

**EXPANDED USES OF SCHOOL DISTRICT PROPERTY TAX  
REVENUE**

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kay L. McIff**

Senate Sponsor: David P. Hinkins

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**LONG TITLE**

**General Description:**

This bill amends provisions related to certain uses of school district property tax revenue.

**Highlighted Provisions:**

This bill:

- ▶ allows local school boards to use revenue collected from certain capital property tax levies for certain general fund purposes for fiscal years 2013-14 and 2014-15;
- ▶ requires a local school board to notify taxpayers of certain uses of property tax revenue; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**53A-16-113**, as enacted by Laws of Utah 2011, Chapter 371

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



28 Section 1. Section 53A-16-113 is amended to read:

29 **53A-16-113. Capital local levy -- First class county required levy -- Allowable**  
30 **uses of collected revenue.**

31 (1) (a) Subject to the other requirements of this section, [~~for a calendar year beginning~~  
32 ~~on or after January 1, 2012;~~] a local school board may levy a tax to fund the school district's  
33 capital projects.

34 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
35 .0030 per dollar of taxable value in any calendar year.

36 (2) A school district that imposes a capital local levy in the calendar year beginning on  
37 January 1, 2012, is exempt from the public notice and hearing requirements of Section  
38 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to  
39 or less than the sum of the following amounts:

40 (a) the amount of revenue generated during the calendar year beginning on January 1,  
41 2011, from the sum of the following levies of a school district:

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

43 (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
44 budgeted for debt service or capital outlay; and

45 (b) revenue from new growth as defined in Subsection 59-2-924(4)(c).

46 (3) Beginning January 1, 2012, in order to qualify for receipt of the state contribution  
47 toward the minimum school program described in Section 53A-17a-103, a local school board  
48 in a county of the first class shall impose a capital local levy of [a] at least .0006 per dollar of  
49 taxable value.

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

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

57 (5) (a) Subject to Subsections (5)(b), (c), and (d), for fiscal years 2013-14 and 2014-15,  
58 a local school board may utilize the proceeds of a maximum of .0024 per dollar of taxable

59 value of the local school board's annual capital local levy for general fund purposes if the  
60 proceeds are not committed or dedicated to pay debt service or bond payments.

61 (b) If a local school board uses the proceeds described in Subsection (5)(a) for general  
62 fund purposes, the local school board shall notify the public of the local school board's use of  
63 the capital local levy proceeds for general fund purposes:

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

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

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

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

72 (ii) 2500 Support Services - Central Services.

73 (d) A local school board may not use the proceeds from a distribution described in  
74 Subsection (4) for general fund purposes.

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**Legislative Review Note**  
as of 1-2-13 11:13 AM

**Office of Legislative Research and General Counsel**