

**Senator Aaron Osmond** proposes the following substitute bill:

**EDUCATION FUNDING EQUALIZATION**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Aaron Osmond**

House Sponsor:

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**LONG TITLE**

**General Description:**

This bill makes changes related to school property taxes and funding.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ creates the Minimum Basic Growth Account within the Uniform School Fund to fund the School LAND Trust Program;
- ▶ amends the calculation of the school minimum basic tax rate;
- ▶ requires specified revenue to be deposited into the Minimum Basic Growth Account;
- ▶ provides for the allocation of funds deposited into the Minimum Basic Growth Account;
- ▶ repeals certain public notice requirements related to the school minimum basic tax rate;
- ▶ amends requirements for a school improvement plan; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None



26 **Other Special Clauses:**

27 This bill has retrospective operation to January 1, 2014.

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **11-13-302**, as last amended by Laws of Utah 2011, Chapter 371

31 **53A-1a-108.5**, as enacted by Laws of Utah 2002, Chapter 324

32 **53A-16-101**, as last amended by Laws of Utah 2013, Chapter 235

33 **53A-16-101.5**, as last amended by Laws of Utah 2013, Chapter 296

34 **53A-17a-103**, as last amended by Laws of Utah 2011, Chapter 371

35 **53A-17a-135**, as last amended by Laws of Utah 2013, Chapter 7

36 **59-2-102**, as last amended by Laws of Utah 2013, Chapters 19 and 322

37 **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388

38 REPEALS:

39 **53A-17a-131.17**, as last amended by Laws of Utah 2010, Chapter 3



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

42 Section 1. Section **11-13-302** is amended to read:

43 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
44 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

53 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
54 impact alleviation payments under contracts or determination orders provided for in Sections  
55 **11-13-305** and **11-13-306**, with the fiscal year of the candidate following the fiscal year of the  
56 candidate in which the date of commercial operation of the last generating unit, other than any

57 generating unit providing additional project capacity, of the project occurs, or, in the case of  
58 any facilities providing additional project capacity, with the fiscal year of the candidate  
59 following the fiscal year of the candidate in which the date of commercial operation of the  
60 generating unit providing the additional project capacity occurs; and

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

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

67 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)  
68 because the ad valorem property tax imposed by a school district and authorized by the  
69 Legislature represents both:

70 (i) a levy mandated by the state for the state minimum school program under Section  
71 [53A-17a-135](#); and

72 (ii) local levies for capital outlay and other purposes under Sections [53A-16-113](#),  
73 [53A-17a-133](#), and [53A-17a-164](#).

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

75 (i) the project entity shall pay to the school district an annual fee for the state minimum  
76 school program at the rate imposed by the school district and authorized by the Legislature  
77 under ~~Subsection~~ Section [53A-17a-135](#)~~(1)~~; and

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

80 (A) an annual fee; or

81 (B) impact alleviation payments under contracts or determination orders provided for  
82 in Sections [11-13-305](#) and [11-13-306](#).

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

88 (b) As used in this section, "tax rate," when applied in respect to a school district,  
89 includes any assessment to be made by the school district under Subsection (2) or Section  
90 63M-5-302.

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

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

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

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

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

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

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

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

108 (A) the project entity; and

109 (B) any county that:

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

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

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

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

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

118 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county

119 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in  
120 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing  
121 jurisdiction.

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

125 (I) for that year; and

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

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

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

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

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

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

137 (ii) It is the responsibility of the project entity to enforce the obligations of the  
138 purchasers.

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

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

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

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

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

- 150 (i) shall be paid by a public agency that:
- 151 (A) is not a project entity; and
- 152 (B) owns an interest in a facility providing additional project capacity if the interest is
- 153 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and
- 154 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in
- 155 accordance with Subsection (6)(b).
- 156 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax
- 157 rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:
- 158 (i) the fee base or value of the facility providing additional project capacity located
- 159 within the jurisdiction;
- 160 (ii) the percentage of the ownership interest of the public agency in the facility; and
- 161 (iii) the portion, expressed as a percentage, of the public agency's ownership interest
- 162 that is attributable to the capacity, service, or other benefit from the facility that is sold by the
- 163 public agency to an energy supplier or suppliers whose tangible property is not exempted by
- 164 Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.
- 165 (c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the
- 166 obligations, credits, rights, and protections set forth in Subsections (1) through (5) with respect
- 167 to its ownership interest as though it were a project entity.

168 Section 2. Section **53A-1a-108.5** is amended to read:

169 **53A-1a-108.5. School improvement plan.**

- 170 (1) (a) Each school community council shall annually evaluate the school's U-PASS
- 171 test results and use the evaluations in developing a school improvement plan.
- 172 (b) In evaluating U-PASS test results and developing a school improvement plan, a
- 173 school community council may not have access to data that reveal the identity of students.
- 174 (2) Each school improvement plan shall:
- 175 (a) identify the school's most critical academic needs;
- 176 (b) recommend a course of action to meet the identified needs;
- 177 (c) list any programs, practices, materials, or equipment that the school will need to
- 178 implement its action plan to have a direct impact on the instruction of students and result in
- 179 measurable increased student performance; ~~and~~
- 180 (d) specify actions that school leadership will take to improve student achievement;

181 (e) specify what actions will be implemented to ensure that high quality instruction is  
 182 delivered to all students;

183 (f) describe how assessments will be used to inform instruction;

184 (g) describe how targeted interventions will be implemented to meet individual student  
 185 needs;

186 (h) specify what actions will be taken to ensure that professional development results  
 187 in improved student achievement; and

188 ~~[(d)]~~ (i) describe how the school intends to enhance or improve academic achievement,  
 189 including how financial resources available to the school, such as School LAND Trust Program  
 190 money received under Section 53A-16-101.5 and state and federal grants, will be used to  
 191 enhance or improve academic achievement.

192 (3) The school improvement plan shall focus on  $\hat{S} \rightarrow$  :

192a (a)  $\leftarrow \hat{S}$  the school's most critical academic

193 needs  $\hat{S} \rightarrow$  ~~[but may include other actions to enhance or improve]~~ ; and

193a (b) enhancing and improving  $\leftarrow \hat{S}$  academic achievement and

194 community environment for students  $\hat{S} \rightarrow$  [-] through:

194a (i) hiring additional instructional staff and technology specialists;

194b (ii) purchasing and integrating technology into the student learning process;

194c (iii) classroom programs that promote one-on-one contact with students;

194d (iv) targeting professional development for educators on how to integrate technology

194e into the student learning process; or

194f (v) purchasing or developing interactive classroom programs.  $\leftarrow \hat{S}$

195 (4) The school principal shall make available to the school community council the  
 196 school budget and other data needed to develop the school improvement plan.

197 (5) The school improvement plan shall be subject to the approval of the local school  
 198 board of the school district in which the school is located.

199 (6) A school community council may develop a multiyear school improvement plan,  
 200 but the plan must be presented to and approved annually by the local school board.

201 (7) Each school shall:

202 (a) implement the school improvement plan as developed by the school community  
 203 council and approved by the local school board;

204 (b) provide ongoing support for the council's plan; and

205 (c) meet local school board reporting requirements regarding performance and  
 206 accountability.

207 Section 3. Section **53A-16-101** is amended to read:

208 **53A-16-101. Uniform School Fund -- Contents -- Interest and Dividends Account**  
209 **-- Invest More for Education Account.**

210 (1) The Uniform School Fund, a special revenue fund within the Education Fund,  
211 established by Utah Constitution, Article X, Section 5, consists of:



212 (a) interest and dividends derived from the investment of money in the permanent State  
213 School Fund established by Utah Constitution, Article X, Section 5;

214 (b) money transferred to the fund pursuant to Title 67, Chapter 4a, Unclaimed Property  
215 Act; and

216 (c) all other constitutional or legislative allocations to the fund, including revenues  
217 received by donation.

218 (2) (a) There is created within the Uniform School Fund a restricted account known as  
219 the "Interest and Dividends Account."

220 (b) The Interest and Dividends Account consists of:

221 (i) interest and dividends derived from the investment of money in the permanent State  
222 School Fund referred to in Subsection (1)(a); and

223 (ii) interest on account money.

224 (3) (a) Upon appropriation by the Legislature, money from the Interest and Dividends  
225 Account shall be used for:

226 (i) the administration of the School LAND Trust Program as provided in Section  
227 [53A-16-101.5](#); and

228 (ii) the performance of duties described in Section [53A-16-101.6](#).

229 (b) The Legislature may appropriate any remaining balance for the support of the  
230 public education system.

231 (4) (a) There is created within the Uniform School Fund a restricted account known as  
232 the "Invest More for Education Account."

233 (b) The account shall be funded by contributions deposited into the restricted account  
234 in accordance with Section [59-10-1318](#).

235 (c) The account shall earn interest.

236 (d) Interest earned on the account shall be deposited into the account.

237 (e) The Legislature may appropriate money from the account for the support of the  
238 public education system.

239 (5) (a) There is created within the Uniform School Fund a restricted account known as  
240 the "Minimum Basic Growth Account."

241 (b) The account shall be funded by amounts appropriated into the account in  
242 accordance with Section [53A-17a-135](#).

243 (c) The account shall earn interest.

244 (d) Interest earned on the account shall be deposited into the account.

245 (e) Upon appropriation by the Legislature, money from the account shall be used to  
246 fund the School LAND Trust Program as provided in Section 53A-16-101.5.

247 (f) The Legislature may not appropriate money from the account for the performance of  
248 duties described in Section 53A-16-101.6.

249 Section 4. Section 53A-16-101.5 is amended to read:

250 **53A-16-101.5. School LAND Trust Program -- Purpose -- Distribution of funds --**

251 **School plans for use of funds.**

252 (1) There is established the School LAND (Learning And Nurturing Development)  
253 Trust Program to:

254 (a) provide financial resources to public schools to enhance or improve student  
255 academic achievement and implement a component of the school improvement plan; and

256 (b) involve parents and guardians of a school's students in decision making regarding  
257 the expenditure of School LAND Trust Program money allocated to the school.

258 (2) (a) The program shall be funded each fiscal year from:

259 (i) [~~from~~] the Interest and Dividends Account created in Section 53A-16-101[~~; and (ii)~~]  
260 in the amount of the sum of the following:

261 (A) the interest and dividends from the investment of money in the permanent State  
262 School Fund deposited to the Interest and Dividends Account in the immediately preceding  
263 year; and

264 (B) ~~the~~ ~~←~~ interest accrued on money in the Interest and Dividends Account in the  
265 immediately preceding fiscal year[~~;~~]; and

266 (ii) the Minimum Basic Growth Account created in Section 53A-16-101.

267 (b) On and after July 1, 2003, the program shall be funded as provided in Subsection  
268 (2)(a)(i) up to an amount equal to 2% of the funds provided for the Minimum School Program,  
269 pursuant to Title 53A, Chapter 17a, Minimum School Program Act, each fiscal year.

270 (c) (i) The Legislature shall annually allocate, through an appropriation to the State  
271 Board of Education, a portion of the Interest and Dividends Account created in Section  
272 53A-16-101 to be used for:

273 (A) the administration of the School LAND Trust Program; and

274 (B) the performance of duties described in Section 53A-16-101.6.

275 (ii) Any unused balance remaining from an amount appropriated under Subsection  
276 (2)(c)(i) shall be deposited in the Interest and Dividends Account for distribution to schools in  
277 the School LAND Trust Program.

278 (3) (a) The State Board of Education shall allocate the money [~~referred to in Subsection~~  
279 ~~(2)~~] described under Subsections (2)(a)(i) and (ii) annually for the fiscal year beginning July 1,  
280 2013, and for each fiscal year thereafter as follows:

281 (i) the Utah Schools for the Deaf and the Blind and the charter schools combined shall  
282 receive funding equal to the product of:

283 (A) enrollment on October 1 in the prior year at the Utah Schools for the Deaf and the  
284 Blind, or in the charter schools combined, divided by enrollment on October 1 in the prior year  
285 in public schools statewide; and

286 (B) the total amount available for distribution under [~~Subsection (2)~~] Subsections  
287 (2)(a)(i) and (ii);

288 (ii) the amount allocated to the charter schools combined under Subsection (3)(a)(i)  
289 shall be distributed among charter schools in accordance with a formula specified in rules  
290 adopted by the State Board of Education in consultation with the State Charter School Board;  
291 and

292 (iii) of the funds available for distribution under [~~Subsection (2)~~] Subsections (2)(a)(i)  
293 and (ii) after the allocation of funds for the Utah Schools for the Deaf and the Blind and charter  
294 schools:

295 (A) school districts shall receive 10% of the funds on an equal basis; and

296 (B) the remaining 90% of the funds shall be distributed on a per student basis.

297 (b) For the allocations made under Subsection (3)(a), the State Board of Education  
298 shall provide a separate allocation to each entity for the money described under:

299 (i) Subsection (2)(a)(i); and

300 (ii) Subsection (2)(a)(ii).

301 [~~(b)-A~~] (c) Subject to Subsection (3)(d), a school district shall distribute its allocation  
302 under Subsection (3)(a)(iii) to [each school] schools within the district [on an equal per student  
303 basis:] as follows:

304 (i) an allocation of the money described under Subsection (2)(a)(i) shall be distributed

305 to each school within the district on an equal per student basis; ~~§~~ → **and** ← ~~§~~  
 306 (ii) for an allocation of the money described under Subsection (2)(a)(ii):  
 307 (A) 25% shall be distributed to each school within the district on an equal per student  
 308 basis; and

309 (B) 75% shall be distributed to schools within the district at the direction of the local  
 310 school board.

311 (d) A school district may retain up to 5% of the amount of money described under  
 312 Subsection (3)(c)(ii) and allocated to the school district by the State Board of Education in  
 313 accordance with Subsection (3)(a) to be used to offset the cost of:

314 (i) distributing the money described under Subsection (2)(a)(ii) in accordance with  
 315 Subsection (3)(c)(ii);

316 (ii) auditing the use of the money distributed to schools in accordance with Subsection  
 317 (3)(c); and

318 (iii) providing training to a school community council.

319 ~~[(e)]~~ (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
 320 Act, the State Board of Education may make rules regarding the time and manner in which the  
 321 student count shall be made for allocation of the money under Subsection (3)(a)(iii).

322 (4) To receive its allocation under Subsection (3):

323 (a) a school shall have established a school community council in accordance with  
 324 Section [53A-1a-108](#); and

325 (b) the school's principal shall provide a signed, written assurance in accordance with  
 326 rules of the State Board of Education that the membership of the school community council is  
 327 consistent with the membership requirements specified in Section [53A-1a-108](#).

328 (5) (a) (i) The school community council or its subcommittee shall create a program to  
 329 use its allocation under Subsection (3) to implement a component of the ~~[school's]~~ school  
 330 improvement plan described under Subsection [53A-1a-108.5\(2\)](#), including:

331 ~~[(i)]~~ (A) the school's identified most critical academic needs;

332 ~~[(ii)]~~ (B) a recommended course of action to meet the identified academic needs;

333 ~~[(iii)]~~ (C) a specific listing of any programs, practices, materials, or equipment which  
 334 the school will need to implement a component of its school improvement plan to have a direct  
 335 impact on the instruction of students and result in measurable increased student performance;

336 and

337 ~~[(iv)]~~ (D) how the school intends to spend its allocation of funds under this section to  
338 enhance or improve academic excellence at the school.

339 (ii) A school community council or its subcommittee may not use its allocation under  
340 Subsection (3) to supplant other state, federal, or local funds that would otherwise be available  
341 for a school's educational programs.

342 (b) (i) A school community council shall create and vote to adopt a plan for the use of  
343 School LAND Trust Program money in a meeting of the school community council at which a  
344 quorum is present.

345 (ii) If a majority of the quorum votes to adopt a plan for the use of School LAND Trust  
346 Program money, the plan is adopted.

346a **Ŝ→ (iii) Before adopting a plan, a school community council shall:**

346b **(A) inform parents of the amount and proposed uses of money received by the school**  
346c **under this section; and**

346d **(B) conduct a meeting, to which all parents and faculty are invited, to discuss the**  
346e **proposed uses of the money received under this section.** ←Ŝ

347 (c) A school community council shall:

348 (i) post a plan for the use of School LAND Trust Program money that is adopted in  
349 accordance with Subsection (5)(b) on the School LAND Trust Program website; and

350 (ii) include with the plan a report noting the number of school community council  
351 members who voted for or against the approval of the plan and the number of members who  
352 were absent for the vote.

353 (d) (i) A school's local school board shall approve or disapprove a plan for the use of  
354 School LAND Trust Program money.

355 (ii) If a local school board disapproves a plan for the use of School LAND Trust  
356 Program money, the local school board shall provide a written explanation of why the plan was  
357 disapproved and request the school community council who submitted the plan to revise the  
358 plan.

359 (iii) The school community council shall submit a revised plan to the local school  
360 board for approval.

361 (6) (a) Each school shall:

362 (i) implement the program as approved;

363 (ii) provide ongoing support for the council's program; and

364 (iii) meet State Board of Education reporting requirements regarding financial and  
365 performance accountability of the program.

366 (b) (i) Each school, through its school community council, shall prepare and post an

367 annual report of the program on the School LAND Trust Program website each fall.

368 (ii) The report shall detail the use of program funds received by the school under this  
369 section and an assessment of the results obtained from the use of the funds.

370 (iii) A summary of the report shall be provided to parents or guardians of students  
371 attending the school.

372 (7) (a) The governing board of a charter school shall establish a council, which shall  
373 prepare a plan for the use of School LAND Trust Program money that includes the elements  
374 listed in Subsection (5).

375 (b) (i) The membership of the council shall include parents or guardians of students  
376 enrolled at the school and may include other members.

377 (ii) The number of council members who are parents or guardians of students enrolled  
378 at the school shall exceed all other members combined by at least two.

379 (c) A charter school governing board may serve as the council that prepares a plan for  
380 the use of School LAND Trust Program money if the membership of the charter school  
381 governing board meets the requirements of Subsection (7)(b)(ii).

382 (d) (i) Except as provided in Subsection (7)(d)(ii), council members who are parents or  
383 guardians of students enrolled at the school shall be elected in accordance with procedures  
384 established by the charter school governing board.

385 (ii) Subsection (7)(d)(i) does not apply to a charter school governing board that serves  
386 as the council that prepares a plan for the use of School LAND Trust Program money.

387 (e) A parent or guardian of a student enrolled at the school shall serve as chair or  
388 cochair of a council that prepares a plan for the use of School LAND Trust Program money.

389 (f) A plan for the use of School LAND Trust Program money shall be subject to  
390 approval by the charter school governing board and the entity that authorized the establishment  
391 of the charter school.

392 Section 5. Section **53A-17a-103** is amended to read:

393 **53A-17a-103. Definitions.**

394 As used in this chapter:

395 (1) "Basic state-supported school program" or "basic program" means public education  
396 programs for kindergarten, elementary, and secondary school students that are operated and  
397 maintained for the amount derived by multiplying the number of weighted pupil units for each

398 school district or charter school by the value established each year in statute, except as  
399 otherwise provided in this chapter.

400 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
401 ad valorem property tax revenue equal to the sum of:

402 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
403 previous year from imposing a minimum basic tax rate, as specified in [~~Subsection~~] Section  
404 53A-17a-135~~[(1)(a)]~~; and

405 (ii) the product of:

406 (A) new growth, as defined in:

407 (I) Section 59-2-924; and

408 (II) rules of the State Tax Commission; and

409 (B) the minimum basic tax rate certified by the State Tax Commission for the previous  
410 year.

411 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not  
412 include property tax revenue received statewide from personal property that is:

413 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County  
414 Assessment; and

415 (ii) semiconductor manufacturing equipment.

416 (c) For purposes of calculating the certified revenue levy described in this Subsection  
417 (2), the State Tax Commission shall use:

418 (i) the taxable value of real property assessed by a county assessor contained on the  
419 assessment roll;

420 (ii) the taxable value of real and personal property assessed by the State Tax  
421 Commission; and

422 (iii) the taxable year end value of personal property assessed by a county assessor  
423 contained on the prior year's assessment roll.

424 (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

425 (4) (a) "State-supported minimum school program" or "Minimum School Program"  
426 means public school programs for kindergarten, elementary, and secondary schools as  
427 described in this Subsection (4).

428 (b) The minimum school program established in school districts and charter schools

429 shall include the equivalent of a school term of nine months as determined by the State Board  
430 of Education.

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

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

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

- 439 (i) Basic School Program;
- 440 (ii) Related to Basic Programs;
- 441 (iii) Voted and Board Levy Programs; or
- 442 (iv) Minimum School Program.

443 (5) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of  
444 factors that is computed in accordance with this chapter for the purpose of determining the  
445 costs of a program on a uniform basis for each district.

446 Section 6. Section **53A-17a-135** is amended to read:

447 **53A-17a-135. Minimum basic tax rate -- Certified revenue levy.**

448 (1) (a) Except as provided in Subsection (1)(b), as used in this section, "basic levy  
449 increment rate" means a rate equal to the lesser of:

450 (i) the difference between:

451 (A) a rate of  $\hat{S} \rightarrow$  ~~0.001691~~ .001535  $\leftarrow \hat{S}$  ; and

452 (B) the certified revenue levy;  $\hat{S} \rightarrow$  ~~and~~ or  $\leftarrow \hat{S}$

453 (ii) a rate that:

454 (A) provides an amount of ad valorem property tax revenue equal to \$100,000,000; and

455 (B) is calculated in the same manner as the certified revenue levy.

456 (b) If the difference calculated in Subsection (1)(a)(i) is less than zero, "basic levy

457 increment rate" means a rate equal to  $\hat{S} \rightarrow$  ~~the rate described in Subsection (1)(a)(ii)~~ zero  $\leftarrow \hat{S}$  .

458 ~~(1)~~ (2) (a) In order to qualify for receipt of the state contribution toward the basic

459 program and as its contribution toward its costs of the basic program, each school district shall



460 impose a minimum basic tax rate per dollar of taxable value [~~that generates \$294,092,000 in~~  
461 ~~revenues statewide~~] in accordance with this section.

462 [~~(b) The preliminary estimate for the 2013-14 minimum basic tax rate is .001691.~~]

463 [~~(c) The State Tax Commission shall certify on or before June 22 the rate that~~  
464 ~~generates \$294,092,000 in revenues statewide.~~]

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

467 (b) Except as provided in Subsection (2)(c), beginning on January 1, 2014, the  
468 minimum basic tax rate is the greater of:

469 (i) the certified revenue levy; or

470 (ii) a tax rate of .001691.

471 (c) If the basic levy increment rate is equal to a rate described in Subsection (1)(a)(ii),  
472 the minimum basic tax rate is a rate equal to the sum of:

473 (i) the certified revenue levy; and

474 (ii) the basic levy increment rate.

475 (3) (a) On or before June 8, the State Tax Commission shall provide the State Board of  
476 Education and each school district with an initial estimate of:

477 (i) the minimum basic tax rate to be imposed under Subsection (2); and

478 (ii) the basic levy increment rate.

479 (b) On or before June 22, the State Tax Commission shall certify:

480 (i) the minimum basic tax rate to be imposed under Subsection (2); and

481 (ii) the basic levy increment rate.

482 [~~(2)~~] (4) (a) The state shall contribute to each district toward the cost of the basic  
483 program in the district that portion which exceeds the proceeds of [the levy authorized under  
484 Subsection (1).] the difference between:

485 (i) the minimum basic tax rate imposed under Subsection (2); and

486 (ii) the basic levy increment rate.

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

491 ~~[(3)]~~ (5) (a) If the ~~[proceeds of the levy authorized under Subsection (1) equal or~~  
492 ~~exceed]~~ difference described in Subsection (4)(a) equals or exceeds the cost of the basic  
493 program in a school district, no state contribution shall be made to the basic program.

494 (b) The proceeds of ~~[the levy authorized under Subsection (1) which]~~ the difference  
495 described in Subsection (4)(a) that exceed the cost of the basic program shall be paid into the  
496 Uniform School Fund as provided by law.

497 (6) The State Board of Education shall:

498 (a) deduct from state funds that a school district is authorized to receive under this  
499 chapter an amount equal to the proceeds generated within the school district by the basic levy  
500 increment rate; and

501 (b) deposit the money described in Subsection (6)(a) into the Minimum Basic Growth  
502 Account created in Section [53A-16-101](#).

503 Section 7. Section **59-2-102** is amended to read:

504 **59-2-102. Definitions.**

505 As used in this chapter and title:

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

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

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

516 (4) "Aircraft" is as defined in Section [72-10-102](#).

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

518 (i) operates:

519 (A) on an interstate route; and

520 (B) on a scheduled basis; and

521 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a

522 regularly scheduled route.

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

524 (i) air charter service; or

525 (ii) air contract service.

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

530 (7) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
531 ad valorem property tax revenue equal to the sum of:

532 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
533 previous year from imposing a school minimum basic tax rate, as specified in [Subsection]  
534 Section 53A-17a-135~~(+)(a)~~, or multicounty assessing and collecting levy, as specified in  
535 Section 59-2-1602; and

536 (ii) the product of:

537 (A) new growth, as defined in:

538 (I) Section 59-2-924; and

539 (II) rules of the commission; and

540 (B) the school minimum basic tax rate or multicounty assessing and collecting levy  
541 certified by the commission for the previous year.

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

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

545 (ii) semiconductor manufacturing equipment.

546 (c) For purposes of calculating the certified revenue levy described in this Subsection  
547 (7), the commission shall use:

548 (i) the taxable value of real property assessed by a county assessor contained on the  
549 assessment roll;

550 (ii) the taxable value of real and personal property assessed by the commission; and

551 (iii) the taxable year end value of personal property assessed by a county assessor  
552 contained on the prior year's assessment roll.

553 (8) "County-assessed commercial vehicle" means:

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

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

559 (c) vehicles that are:

560 (i) especially constructed for towing or wrecking, and that are not otherwise used to  
561 transport goods, merchandise, or people for compensation;

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

563 (iii) used as rental passenger cars, travel trailers, or motor homes;

564 (iv) used or licensed in this state for use as ambulances or hearses;

565 (v) especially designed and used for garbage and rubbish collection; or

566 (vi) used exclusively to transport students or their instructors to or from any private,  
567 public, or religious school or school activities.

568 (9) (a) Except as provided in Subsection (9)(b), for purposes of Section 59-2-801,  
569 "designated tax area" means a tax area created by the overlapping boundaries of only the  
570 following taxing entities:

571 (i) a county; and

572 (ii) a school district.

573 (b) Notwithstanding Subsection (9)(a), "designated tax area" includes a tax area created  
574 by the overlapping boundaries of:

575 (i) the taxing entities described in Subsection (9)(a); and

576 (ii) (A) a city or town if the boundaries of the school district under Subsection (9)(a)  
577 and the boundaries of the city or town are identical; or

578 (B) a special service district if the boundaries of the school district under Subsection  
579 (9)(a) are located entirely within the special service district.

580 (10) "Eligible judgment" means a final and unappealable judgment or order under  
581 Section 59-2-1330:

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

584 and

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

587 (i) \$5,000; or

588 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
589 previous fiscal year.

590 (11) (a) "Escaped property" means any property, whether personal, land, or any  
591 improvements to the property, subject to taxation and is:

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

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

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

598 (b) Property that is undervalued because of the use of a different valuation  
599 methodology or because of a different application of the same valuation methodology is not  
600 "escaped property."

601 (12) "Fair market value" means the amount at which property would change hands  
602 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell  
603 and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair  
604 market value" shall be determined using the current zoning laws applicable to the property in  
605 question, except in cases where there is a reasonable probability of a change in the zoning laws  
606 affecting that property in the tax year in question and the change would have an appreciable  
607 influence upon the value.

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

615 (14) "Geothermal fluid" means water in any form at temperatures greater than 120  
616 degrees centigrade naturally present in a geothermal system.

617 (15) "Geothermal resource" means:

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

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

622 (16) (a) "Goodwill" means:

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

624 (A) of a taxpayer; and

625 (B) that are maintained for financial reporting purposes; or

626 (ii) the ability of a business to:

627 (A) generate income:

628 (I) that exceeds a normal rate of return on assets; and

629 (II) resulting from a factor described in Subsection (16)(b); or

630 (B) obtain an economic or competitive advantage resulting from a factor described in  
631 Subsection (16)(b).

632 (b) The following factors apply to Subsection (16)(a)(ii):

633 (i) superior management skills;

634 (ii) reputation;

635 (iii) customer relationships;

636 (iv) patronage; or

637 (v) a factor similar to Subsections (16)(b)(i) through (iv).

638 (c) "Goodwill" does not include:

639 (i) the intangible property described in Subsection (20)(a) or (b);

640 (ii) locational attributes of real property, including:

641 (A) zoning;

642 (B) location;

643 (C) view;

644 (D) a geographic feature;

645 (E) an easement;

- 646 (F) a covenant;
- 647 (G) proximity to raw materials;
- 648 (H) the condition of surrounding property; or
- 649 (I) proximity to markets;
- 650 (iii) value attributable to the identification of an improvement to real property,
- 651 including:
  - 652 (A) reputation of the designer, builder, or architect of the improvement;
  - 653 (B) a name given to, or associated with, the improvement; or
  - 654 (C) the historic significance of an improvement; or
  - 655 (iv) the enhancement or assemblage value specifically attributable to the interrelation
  - 656 of the existing tangible property in place working together as a unit.
- 657 (17) "Governing body" means:
  - 658 (a) for a county, city, or town, the legislative body of the county, city, or town;
  - 659 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
  - 660 Local Districts, the local district's board of trustees;
  - 661 (c) for a school district, the local board of education; or
  - 662 (d) for a special service district under Title 17D, Chapter 1, Special Service District
  - 663 Act:
    - 664 (i) the legislative body of the county or municipality that created the special service
    - 665 district, to the extent that the county or municipal legislative body has not delegated authority
    - 666 to an administrative control board established under Section [17D-1-301](#); or
    - 667 (ii) the administrative control board, to the extent that the county or municipal
    - 668 legislative body has delegated authority to an administrative control board established under
    - 669 Section [17D-1-301](#).
- 670 (18) (a) For purposes of Section [59-2-103](#):
  - 671 (i) "household" means the association of persons who live in the same dwelling,
  - 672 sharing its furnishings, facilities, accommodations, and expenses; and
  - 673 (ii) "household" includes married individuals, who are not legally separated, that have
  - 674 established domiciles at separate locations within the state.
- 675 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 676 commission may make rules defining the term "domicile."

677 (19) (a) Except as provided in Subsection (19)(c), "improvement" means a building,  
678 structure, fixture, fence, or other item that is permanently attached to land, regardless of  
679 whether the title has been acquired to the land, if:

680 (i) (A) attachment to land is essential to the operation or use of the item; and  
681 (B) the manner of attachment to land suggests that the item will remain attached to the  
682 land in the same place over the useful life of the item; or

683 (ii) removal of the item would:  
684 (A) cause substantial damage to the item; or  
685 (B) require substantial alteration or repair of a structure to which the item is attached.

686 (b) "Improvement" includes:  
687 (i) an accessory to an item described in Subsection (19)(a) if the accessory is:  
688 (A) essential to the operation of the item described in Subsection (19)(a); and  
689 (B) installed solely to serve the operation of the item described in Subsection (19)(a);

690 and

691 (ii) an item described in Subsection (19)(a) that:  
692 (A) is temporarily detached from the land for repairs; and  
693 (B) remains located on the land.

694 (c) Notwithstanding Subsections (19)(a) and (b), "improvement" does not include:

695 (i) an item considered to be personal property pursuant to rules made in accordance  
696 with Section 59-2-107;

697 (ii) a moveable item that is attached to land:  
698 (A) for stability only; or

699 (B) for an obvious temporary purpose;

700 (iii) (A) manufacturing equipment and machinery; or

701 (B) essential accessories to manufacturing equipment and machinery;

702 (iv) an item attached to the land in a manner that facilitates removal without substantial  
703 damage to:

704 (A) the land; or

705 (B) the item; or

706 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that  
707 transportable factory-built housing unit is considered to be personal property under Section



708 59-2-1503.

709 (20) "Intangible property" means:

710 (a) property that is capable of private ownership separate from tangible property,

711 including:

712 (i) money;

713 (ii) credits;

714 (iii) bonds;

715 (iv) stocks;

716 (v) representative property;

717 (vi) franchises;

718 (vii) licenses;

719 (viii) trade names;

720 (ix) copyrights; and

721 (x) patents;

722 (b) a low-income housing tax credit;

723 (c) goodwill; or

724 (d) a renewable energy tax credit or incentive, including:

725 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue

726 Code;

727 (ii) a federal energy credit for qualified renewable electricity production facilities under

728 Section 48, Internal Revenue Code;

729 (iii) a federal grant for a renewable energy property under American Recovery and

730 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and

731 (iv) a tax credit under Subsection 59-7-614(2)(c).

732 (21) "Low-income housing tax credit" means:

733 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;

734 or

735 (b) a low-income housing tax credit under:

736 (i) Section 59-7-607; or

737 (ii) Section 59-10-1010.

738 (22) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.

739 (23) "Mine" means a natural deposit of either metalliferous or nonmetalliferous  
740 valuable mineral.

741 (24) "Mining" means the process of producing, extracting, leaching, evaporating, or  
742 otherwise removing a mineral from a mine.

743 (25) (a) "Mobile flight equipment" means tangible personal property that is:

744 (i) owned or operated by an:

745 (A) air charter service;

746 (B) air contract service; or

747 (C) airline; and

748 (ii) (A) capable of flight;

749 (B) attached to an aircraft that is capable of flight; or

750 (C) contained in an aircraft that is capable of flight if the tangible personal property is  
751 intended to be used:

752 (I) during multiple flights;

753 (II) during a takeoff, flight, or landing; and

754 (III) as a service provided by an air charter service, air contract service, or airline.

755 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare  
756 engine that is rotated:

757 (A) at regular intervals; and

758 (B) with an engine that is attached to the aircraft.

759 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
760 commission may make rules defining the term "regular intervals."

761 (26) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,  
762 sand, rock, gravel, and all carboniferous materials.

763 (27) "Personal property" includes:

764 (a) every class of property as defined in Subsection (28) that is the subject of  
765 ownership and not included within the meaning of the terms "real estate" and "improvements";

766 (b) gas and water mains and pipes laid in roads, streets, or alleys;

767 (c) bridges and ferries;

768 (d) livestock, which, for the purposes of the exemption provided under Section

769 [59-2-1112](#), means all domestic animals, honeybees, poultry, fur-bearing animals, and fish; and

770 (e) outdoor advertising structures as defined in Section [72-7-502](#).

771 (28) (a) "Property" means property that is subject to assessment and taxation according  
772 to its value.

773 (b) "Property" does not include intangible property as defined in this section.

774 (29) "Public utility," for purposes of this chapter, means the operating property of a  
775 railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline  
776 company, electrical corporation, telephone corporation, sewerage corporation, or heat  
777 corporation where the company performs the service for, or delivers the commodity to, the  
778 public generally or companies serving the public generally, or in the case of a gas corporation  
779 or an electrical corporation, where the gas or electricity is sold or furnished to any member or  
780 consumers within the state for domestic, commercial, or industrial use. Public utility also  
781 means the operating property of any entity or person defined under Section [54-2-1](#) except water  
782 corporations.

783 (30) (a) Subject to Subsection (30)(b), "qualifying exempt primary residential rental  
784 personal property" means household furnishings, furniture, and equipment that:

785 (i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

786 (ii) are owned by the owner of the dwelling unit that is the primary residence of a  
787 tenant; and

788 (iii) after applying the residential exemption described in Section [59-2-103](#), are exempt  
789 from taxation under this chapter in accordance with Subsection [59-2-1115\(2\)](#).

790 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
791 commission may by rule define the term "dwelling unit" for purposes of this Subsection (30)  
792 and Subsection (33).

793 (31) "Real estate" or "real property" includes:

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

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

798 (c) improvements.

799 (32) "Relationship with an owner of the property's land surface rights" means a  
800 relationship described in Subsection 267(b), Internal Revenue Code:

801 (a) except that notwithstanding Subsection 267(b), Internal Revenue Code, the term  
802 25% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code; and

803 (b) using the ownership rules of Subsection 267(c), Internal Revenue Code, for  
804 determining the ownership of stock.

805 (33) (a) Subject to Subsection (33)(b), "residential property," for the purposes of the  
806 reductions and adjustments under this chapter, means any property used for residential  
807 purposes as a primary residence.

808 (b) Subject to Subsection (33)(c), "residential property":

809 (i) except as provided in Subsection (33)(b)(ii), includes household furnishings,  
810 furniture, and equipment if the household furnishings, furniture, and equipment are:

811 (A) used exclusively within a dwelling unit that is the primary residence of a tenant;  
812 and

813 (B) owned by the owner of the dwelling unit that is the primary residence of a tenant;  
814 and

815 (ii) does not include property used for transient residential use.

816 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
817 commission may by rule define the term "dwelling unit" for purposes of Subsection (30) and  
818 this Subsection (33).

819 (34) "Split estate mineral rights owner" means a person who:

820 (a) has a legal right to extract a mineral from property;

821 (b) does not hold more than a 25% interest in:

822 (i) the land surface rights of the property where the wellhead is located; or

823 (ii) an entity with an ownership interest in the land surface rights of the property where  
824 the wellhead is located;

825 (c) is not an entity in which the owner of the land surface rights of the property where  
826 the wellhead is located holds more than a 25% interest; and

827 (d) does not have a relationship with an owner of the land surface rights of the property  
828 where the wellhead is located.

829 (35) (a) "State-assessed commercial vehicle" means:

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

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

835 (b) "State-assessed commercial vehicle" does not include vehicles used for hire which  
836 are specified in Subsection (8)(c) as county-assessed commercial vehicles.

837 (36) "Taxable value" means fair market value less any applicable reduction allowed for  
838 residential property under Section 59-2-103.

839 (37) "Tax area" means a geographic area created by the overlapping boundaries of one  
840 or more taxing entities.

841 (38) "Taxing entity" means any county, city, town, school district, special taxing  
842 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
843 Districts, or other political subdivision of the state with the authority to levy a tax on property.

844 (39) "Tax roll" means a permanent record of the taxes charged on property, as extended  
845 on the assessment roll and may be maintained on the same record or records as the assessment  
846 roll or may be maintained on a separate record properly indexed to the assessment roll. It  
847 includes tax books, tax lists, and other similar materials.

848 Section 8. Section 59-2-926 is amended to read:

849 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

850 If the state authorizes a levy pursuant to [~~Section 53A-17a-135 that exceeds the~~  
851 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy pursuant to~~]  
852 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the  
853 state shall publish a notice no later than 10 days after the last day of the annual legislative  
854 general session that meets the following requirements:

855 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state  
856 authorized a levy that generates revenue in excess of the previous year's ad valorem tax  
857 revenue, plus new growth, but exclusive of revenue from collections from redemptions,  
858 interest, and penalties:

859 (i) in a newspaper of general circulation in the state; and

860 (ii) as required in Section 45-1-101.

861 (b) Except an advertisement published on a website, the advertisement described in  
862 Subsection (1)(a):

863 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18  
864 point, and surrounded by a 1/4-inch border:

865 (ii) may not be placed in that portion of the newspaper where legal notices and  
866 classified advertisements appear; and

867 (iii) shall be run once.

868 (2) The form and content of the notice shall be substantially as follows:

869 "NOTICE OF TAX INCREASE

870 The state has budgeted an increase in its property tax revenue from \$ \_\_\_\_\_ to  
871 \$ \_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following  
872 sources (include all of the following provisions):

873 (a) \$ \_\_\_\_\_ of the increase will come from (provide an explanation of the cause  
874 of adjustment or increased revenues, such as reappraisals or factoring orders);

875 (b) \$ \_\_\_\_\_ of the increase will come from natural increases in the value of the  
876 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

877 (c) a home valued at \$100,000 in the state of Utah which based on last year's [~~levy for~~  
878 ~~the basic state-supported school program;~~] levy for the Property Tax Valuation Agency Fund,  
879 [~~or both~~] paid \$ \_\_\_\_\_ in property taxes would pay the following:

880 (i) \$ \_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue  
881 exclusive of new growth; and

882 (ii) \$ \_\_\_\_\_ under the increased property tax revenues exclusive of new growth  
883 budgeted by the state of Utah."

884 Section 9. **Repealer.**

885 This bill repeals:

886 Section **53A-17a-131.17, State contribution for School LAND Trust Program.**

887 Section 10. **Retrospective operation.**

888 This bill has retrospective operation to January 1, 2014.