

Representative Fred C. Cox proposes the following substitute bill:

VOTED AND BOARD LOCAL LEVY MODIFICATIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Fred C. Cox

Senate Sponsor: Lyle W. Hillyard

LONG TITLE

General Description:

This bill amends provisions related to the voted and board local levies.

Highlighted Provisions:

This bill:

▶ amends the state contribution guarantee amount and related rate for the voted and board local levies.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53A-17a-133, as last amended by Laws of Utah 2015, Chapter 287

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

Section 1. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted local levy authorized -- Election requirements -- State guarantee -- Reconsideration of the program.



26 (1) As used in this section, "voted and board local levy funding balance" means the
27 difference between:

28 (a) the amount appropriated for the voted and board local levy program in a fiscal year;
29 and

30 (b) the amount necessary to provide the state guarantee per weighted pupil unit as
31 determined under this section and Section 53A-17a-164 in the same fiscal year.

32 (2) An election to consider adoption or modification of a voted local levy is required if
33 initiative petitions signed by 10% of the number of electors who voted at the last preceding
34 general election are presented to the local school board or by action of the board.

35 (3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at
36 an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special
37 tax.

38 (ii) The tax rate may not exceed .002 per dollar of taxable value.

39 (b) Except as provided in Subsection (3)(c), in order to receive state support the first
40 year, a district must receive voter approval no later than December 1 of the year prior to
41 implementation.

42 (c) Beginning on or after January 1, 2012, a school district may receive state support in
43 accordance with Subsection (4) without complying with the requirements of Subsection (3)(b)
44 if the local school board imposed a tax in accordance with this section during the taxable year
45 beginning on January 1, 2011, and ending on December 31, 2011.

46 (4) (a) In addition to the revenue a school district collects from the imposition of a levy
47 pursuant to this section, the state shall contribute an amount sufficient to guarantee [~~\$33.27~~
48 \$35.55 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

49 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
50 of taxable value under Subsection (4)(a) shall apply to the portion of the board local levy
51 authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per
52 dollar of taxable value if a school district levies a tax rate under both programs.

53 (c) (i) Beginning July 1, 2015, the [~~\$33.27~~] \$35.55 guarantee under Subsections (4)(a)
54 and (b) shall be indexed each year to the value of the weighted pupil unit for the grades 1
55 through 12 program by making the value of the guarantee equal to [~~1.01194~~] .011962 times the
56 value of the prior year's weighted pupil unit for the grades 1 through 12 program.

57 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
58 pupil unit for the grades 1 through 12 program for each succeeding year subject to the
59 Legislature appropriating funds for an increase in the guarantee.

60 (d) (i) The amount of state guarantee money to which a school district would otherwise
61 be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the
62 district's levy is reduced as a consequence of changes in the certified tax rate under Section
63 59-2-924 pursuant to changes in property valuation.

64 (ii) Subsection (4)(d)(i) applies for a period of five years following any such change in
65 the certified tax rate.

66 (e) The guarantee provided under this section does not apply to the portion of a voted
67 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal
68 year, unless an increase in the voted local levy rate was authorized in an election conducted on
69 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

70 (f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the
71 State Board of Education shall:

72 (A) use the voted and board local levy funding balance to increase the value of the state
73 guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

74 (B) distribute the state contribution to the voted and board local levy programs to
75 school districts based on the increased value of the state guarantee per weighted pupil unit
76 described in Subsection (4)(f)(i)(A).

77 (ii) The State Board of Education shall report action taken under this Subsection (4)(f)
78 to the Office of [the] Legislative Fiscal Analyst and the Governor's Office of [Planning]
79 Management and Budget.

80 (5) (a) An election to modify an existing voted local levy is not a reconsideration of the
81 existing authority unless the proposition submitted to the electors expressly so states.

82 (b) A majority vote opposing a modification does not deprive the district of authority to
83 continue the levy.

84 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
85 school board levies, the board must allow the electors, in an election, to consider modifying or
86 discontinuing the imposition of the levy prior to a subsequent increase in other levies that
87 would increase the total local school board levy.

88 (d) Nothing contained in this section terminates, without an election, the authority of a
89 school district to continue imposing an existing voted local levy previously authorized by the
90 voters as a voted leeway program.

91 (6) Notwithstanding Section 59-2-919, a school district may budget an increased
92 amount of ad valorem property tax revenue derived from a voted local levy imposed under this
93 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without
94 having to comply with the notice requirements of Section 59-2-919, if:

95 (a) the voted local levy is approved:

96 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

97 (ii) within the four-year period immediately preceding the year in which the school
98 district seeks to budget an increased amount of ad valorem property tax revenue derived from
99 the voted local levy; and

100 (b) for a voted local levy approved or modified in accordance with this section on or
101 after January 1, 2009, the school district complies with the requirements of Subsection (8).

102 (7) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
103 section that exceeds the certified tax rate without having to comply with the notice
104 requirements of Section 59-2-919 if:

105 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
106 increased amount of ad valorem property tax revenue derived from a voted local levy imposed
107 under this section;

108 (b) the voted local levy was approved:

109 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

110 (ii) within the four-year period immediately preceding the year in which the school
111 district seeks to budget an increased amount of ad valorem property tax revenue derived from
112 the voted local levy; and

113 (c) for a voted local levy approved or modified in accordance with this section on or
114 after January 1, 2009, the school district complies with requirements of Subsection (8).

115 (8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the
116 electors regarding the adoption or modification of a voted local levy shall contain the following
117 statement:

118 "A vote in favor of this tax means that (name of the school district) may increase

119 revenue from this property tax without advertising the increase for the next five years."

120 (9) (a) Before imposing a property tax levy pursuant to this section, a school district
121 shall submit an opinion question to the school district's registered voters voting on the
122 imposition of the tax rate so that each registered voter has the opportunity to express the
123 registered voter's opinion on whether the tax rate should be imposed.

124 (b) The election required by this Subsection (9) shall be held:

125 (i) at a regular general election conducted in accordance with the procedures and
126 requirements of Title 20A, Election Code, governing regular elections;

127 (ii) at a municipal general election conducted in accordance with the procedures and
128 requirements of Section 20A-1-202; or

129 (iii) at a local special election conducted in accordance with the procedures and
130 requirements of Section 20A-1-203.

131 (c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or
132 after January 1, 2012, a school district may levy a tax rate in accordance with this section
133 without complying with the requirements of Subsections (9)(a) and (b) if the school district
134 imposed a tax in accordance with this section at any time during the taxable year beginning on
135 January 1, 2011, and ending on December 31, 2011.

136 (10) If a school district determines that a majority of the school district's registered
137 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
138 rate in accordance with Subsection (9), the school district may impose the tax rate.

139 Section 2. **Effective date.**

140 If approved by two-thirds of all the members elected to each house, this bill takes effect
141 upon approval by the governor, or the day following the constitutional time limit of Utah
142 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
143 the date of veto override.