year  
2350 from a levy imposed within the school district of .0006 per dollar of taxable value.

2351 (c) "Receiving school district" means a school district in a county of the first class that  
2352 in a fiscal year receives more revenue from the distribution described in [~~Subsection~~

2353 53A-16-107.1(1)] Section 53A-16-114 than it would have received during the same fiscal year  
2354 from a levy imposed within the school district of .0006 per dollar of taxable value.

2355 [~~(2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay~~  
2356 ~~certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the~~  
2357 ~~receiving school district's estimated capital outlay increment for the current fiscal year.]~~

2358 [~~(3) Beginning with fiscal year 2010-11, a]~~

2359 (2) A receiving school district shall decrease its capital [~~outlay~~] local levy certified tax  
2360 rate under Subsection 59-2-924(3)(g)(ii) by the amount required to offset the receiving school  
2361 district's [~~capital outlay~~] estimated capital local levy increment for the prior fiscal year.

2362 [~~(4) For fiscal year 2009-10, a contributing school district is exempt from the notice~~  
2363 ~~and public hearing provisions of Section 59-2-919 for the school district's capital outlay levy~~  
2364 ~~certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:]~~

2365 [~~(a) the contributing school district budgets an increased amount of ad valorem~~  
2366 ~~property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the~~  
2367 ~~capital outlay levy described in Section 53A-16-107; and]~~

2368 [~~(b) the increased amount of ad valorem property tax revenue described in Subsection~~  
2369 ~~(4)(a) is less than or equal to that contributing school district's estimated capital outlay~~  
2370 ~~increment for the current fiscal year.]~~

2371 [~~(5) Beginning with fiscal year 2010-11, a contributing school district is exempt from~~  
2372 ~~the notice and public hearing provisions of Section 59-2-919 for the school district's capital~~  
2373 ~~outlay levy certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:]~~

2374 [~~(a) the contributing school district budgets an increased amount of ad valorem~~  
2375 ~~property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the~~  
2376 ~~capital outlay levy described in Section 53A-16-107; and]~~

2377 [~~(b) the increased amount of ad valorem property tax revenue described in Subsection~~  
2378 ~~(5)(a) is less than or equal to that contributing school district's capital outlay increment for the~~  
2379 ~~prior year.]~~

2380 [~~(6) Beginning with fiscal year 2011-12, a]~~

2381 (3) A contributing school district is exempt from the notice and public hearing  
2382 provisions of Section 59-2-919 for the school district's capital [~~outlay~~] local levy certified tax  
2383 rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:

2384 (a) the contributing school district budgets an increased amount of ad valorem property  
2385 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital  
2386 [~~outlay~~] local levy described in Section [~~53A-16-107~~] 53A-16-113; and

2387 (b) the increased amount of ad valorem property tax revenue described in Subsection  
2388 [~~(6)~~] (3)(a) is less than or equal to the difference between:

2389 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
2390 imposed within the contributing school district during the current taxable year; and

2391 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
2392 imposed within the contributing school district during the prior taxable year.

2393 [~~(7)~~] (4) Regardless of the amount a school district receives from the revenue collected  
2394 from the .0006 portion of the capital [~~outlay~~] local levy required in [~~Subsection~~  
2395 ~~53A-16-107(3)~~] Section 53A-16-113, the revenue generated within the school district from the  
2396 .0006 portion of the capital [~~outlay~~] local levy required in [~~Subsection 53A-16-107(3)~~] Section  
2397 53A-16-113 shall be considered to be budgeted ad valorem property tax revenues of the school  
2398 district that levies the .0006 portion of the capital [~~outlay~~] local levy for purposes of calculating  
2399 the school district's certified tax rate in accordance with Subsection 59-2-924(3)(g)(ii).

2400 Section 39. Section **59-2-924.4** is amended to read:

2401 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**  
2402 **divided school districts.**

2403 (1) As used in this section:

2404 (a) "Capital [~~outlay~~] local levy increment" means the amount of revenue equal to the  
2405 difference between:

2406 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
2407 within a qualifying divided school district during a fiscal year; and

2408 (ii) the amount of revenue the qualifying divided school district received during the  
2409 same fiscal year from the distribution described in Section 53A-2-118.3.

2410 (b) "Contributing divided school district" means a school district located within a  
2411 qualifying divided school district that in a fiscal year receives less revenue from the distribution  
2412 described in Section 53A-2-118.3 than it would have received during the same fiscal year from  
2413 a levy imposed within the school district of .0006 per dollar of taxable value.

2414 (c) "Divided school district" means a school district from which a new school district is

2415 created.

2416 (d) "New school district" means a school district:

2417 (i) created under Section 53A-2-118.1;

2418 (ii) that begins to provide educational services after July 1, 2008; and

2419 (iii) located in a qualifying divided school district.

2420 (e) "Qualifying divided school district" means a divided school district:

2421 (i) located within a county of the second through sixth class; and

2422 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide

2423 educational services after July 1, 2008.

2424 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins

2425 to provide educational services.

2426 (g) "Receiving divided school district" means a school district located within a

2427 qualifying divided school district that in a fiscal year receives more revenue from the

2428 distribution described in Section 53A-2-118.3 than it would have received during the same

2429 fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

2430 (2) A receiving divided school district shall decrease its certified tax rate calculated in

2431 accordance with Section 59-2-924 by the amount required to offset the receiving divided

2432 school district's capital [~~outlay~~] local levy increment for the prior fiscal year.

2433 (3) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided

2434 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for

2435 the contributing divided school district's certified tax rate calculated pursuant to Section

2436 59-2-924 if:

2437 (a) the contributing divided school district budgets an increased amount of ad valorem

2438 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the

2439 capital [~~outlay~~] local levy required in Section 53A-2-118.3; and

2440 (b) the increased amount of ad valorem property tax revenue described in Subsection

2441 (3)(a) is less than or equal to that contributing divided school district's capital [~~outlay~~] local

2442 levy increment for the prior year.

2443 (4) Beginning with the fiscal year that is two years after the qualifying fiscal year, a

2444 contributing divided school district is exempt from the notice and public hearing provisions of

2445 Section 59-2-919 for the contributing divided school district's certified tax rate calculated

2446 pursuant to Section 59-2-924 if:

2447 (a) the contributing divided school district budgets an increased amount of ad valorem  
2448 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the  
2449 capital ~~[outlay]~~ local levy described in Section 53A-2-118.3; and

2450 (b) the increased amount of ad valorem property tax revenue described in Subsection  
2451 (4)(a) is less than or equal to the difference between:

2452 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
2453 imposed within the contributing divided school district during the current taxable year; and

2454 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
2455 imposed within the contributing divided school district during the prior taxable year.

2456 (5) Regardless of the amount a school district receives from the revenue collected from  
2457 the .0006 portion of the capital ~~[outlay]~~ local levy described in Section 53A-2-118.3, the  
2458 revenue generated within the school district from the .0006 portion of the capital ~~[outlay]~~ local  
2459 levy described in Section 53A-2-118.3 shall be considered to be budgeted ad valorem property  
2460 tax revenues of the school district that levies the .0006 portion of the capital ~~[outlay]~~ local levy  
2461 for purposes of calculating the school district's certified tax rate in accordance with Section  
2462 59-2-924.

2463 Section 40. Section **59-2-926** is amended to read:

2464 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

2465 If the state ~~[authorizes a levy pursuant to Section 53A-17a-135 that exceeds the~~  
2466 ~~certified revenue levy as defined in Section 53A-17a-103 or]~~ authorizes a multicounty  
2467 assessing and collecting levy pursuant to Section 59-2-1602 that exceeds the certified ~~[revenue~~  
2468 ~~levy]~~ tax rate as defined in Section ~~[59-2-102]~~ 59-2-924, the state shall publish a notice no later  
2469 than 10 days after the last day of the annual legislative general session that meets the following  
2470 requirements:

2471 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state  
2472 authorized a levy that generates revenue in excess of the previous year's ad valorem tax  
2473 revenue, plus new growth, but exclusive of revenue from collections from redemptions,  
2474 interest, and penalties:

2475 (i) in a newspaper of general circulation in the state; and

2476 (ii) as required in Section 45-1-101.



2477 (b) Except an advertisement published on a website, the advertisement described in  
2478 Subsection (1)(a):

2479 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18  
2480 point, and surrounded by a 1/4-inch border:

2481 (ii) may not be placed in that portion of the newspaper where legal notices and  
2482 classified advertisements appear; and

2483 (iii) shall be run once.

2484 (2) The form and content of the notice shall be substantially as follows:

2485 "NOTICE OF TAX INCREASE

2486 The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to  
2487 \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following  
2488 sources (include all of the following provisions):

2489 (a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause  
2490 of adjustment or increased revenues, such as reappraisals or factoring orders);

2491 (b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the  
2492 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

2493 (c) a home valued at \$100,000 in the state of Utah which based on last year's [~~levy for~~  
2494 ~~the basic state-supported school program;~~] levy for the Property Tax Valuation Agency Fund,  
2495 [~~or both~~] paid \$\_\_\_\_\_ in property taxes would pay the following:

2496 (i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue  
2497 exclusive of new growth; and

2498 (ii) \$\_\_\_\_\_ under the increased property tax revenues exclusive of new growth  
2499 budgeted by the state of Utah."

2500 Section 41. Section **59-2-1602** is amended to read:

2501 **59-2-1602. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**  
2502 **Additional county levy permitted.**

2503 (1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by the  
2504 revenue collected from the multicounty assessing and collecting levy as provided in Subsection  
2505 (3)(c) and Section 59-2-1603.

2506 (b) The purpose of the multicounty assessing and collecting levy required under  
2507 Subsection (2) and the disbursement formulas established in Section 59-2-1603 is to promote

2508 the:

2509 (i) accurate valuation of property;

2510 (ii) establishment and maintenance of uniform assessment levels within and among  
2511 counties; and

2512 (iii) efficient administration of the property tax system, including the costs of  
2513 assessment, collection, and distribution of property taxes.

2514 (c) Income derived from the investment of money in the fund created in this Subsection  
2515 (1) shall be deposited in and become part of the fund.

2516 (2) (a) Annually, each county shall impose a multicounty assessing and collecting levy  
2517 not to exceed .0002 per dollar of taxable value as authorized by the Legislature as provided in  
2518 Subsection (2)(b).

2519 (b) Subject to Subsections (2)(c), (2)(d), and (5), in order to fund the Property Tax  
2520 Valuation Agency Fund, the Legislature shall authorize the amount of the multicounty  
2521 assessing and collecting levy.

2522 (c) Except as provided in Subsection (2)(d)(i), the multicounty assessing and collecting  
2523 levy may not exceed the certified [~~revenue levy~~] tax rate as defined in Section [~~59-2-102~~]  
2524 59-2-924, unless:

2525 (i) the Legislature authorizes a multicounty assessing and collecting levy that exceeds  
2526 the certified [~~revenue levy~~] tax rate; and

2527 (ii) the state complies with the notice requirements of Section 59-2-926.

2528 (d) (i) For a calendar year beginning on or after January 1, 2010, the multicounty  
2529 assessing and collecting levy for a county of the first class is adjusted to be the same rate as for  
2530 a county of the second, third, fourth, fifth, or sixth class.

2531 (ii) The notice requirements of Section 59-2-926 do not apply to the rate adjustment  
2532 under Subsection (2)(d)(i).

2533 (3) (a) The multicounty assessing and collecting levy authorized by the Legislature  
2534 under Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and  
2535 collecting levy.

2536 (b) The multicounty assessing and collecting levy authorized by the Legislature under  
2537 Subsection (2) is:

2538 (i) exempt from the provisions of Sections 17C-1-403 and 17C-1-404;

2539 (ii) in addition to and exempt from the maximum levies allowable under Section  
2540 59-2-908; and

2541 (iii) exempt from the notice requirements of Section 59-2-919.

2542 (c) (i) Each contributing county shall transmit quarterly to the state treasurer the  
2543 portion of the multicounty assessing and collecting levy which is above the amount to which  
2544 that county is entitled to under Section 59-2-1603.

2545 (ii) The revenue transmitted under Subsection (3)(c)(i) shall be transmitted no later  
2546 than the tenth day of the month following the end of the quarter in which the revenue is  
2547 collected.

2548 (iii) If revenue transmitted under Subsection (3)(c)(i) is transmitted after the tenth day  
2549 of the month following the end of the quarter in which the revenue is collected, the county shall  
2550 pay an interest penalty at the rate of 10% each year until the revenue is transmitted.

2551 (iv) Each contributing county that transmits to the state treasurer a portion of the  
2552 multicounty assessing and collecting levy in accordance with Subsection (3)(c)(i) shall levy  
2553 sufficient property taxes to fund its county assessing and collecting budgets.

2554 (d) The state treasurer shall deposit in the fund the:

2555 (i) revenue transmitted to the fund by contributing counties;

2556 (ii) interest accrued from that levy; and

2557 (iii) penalties received under Subsection (3)(c)(iii).

2558 (4) (a) A county may levy a county additional property tax in accordance with this  
2559 Subsection (4).

2560 (b) A receiving county may not receive funds from the Property Tax Valuation Agency  
2561 Fund unless the receiving county levies a county additional property tax of at least .0003 per  
2562 dollar of taxable value of taxable property as reported by each county.

2563 (c) The county additional property tax described in Subsection (4)(a) shall be levied by  
2564 the county and stated on the tax notice as a county assessing and collecting levy.

2565 (d) The purpose of the county additional property tax established in this Subsection (4)  
2566 is to promote the:

2567 (i) accurate valuation of property;

2568 (ii) establishment and maintenance of uniform assessment levels within and among  
2569 counties; and

2570 (iii) efficient administration of the property tax system, including the costs of  
2571 assessment, collection, and distribution of property taxes.

2572 (e) A county additional property tax levy established in Subsection (4)(a) is:  
2573 (i) exempt from the provisions of Sections 17C-1-403 and 17C-1-404;  
2574 (ii) in addition to and exempt from the maximum levies allowable under Section  
2575 59-2-908; and  
2576 (iii) beginning on January 1, 2009:  
2577 (A) for a county that was designated as a receiving county by the state auditor during  
2578 the prior calendar year, subject to the notice and public hearing provisions of Section 59-2-919  
2579 only if the county additional property tax levied by that county levy is raised to a rate in excess  
2580 of .0003; and  
2581 (B) except as provided in Subsection (4)(f), for a county that was designated as a  
2582 contributing county by the state auditor during the prior calendar year, subject to the notice and  
2583 public hearing provisions of Section 59-2-919.

2584 (f) A county additional property tax levy in a county that was not a receiving county  
2585 during the prior year shall be subject to the notice and public hearing provisions described in  
2586 Subsection (4)(e)(iii)(A) if the county would have been designated as a receiving county during  
2587 the prior calendar year if the county had levied a county additional property tax of at least .0003  
2588 per dollar of taxable value.

2589 (5) Subject to Subsection (6), for calendar years beginning on or after January 1, 2007,  
2590 the amount of the multicounty assessing and collecting levy described in this section shall be  
2591 reduced by an amount equal to the difference between:  
2592 (a) the amount of revenue budgeted:  
2593 (i) by each receiving county for that calendar year; and  
2594 (ii) for the county additional property tax levy described in Subsection (4)(a); and  
2595 (b) the amount of revenue budgeted:  
2596 (i) by each receiving county for the calendar year immediately preceding the calendar  
2597 year described in Subsection (5)(a)(i); and  
2598 (ii) for the county additional property tax levy described in Subsection (4)(a).

2599 (6) The amounts described in the calculations required by Subsection (5) are exclusive  
2600 of new growth.

2601 Section 42. Section **59-7-302** is amended to read:

2602 **59-7-302. Definitions -- Determination of when a taxpayer is considered to be a**  
2603 **sales factor weighted taxpayer.**

2604 (1) As used in this part, unless the context otherwise requires:

2605 (a) "Aircraft type" means a particular model of aircraft as designated by the  
2606 manufacturer of the aircraft.

2607 (b) "Airline" is as defined in Section 59-2-102.

2608 (c) "Airline revenue ton miles" means, for an airline, the total revenue ton miles during  
2609 the airline's tax period.

2610 (d) "Business income" means income arising from transactions and activity in the  
2611 regular course of the taxpayer's trade or business and includes income from tangible and  
2612 intangible property if the acquisition, management, and disposition of the property constitutes  
2613 integral parts of the taxpayer's regular trade or business operations.

2614 (e) "Commercial domicile" means the principal place from which the trade or business  
2615 of the taxpayer is directed or managed.

2616 (f) "Compensation" means wages, salaries, commissions, and any other form of  
2617 remuneration paid to employees for personal services.

2618 (g) (i) Except as provided in Subsection (1)(g)(ii), "mobile flight equipment" is as  
2619 defined in Section 59-2-102.

2620 (ii) "Mobile flight equipment" does not include:

2621 (A) a spare engine; or

2622 (B) tangible personal property described in Subsection 59-2-102[~~(25)~~](24) owned by  
2623 an:

2624 (I) air charter service; or

2625 (II) air contract service.

2626 (h) "Nonbusiness income" means all income other than business income.

2627 (i) "Revenue ton miles" is determined in accordance with 14 C.F.R. Part 241.

2628 (j) "Sales" means all gross receipts of the taxpayer not allocated under Sections  
2629 59-7-306 through 59-7-310.

2630 (k) Subject to Subsection (2), "sales factor weighted taxpayer" means:

2631 (i) for a taxpayer that is not a unitary group, regardless of the number of economic

2632 activities the taxpayer performs, a taxpayer having greater than 50% of the taxpayer's total sales  
2633 everywhere generated by economic activities:

2634 (A) performed by the taxpayer; and

2635 (B) classified in a NAICS code of the 2002 or 2007 North American Industry

2636 Classification System of the federal Executive Office of the President, Office of Management  
2637 and Budget, except for:

2638 (I) a NAICS code within NAICS Sector 21, Mining;

2639 (II) a NAICS code within NAICS Sector 31-33, Manufacturing;

2640 (III) a NAICS code within NAICS Sector 48-49, Transportation and Warehousing;

2641 (IV) a NAICS code within NAICS Sector 51, Information, except for NAICS

2642 Subsector 519, Other Information Services; or

2643 (V) a NAICS code within NAICS Sector 52, Finance and Insurance; or

2644 (ii) for a taxpayer that is a unitary group, a taxpayer having greater than 50% of the  
2645 taxpayer's total sales everywhere generated by economic activities:

2646 (A) performed by the unitary group; and

2647 (B) classified in a NAICS code of the 2002 or 2007 North American Industry

2648 Classification System of the federal Executive Office of the President, Office of Management  
2649 and Budget, except for:

2650 (I) a NAICS code within NAICS Sector 21, Mining;

2651 (II) a NAICS code within NAICS Sector 31-33, Manufacturing;

2652 (III) a NAICS code within NAICS Sector 48-49, Transportation and Warehousing;

2653 (IV) a NAICS code within NAICS Sector 51, Information, except for NAICS

2654 Subsector 519, Other Information Services; or

2655 (V) a NAICS code within NAICS Sector 52, Finance and Insurance.

2656 (l) "State" means any state of the United States, the District of Columbia, the  
2657 Commonwealth of Puerto Rico, any territory or possession of the United States, and any  
2658 foreign country or political subdivision thereof.

2659 (m) "Transportation revenue" means revenue an airline earns from:

2660 (i) transporting a passenger or cargo; or

2661 (ii) from miscellaneous sales of merchandise as part of providing transportation  
2662 services.

2663 (n) "Utah revenue ton miles" means, for an airline, the total revenue ton miles within  
2664 the borders of this state:

2665 (i) during the airline's tax period; and

2666 (ii) from flight stages that originate or terminate in this state.

2667 (2) The following apply to Subsection (1)(k):

2668 (a) (i) Subject to the other provisions of this Subsection (2), a taxpayer shall for each  
2669 taxable year determine whether the taxpayer is a sales factor weighted taxpayer.

2670 (ii) A taxpayer shall make the determination required by Subsection (2)(a)(i) before the  
2671 due date for filing the taxpayer's return under this chapter for the taxable year, including  
2672 extensions.

2673 (iii) For purposes of making the determination required by Subsection (2)(a)(i), total  
2674 sales everywhere include only the total sales everywhere:

2675 (A) as determined in accordance with this part; and

2676 (B) made during the taxable year for which a taxpayer makes the determination  
2677 required by Subsection (2)(a)(i).

2678 (b) A taxpayer that files a return as a unitary group for a taxable year is considered to  
2679 be a unitary group for that taxable year.

2680 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2681 commission may define the term "economic activity" consistent with the use of the term  
2682 "activity" in the 2007 North American Industry Classification System of the federal Executive  
2683 Office of the President, Office of Management and Budget.

2684 Section 43. Section **63G-7-704** is amended to read:

2685 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**  
2686 **or insurance premiums.**

2687 (1) Notwithstanding any provision of law to the contrary, a political subdivision may  
2688 levy an annual property tax sufficient to pay:

2689 (a) any claim, settlement, or judgment;

2690 (b) the costs to defend against any claim, settlement, or judgment; or

2691 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
2692 settlements, or judgments that may be reasonably anticipated.

2693 (2) (a) The payments authorized to pay for punitive damages or to pay the premium for

2694 authorized insurance is money spent for a public purpose within the meaning of this section  
2695 and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the maximum  
2696 levy as otherwise restricted by law is exceeded.

2697 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable  
2698 property.

2699 (c) The revenues derived from this levy may not be used for any purpose other than  
2700 those specified in this section.

2701 (3) Beginning January 1, 2012, a local school board may not levy a tax in accordance  
2702 with this section.

2703 Section 44. Section **63I-1-253** is amended to read:

2704 **63I-1-253. Repeal dates, Titles 53, 53A, and 53B.**

2705 The following provisions are repealed on the following dates:

2706 (1) Section 53-3-232, Conditional licenses, is repealed July 1, 2015.

2707 (2) Title 53A, Chapter 1a, Part 6, Public Education Job Enhancement Program is  
2708 repealed July 1, 2020.

2709 (3) Title 53A, Chapter 1a, Part 9, Voluntary Extended-day Kindergarten Program, is  
2710 repealed July 1, 2011.

2711 (4) Section 53A-2-118.3 is repealed December 31, 2016.

2712 (5) The State Instructional Materials Commission, created in Section 53A-14-101, is  
2713 repealed July 1, 2011.

2714 (6) Subsections [~~53A-16-107(3) and (4)~~] 53A-16-113(2) and (3) are repealed  
2715 December 31, 2016.

2716 (7) Section [~~53A-16-107.1~~] 53A-16-114 is repealed December 31, 2016.

2717 (8) Section 53A-17a-163, Performance-based Compensation Pilot Program is repealed  
2718 July 1, 2011.

2719 (9) Subsection 53C-3-203(5), which provides for the distribution of money from the  
2720 Land Exchange Distribution Account to the Geological Survey for test wells, other hydrologic  
2721 studies, and air quality monitoring in the West Desert, is repealed July 1, 2020.

2722 Section 45. **Repealer.**

2723 This bill repeals:

2724 Section **53A-16-111, Payment of judgments and warrants -- Special tax.**



- 2725 Section 46. **Effective date.**  
2726 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2012.  
2727 (2) The amendments to the following sections take effect on July 1, 2012:  
2728 (a) Section 53A-2-206;  
2729 (b) Section 53A-17a-105;  
2730 (c) Section 53A-17a-146; and  
2731 (d) Section 53A-17a-150.
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**Legislative Review Note**  
**as of 1-12-11 1:28 PM**

**Office of Legislative Research and General Counsel**

# FISCAL NOTE

H.B. 65

SHORT TITLE: Public School Funding

SPONSOR: Harper, W.

2011 GENERAL SESSION, STATE OF UTAH

## STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enacting this bill freezes the minimum basic state property tax rate at 0.003. This increases the local portion of the minimum school program by \$269,951,400 in FY 2013 and is distributed through the WPU. Due to recapture, of the \$269,951,400, \$17,090,300 is deposited in the Uniform School Fund in FY 2013.

This bill authorizes an appropriation of \$41,949,100 in FY 2013 to hold 25 school districts harmless. The hold harmless provision is phased out by 25% in FY 2014, 50% in FY 2015, and 75% in FY 2016. The hold harmless provision is eliminated in FY 2017.

## STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
<b>Revenue:</b>			
Uniform School Fund	\$0	\$0	\$17,090,300
Property Tax	\$0	\$0	\$252,861,100
Total Revenue	\$0	\$0	\$269,951,400
<b>Expenditure:</b>			
Education Fund	\$0	\$31,461,800	\$31,461,800
Education Fund, One-Time	\$0	(\$31,461,800)	\$10,487,300
Property Tax	\$0	\$0	\$252,861,100
Total Expenditure	\$0	\$0	\$294,810,200
Net Impact, All Funds (Rev.-Exp.)	\$0	\$0	(\$24,858,800)
Net Impact, General/Education Funds	\$0	\$0	(\$24,858,800)

## LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Because of the revenue increase from the basic rate freeze, other local school property taxes decrease by \$269,951,400.

## DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Absent school districts making up lost revenue, individuals living in 25 school districts can expect a property tax decrease of \$41,949,100.