

**Representative Scott D. Sandall** proposes the following substitute bill:

**SCHOOL FUNDING PROVISIONS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: Daniel McCay

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**LONG TITLE**

**General Description:**

This bill requires the State Board of Education to report on certain school funding.

**Highlighted Provisions:**

This bill:

- ▶ requires the State Board of Education to submit a report to the Public Education Appropriations Subcommittee on increasing the amount of state guarantee money.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

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*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 per  
48 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 guarantee under Subsections (4)(a) and (b)  
54 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12  
55 program by making the value of the guarantee equal to .011194 times the value of the prior  
56 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 and  
79 Budget.

80 (g) On or before October 31, 2016, the State Board of Education shall report to the  
81 Public Education Appropriations Subcommittee on the impact of increasing the amount of state  
82 guarantee money that a school district may receive from the voted and board local levy  
83 guarantee programs by increasing the maximum rate the state will guarantee as described in  
84 this Subsection (4) and Section [53A-17a-164](#).

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

87 (b) A majority vote opposing a modification does not deprive the district of authority to

88 continue the levy.

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

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

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

100 (a) the voted local levy is approved:

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

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

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

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

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

113 (b) the voted local levy was approved:

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

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

118 (c) for a voted local levy approved or modified in accordance with this section on or

119 after January 1, 2009, the school district complies with requirements of Subsection (8).

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

123 "A vote in favor of this tax means that (name of the school district) may increase  
124 revenue from this property tax without advertising the increase for the next five years."

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

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

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

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

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

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

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