

## HB0119S01 compared with HB0119

~~deleted text~~ shows text that was in HB0119 but was deleted in HB0119S01.

inserted text shows text that was not in HB0119 but was inserted into HB0119S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Kraig Powell proposes the following substitute bill:

### CHARTER SCHOOL FINANCE AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Bradley G. Last**

Senate Sponsor: \_\_\_\_\_

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#### LONG TITLE

##### General Description:

This bill modifies funding for charter schools and the content of a property tax notice.

##### Highlighted Provisions:

This bill:

- ▶ requires a school district to allocate 25% of district per pupil revenues for each student of the school district who is enrolled in a charter school regardless of the charter school students' average local revenues~~{}:~~ 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:

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None

### Utah Code Sections Affected:

AMENDS:

**53A-1a-513**, as last amended by Laws of Utah 2013, Chapter 470

[59-2-1317](#), as last amended by Laws of Utah 2014, Chapter 279

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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.**

(1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) "District per pupil local revenues" means an amount equal to the following, using data from the most recently published school district annual financial reports and state superintendent's annual report:

(i) district local property tax revenues; divided by

(ii) the sum of:

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

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

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

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

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

(ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district average daily membership.

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

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

(3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.

(b) For the 2013-14 and 2014-15 school years, the number of weighted pupil units assigned to a charter school for the kindergarten and grades 1 through 12 programs of the Basic School Program shall be:

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(i) based on the higher of:

(A) October 1 enrollment in the current school year; or

(B) average daily membership in the prior school year plus growth as determined under Section 53A-17a-106; and

(ii) weighted as provided in Subsection (3)(c).

(c) In distributing funds under Chapter 17a, Minimum School Program Act, to charter schools, charter school pupils shall be weighted, where applicable, as follows:

(i) .55 for kindergarten pupils;

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

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

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

(4) (a) (i) A school district shall allocate a portion of school district revenues for each resident student of the school district who is enrolled in a charter school on October 1 equal to 25% of the [~~lesser of: (A)~~] district per pupil local revenues[~~;~~ ~~or~~].

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

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

(b) The State Board of Education shall:

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

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

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

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

(ii) the revenue sources listed in Subsection (1)(b) based on the portion of the allocations to charter schools attributed to each of the revenue sources listed in Subsection (1)(b).

(d) (i) Subject to future budget constraints, the Legislature shall provide an appropriation for charter schools for each student enrolled on October 1 to supplement the

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allocation of school district revenues under Subsection (4)(a).

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

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

(B) statewide average debt service revenues.

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

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

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

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

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

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

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

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

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

(8) (a) (i) In accordance with Section 53A-1a-513.5, the State Charter School Board may allocate grants for start-up costs to charter schools from money appropriated for charter

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school start-up costs.

(ii) The governing board of a charter school that receives money from a grant under Section 53A-1a-513.5 shall use the grant for expenses for planning and implementation of the charter school.

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

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

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

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### Legislative Review Note

— as of ~~7-18-14 3:15 PM~~

— ~~Office of Legislative Research and General Counsel;~~ Section 2. Section 59-2-1317 is amended to read:

**59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for providing notice.**

(1) Subject to the other provisions of this section, the county treasurer shall:

(a) collect the taxes; and

(b) provide a notice to each taxpayer that contains the following:

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

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

(iii) that the property may be subject to a detailed review in the next year under Section

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59-2-303.1:

(iv) the amount of taxes levied;

(v) a separate statement of the taxes levied only on a certain kind or class of property for a special purpose;

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

(vii) if applicable, the amount of an assessment assessed in accordance with Section 11-42-401;

(viii) the date the taxes are due;

(ix) the street address at which the taxes may be paid;

(x) the date on which the taxes are delinquent;

(xi) the penalty imposed on delinquent taxes;

(xii) the information required by Subsection (6);

~~(xiii)~~ (xiii) other information specifically authorized to be included on the notice under this chapter; and

~~(xiv)~~ (xiv) other property tax information approved by the commission.

(2) For any property for which property taxes are delinquent, the notice described in Subsection (1) shall state, "Prior taxes are delinquent on this parcel."

(3) Except as provided in Subsection (4), the county treasurer shall:

(a) mail the notice required by this section, postage prepaid; or

(b) leave the notice required by this section at the taxpayer's residence or usual place of business, if known.

(4) (a) Subject to the other provisions of this Subsection (4), a county treasurer may, at the county treasurer's discretion, provide the notice required by this section by electronic mail if a taxpayer makes an election, according to procedures determined by the county treasurer, to receive the notice by electronic mail.

(b) A taxpayer may revoke an election to receive the notice required by this section by electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.

(c) A revocation of an election under this section does not relieve a taxpayer of the duty to pay a tax due under this chapter on or before the due date for paying the tax.

(d) A county treasurer shall provide the notice required by this section using a method

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described in Subsection (3), until a taxpayer makes a new election in accordance with this Subsection (4), if:

(i) the taxpayer revokes an election in accordance with Subsection (4)(b) to receive the notice required by this section by electronic mail; or

(ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

(e) A person is considered to be a taxpayer for purposes of this Subsection (4) regardless of whether the property that is the subject of the notice required by this section is exempt from taxation.

(5) (a) The county treasurer shall provide the notice required by this section to a taxpayer on or before November 1.

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

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

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

(b) For purposes of the statement required by Subsection (6)(a), a treasurer shall determine the amount of property taxes described in Subsection (6)(a) in accordance with a formula established by the commission in rules adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(c) By the date specified by the commission in rules adopted under Subsection (6)(b), the State Board of Education shall report to county treasurers the estimated amount of revenues of each school district to be distributed to charter schools as provided in Section 53A-1a-513.

~~(6)~~ (7) This section does not apply to property taxed under Section 59-2-1302 or 59-2-1307.