

**CHARTER SCHOOL FUNDING REVISIONS**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen E. Sandstrom**

Senate Sponsor: Scott K. Jenkins

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**LONG TITLE**

**General Description:**

This bill modifies provisions pertaining to funding for charter schools.

**Highlighted Provisions:**

This bill:

- ▶ modifies a school district's contribution of school district revenues for charter school students; and
- ▶ requires a property tax notice to state the amount of property taxes imposed on the taxpayer that represents revenue distributed to charter schools.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides an effective date.

**Utah Code Sections Affected:**

AMENDS:

**53A-1a-513**, as last amended by Laws of Utah 2011, Chapter 371

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

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

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

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



28 (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 (II) 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 (III) 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

- 59 (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.

90 (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

121 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 (e) 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.

152 (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.

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 July 1, 2012, except the amendments in this bill to Section  
200 59-2-1317 take effect on January 1, 2013.

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**Legislative Review Note**  
**as of 2-16-12 1:06 PM**

**Office of Legislative Research and General Counsel**