

1 **CHARTER SCHOOL FUNDING REVISIONS**

2 2012 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Stephen E. Sandstrom**

5 Senate Sponsor: Scott K. Jenkins

6
7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions pertaining to funding for charter schools.

10 **Highlighted Provisions:**

11 This bill:

12 **H→** [~~→~~ ~~modifies a school district's contribution of school district revenues for charter~~
13 ~~school students; and~~] **←H**

14 ▶ requires a property tax notice to state the amount of property taxes imposed on the
15 taxpayer that represents revenue distributed to charter schools.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 This bill provides an effective date.

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **H→** [~~53A-1a-513, as last amended by Laws of Utah 2011, Chapter 371~~] **←H**

23 **59-2-1317**, as last amended by Laws of Utah 1997, Second Special Session, Chapter 2

24
25 *Be it enacted by the Legislature of the state of Utah:*

26 **H→** [~~Section 1. Section 53A-1a-513 is amended to read:~~

27 ~~53A-1a-513. Funding for charter schools.~~] **←H**



28 ~~H~~→ [~~(1)~~ As used in this section:

29 ~~———— (a) "Charter school students' average local revenues" means the amount determined as~~

30 ~~follows:~~

31 ~~———— (i) for each student enrolled in a charter school on the previous October 1, calculate the~~

32 ~~district per pupil local revenues of the school district in which the student resides;~~

33 ~~———— (ii) sum the district per pupil local revenues for each student enrolled in a charter~~

34 ~~school on the previous October 1; and~~

35 ~~———— (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students~~

36 ~~enrolled in charter schools on the previous October 1.~~

37 ~~———— (b) "District local property tax revenues" means the sum of a school district's revenue~~

38 ~~received from the following levies:~~

39 ~~———— (i) (A) a voted levy imposed under Section 53A-17a-133;~~

40 ~~———— (B) a board levy imposed under Section 53A-17a-134;~~

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

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

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

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

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

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

47 ~~expended for:~~

48 ~~———— (I) recreational facilities and activities authorized under Title 11, Chapter 2,~~

49 ~~Playgrounds;~~

50 ~~———— (H) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of~~

51 ~~taxable value of the school district's board local levy; and~~

52 ~~———— (HH) the K-3 Reading Improvement Program, up to the amount of revenue generated by~~

53 ~~a .000121 per dollar of taxable value of the school district's board local levy; and~~

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

55 ~~———— (c) "District per pupil local revenues" means an amount equal to the following, using~~

56 ~~data from the most recently published school district annual financial reports and state~~

57 ~~superintendent's annual report:~~

58 ~~———— (i) district local property tax revenues; divided by] ←H~~

59 ~~H~~→ [~~(ii) the sum of:~~

60 ~~—— (A) a school district's average daily membership; and~~

61 ~~—— (B) the average daily membership of a school district's resident students who attend~~

62 ~~charter schools.~~

63 ~~—— (d) "Resident student" means a student who is considered a resident of the school~~

64 ~~district under Title 53A, Chapter 2, Part 2, District of Residency.~~

65 ~~—— (e) "Statewide average debt service revenues" means the amount determined as~~

66 ~~follows, using data from the most recently published state superintendent's annual report:~~

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

68 ~~Section 11-14-310; and~~

69 ~~—— (ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district~~

70 ~~average daily membership.~~

71 ~~—— (2) (a) Charter schools shall receive funding as described in this section, except~~

72 ~~Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b):~~

73 ~~—— (b) Charter schools authorized by local school boards that are converted from district~~

74 ~~schools or operate in district facilities without paying reasonable rent shall receive funding as~~

75 ~~prescribed in Section 53A-1a-515.~~

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

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

78 ~~—— (b) In distributing funds under Chapter 17a, Minimum School Program Act, to charter~~

79 ~~schools, charter school pupils shall be weighted, where applicable, as follows:~~

80 ~~—— (i) .55 for kindergarten pupils;~~

81 ~~—— (ii) .9 for pupils in grades 1 through 6;~~

82 ~~—— (iii) .99 for pupils in grades 7 through 8; and~~

83 ~~—— (iv) 1.2 for pupils in grades 9 through 12.~~

84 ~~—— (4) (a) (i) A school district shall allocate a portion of school district revenues for each~~

85 ~~resident student of the school district who is enrolled in a charter school on October 1 equal to~~

86 ~~[25%] 20.6% of [the lesser of: (A)] district per pupil local revenues[; or];~~

87 ~~—— [(B) charter school students' average local revenues.]~~

88 ~~—— (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program~~

89 ~~established under Chapter 28, Utah School Bond Guaranty Act.] ←H~~

90 ~~H→~~ [~~(b) The State Board of Education shall:~~

91 ~~—— (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from~~

92 ~~state funds the school district is authorized to receive under Chapter 17a, Minimum School~~

93 ~~Program Act; and~~

94 ~~—— [(ii) remit the money to the student's charter school.]~~

95 ~~—— (ii) use the money deducted under Subsection (4)(b)(i), together with money~~

96 ~~appropriated under Subsection (4)(d), to provide funds to charter schools in the amount of~~

97 ~~charter school students' average local revenues for each student enrolled in a charter school on~~

98 ~~October 1.~~

99 ~~—— (c) Notwithstanding the method used to transfer school district revenues to charter~~

100 ~~schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter~~

101 ~~schools under this section from:~~

102 ~~—— (i) unrestricted revenues available to the school district; or~~

103 ~~—— (ii) the revenue sources listed in Subsection (1)(b) based on the portion of the~~

104 ~~allocations to charter schools attributed to each of the revenue sources listed in Subsection~~

105 ~~(1)(b):~~

106 ~~—— (d) (i) Subject to future budget constraints, the Legislature shall provide an~~

107 ~~appropriation for charter schools for each student enrolled on October 1 to supplement the~~

108 ~~allocation of school district revenues under Subsection (4)(a):~~

109 ~~—— (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the~~

110 ~~state for a charter school student shall be the sum of:~~

111 ~~—— (A) charter school students' average local revenues minus the allocation of school~~

112 ~~district revenues under Subsection (4)(a); and~~

113 ~~—— (B) statewide average debt service revenues.~~

114 ~~—— (iii) If the total of a school district's allocation for a charter school student under~~

115 ~~Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than~~

116 ~~\$1427, the state shall provide an additional supplement so that a charter school receives at least~~

117 ~~\$1427 per student under this Subsection (4):~~

118 ~~—— (iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the~~

119 ~~amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated~~

120 ~~among charter schools in proportion to each charter school's enrollment as a percentage of the] ←H~~

121 ~~H→ [total enrollment in charter schools:~~

122 ~~———(B) If the State Board of Education makes adjustments to Minimum School Program~~

123 ~~allocations as provided under Section 53A-17a-105, the allocation provided in Subsection~~

124 ~~(4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.~~

125 ~~———(c) Of the money provided to a charter school under this Subsection (4), 10% shall be~~

126 ~~expended for funding school facilities only:~~

127 ~~———(5) Charter schools are eligible to receive federal funds if they meet all applicable~~

128 ~~federal requirements and comply with relevant federal regulations:~~

129 ~~———(6) The State Board of Education shall distribute funds for charter school students~~

130 ~~directly to the charter school:~~

131 ~~———(7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state~~

132 ~~transportation funding:~~

133 ~~———(b) The board shall also adopt rules relating to the transportation of students to and~~

134 ~~from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.~~

135 ~~———(c) The governing body of the charter school may provide transportation through an~~

136 ~~agreement or contract with the local school board, a private provider, or with parents:~~

137 ~~———(8) (a) (i) The state superintendent of public instruction may allocate grants for both~~

138 ~~start-up and ongoing costs to eligible charter school applicants from money appropriated for~~

139 ~~the implementation of this part:~~

140 ~~———(ii) Applications for the grants shall be filed on a form determined by the state~~

141 ~~superintendent and in conjunction with the application for a charter:~~

142 ~~———(iii) The amount of a grant may vary based upon the size, scope, and special~~

143 ~~circumstances of the charter school:~~

144 ~~———(iv) The governing board of the charter school shall use the grant to meet the expenses~~

145 ~~of the school as established in the school's charter:~~

146 ~~———(b) The State Board of Education shall coordinate the distribution of federal money~~

147 ~~appropriated to help fund costs for establishing and maintaining charter schools within the~~

148 ~~state:~~

149 ~~———(9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,~~

150 ~~endowment, gift, or donation of any property made to the school for any of the purposes of this~~

151 ~~part:] ←H~~

152 ~~H→ [(b) It is unlawful for any person affiliated with a charter school to demand or request~~
 153 ~~any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated~~
 154 ~~with the charter school as a condition for employment or enrollment at the school or continued~~
 155 ~~attendance at the school.] ←H~~

156 Section 2. Section 59-2-1317 is amended to read:

157 **59-2-1317. Index of property owners -- Tax notice -- Contents of notice.**

158 (1) The treasurer shall:

159 (a) collect the taxes; and

160 (b) furnish to each taxpayer, except those taxpayers under Sections 59-2-1302 and
 161 59-2-1307, by mail, postage prepaid, or leave at the taxpayer's residence or usual place of
 162 business, if known, a notice stating:

163 (i) the kind and value of property assessed to the taxpayer;

164 (ii) the street address of the property, if available to the county;

165 (iii) that the property may be subject to a detailed review in the next year under Section
 166 59-2-303.1;

167 (iv) the amount of taxes levied;

168 (v) property tax information pertaining to taxpayer relief, options for payment of taxes,
 169 and collection procedures;

170 (vi) other information specifically authorized to be included on the notice under Title
 171 59, Chapter 2, Property Tax Act; ~~and~~

172 (vii) the information required by Subsection (5); and

173 ~~[(vii)]~~ (viii) other property tax information approved by the commission.

174 (2) For any property for which property taxes are delinquent, the treasurer shall stamp
 175 on the notice "Prior taxes are delinquent on this parcel."

176 (3) The notice shall:

177 (a) separately state all taxes levied only on a certain kind or class of property for a
 178 special purpose;

179 (b) have printed or stamped on it when and where the taxes are payable;

180 (c) state the date on which the taxes will be delinquent; and

181 (d) state the penalty provided by law.

182 (4) (a) The notice shall be mailed by November 1.

183 (b) The treasurer shall keep on file in the treasurer's office the information set forth in
184 the notice.

185 (c) The county treasurer is not required to mail out a tax receipt acknowledging
186 payment.

187 (5) (a) The notice a treasurer is required to furnish to a taxpayer under Subsection (1)
188 shall state the amount of property taxes imposed on the taxpayer that represents revenue
189 distributed to charter schools as provided in Section 53A-1a-513.

190 (b) For purposes of the statement required by Subsection (5)(a), a treasurer shall
191 determine the amount of property taxes described in Subsection (5)(a) in accordance with a
192 formula established by the State Tax Commission in rules adopted in accordance with Title
193 63G, Chapter 3, Utah Administrative Rulemaking Act.

194 (c) By the date specified by the State Tax Commission in rules adopted under
195 Subsection (5)(b), the State Board of Education shall report to county treasurers the estimated
196 amount of revenues of each school district to be distributed to charter schools as provided in
197 Section 53A-1a-513.

198 Section 3. **Effective date.**

199 This bill takes effect on ~~H~~→ [July 1, 2012, except the amendments in this bill to Section
200 59-2-1317 take effect on] ←H January 1, 2013.

Legislative Review Note
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Office of Legislative Research and General Counsel